



Lynch Hall & Hornby
23 Peterborough Road, Harrow , HA1 2BD
Recognised body
053491

[Fined Date: 22 January 2025](#)

Decision - Fined

Outcome: Fine

Outcome date: 22 January 2025

Published date: 6 June 2025

Firm details

No detail provided:

Outcome details

This outcome was reached by SRA decision.

Decision details

The firm was fined for failing to ensure it had relevant documentation in place to prevent activities relating to money laundering and terrorist financing as required by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017).

Reasons/basis

The firm carries out conveyancing work and is therefore an 'in scope' firm for the purposes of the MLRs 2017.

Between July and October 2023, the SRA's anti-money laundering (AML) proactive supervision team carried out an AML desk-based review of the firm to assess its compliance with the MLRs 2017. In November 2023, an SRA AML regulatory manager notified the firm that she had concerns that its process for checking source of funds was not in compliance with Regulation 28(11)(a) of the MLRs 2017.

These concerns led to a referral to the SRA's AML investigation team.

It was found that in five out of eight files reviewed by the SRA, the firm failed to ensure that adequate measures were taken to establish the



customer's source of funds, contrary to Regulation 28(11) of the MLRs 2017.

This relates to the firm's conduct on a number of conveyancing files between 2018 and 2024.

Insofar as the conduct took place before 25 November 2019, the firm breached Outcomes 7.2 and 7.5 of the SRA Code of Conduct 2011 and Principles 6 and 8 of the SRA Principles 2011.

Insofar as the conduct took place after 25 November 2019, the firm breached paragraphs 2.1(a) and 3.1 of the SRA Code of Conduct 2019 and Principle 2 of the SRA Principles 2019.

Decision on sanction

It was decided that a financial penalty was an appropriate and proportionate sanction.

The firm was directed to pay a financial penalty of £16,260 and costs of £1,350.

This was because the firm's conduct was serious by reference to the following factors in the SRA Enforcement Strategy:

- The findings relate to breaches of the MLRs 2017, which protect the public from the serious consequences of money laundering and terrorist financing. The associated risks were heightened given the high proportion of the firm's work that was 'in scope' of the MLRs 2017.
- Its conduct was a breach of its regulatory obligations which persisted for longer than was reasonable.
- The firm was responsible for its own conduct which was serious and had the potential to cause harm to the public interest and to public confidence in the legal profession.
- Any lesser sanction would not provide a credible deterrent to the firm, and others. A credible deterrent plays a key role in maintaining professional standards and upholding public confidence.

In view of the above, the firm's conduct was placed in conduct band C which has a financial penalty of 1.6% to 3.2% of annual domestic turnover. The firm's conduct was placed at band C1 (1.6% of annual domestic turnover).

The following mitigating factors were considered:

- There was no suggestion that the firm had been dishonest or lacking in integrity.
- The firm had cooperated with the SRA investigation and admitted its misconduct.



- There was no evidence that harm had actually materialised as a result of the misconduct.
- The firm had now taken steps to bring itself into compliance with the rules.

The financial penalty was reduced by 30% in recognition of these factors.

SRA Standards and Regulations breached

SRA Principles 2011

Principle 6

You must behave in a way that maintains the trust the public places in you and in the provision of legal services.

Principle 8

You must run your business or carry out your role in the business effectively and in accordance with proper governance and sound financial and risk management principles.

SRA Principles 2019

Principle 2

You act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.

SRA Code of Conduct 2011

Outcome 7.2

You have effective systems and controls in place to achieve and comply with all the Principles, rules and outcomes and other requirements of the Handbook where applicable.

Outcome 7.5

You comply with legislation applicable to your business, including anti-money laundering and data protection legislation.

SRA Code of Conduct for Firms 2019

Paragraph 2.1(a)

You have effective governance structures, arrangements, systems and controls in place that ensure you comply with all the SRA's regulatory arrangements, as well as with other regulatory and legislative requirements, which apply to you.

Paragraph 3.1

You keep up to date with and follow the law and regulation governing the way you work.

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