



## **Perrin Myddelton Limited (Perrin Myddelton)**

**10 Waterside Station Road, HARPENDEN , AL5 4US**

**Licenced body**

**646401**

**Fined Date: 27 May 2025**

### **Decision - Fined**

Outcome: Fine

Outcome date: 27 May 2025

Published date: 30 May 2025

### **Firm details**

#### **Firm or organisation at time of matters giving rise to outcome**

Name: Perrin Myddelton Limited

Address(es): 10 Waterside, Station Road, HARPENDEN, AL5 4US

Firm ID: 646601

### **Outcome details**

This outcome was reached by SRA decision.

#### **Decision details**

##### **1. Agreed outcome**

1.1 Perrin Myddelton Limited (the firm), a licensed body, authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation:

- a. it is fined £14,995,
- b. to the publication of this agreement, and
- c. it will pay the costs of the investigation of £600.

##### **2. Summary of Facts**

2.1 We carried out an investigation into the firm following a desk-based review by our AML Proactive Supervision team.



2.2 Our investigation identified areas of concern in relation to the firm's compliance with The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017), the SRA Principles 2011, the SRA Code of Conduct 2011, the SRA Principles 2019 and the SRA Code of Conduct for Firms 2019. Policies, Controls and Procedures (PCPs)

2.3 Between 1 May 2018 and December 2024, the firm failed to establish and maintain fully compliant PCPs, which mitigate and effectively manage the risks of money laundering and terrorist financing and regularly review and update them pursuant to Regulation 19(1)(b) of the MLRs 2017.

2.4 When we reviewed the firm's PCPs, we found that they did not include many of the required criteria or required additional information.

2.5 We requested that the firm provide revised and compliant PCPs taking into account the guidance we provided. We are satisfied that the firm's revised PCPs meet the requirements of Regulation 19 of the MLRs 2017, as of December 2024. Client and Matter Risk Assessments (CMRAs)

2.6 In six files reviewed, the firm failed to sufficiently assess the level of risk, as required by Regulation 28(12) and Regulation 28(13) of the MLRs 2017.

2.7 The firm provided its risk assessment template (CMRA) at the beginning of the desk-based review. Although this had been completed on the six files that were provided, the information present did not ask any AML specific questions or confirm an assessment of the level of risk arising in that case.

2.8 It was unclear how the firm had been risk assessing clients and matters. The Legal Sector Affinity Group (LSAG) guidance suggests risk assessment documentation should be kept up to date and be clear, in providing an audit trail of the decision-making process and rationale throughout the matter. This enables firms to demonstrate adequate consideration of risks to us (as the firm's AML supervisor), law enforcement or the courts.

2.9 Following the desk-based review, we requested that the firm ensure all of its in-scope files contain a completed and compliant CMRA. The firm has demonstrated to us that it is now complying with Regulation 28(12) and (13) of the MLRs 2017.

### **3. Admissions**

3.1 The firm admits, and the SRA accepts, that by failing to comply with the MLRs 2017: From 1 May 2018 to 24 November 2019 (when the SRA Handbook 2011 was in force), the firm has breached:



- a. Principle 6 of the SRA Principles 2011 – which states you must behave in a way that maintains the trust the public places in you and in the provision of legal services.
- b. Principle 8 of the SRA Principles 2011 – which states you must run your business or carry out your role in the business effectively and in accordance with proper governance and sound financial risk management principles.

And the firm has failed to achieve:

- c. Outcome 7.2 of the SRA Code of Conduct 2011 – which states that 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.
- d. Outcome 7.5 of the SRA Code of Conduct 2011 – which states you comply with legislation applicable to your business, including anti-money laundering and data protection legislation.

From 25 November 2019 (when the SRA Standards and Regulations came into force) until December 2024 it has breached:

- e. Principle 2 of the SRA Principles 2019 – which states you act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.
- f. Paragraph 2.1(a) of the SRA Code of Conduct for Firms 2019 – which states 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.
- g. Paragraph 3.1 of the SRA Code of Conduct for Firms 2019 – which states that you keep up to date with and follow the law and regulation governing the way you work.

#### **4. Why a fine is an appropriate outcome**

4.1 The SRA's Enforcement Strategy sets out its approach to the use of its enforcement powers where there has been a failure to meet its standards or requirements.

4.2 When considering the appropriate sanctions and controls in this matter, the SRA has taken into account the admissions made by the firm and the following mitigation:

- The firm has ensured that it is now compliant with the MLRs 2017.
- The firm has cooperated with the SRA's AML Proactive and Investigations teams.
- The firm's client base is low risk.

4.3 The SRA considers that a fine is the appropriate outcome because:



- The conduct showed a disregard for statutory and regulatory obligations and had the potential to cause harm, by facilitating dubious transactions that could have led to money laundering (and/or terrorist financing). This could have been avoided had the firm established adequate AML documentation and controls.
- It was incumbent on the firm to meet the requirements set out in the MLRs 2017. The firm failed to do so. The public would expect a firm of solicitors to comply with its legal and regulatory obligations, to protect against these risks as a bare minimum.
- The agreed outcome is a proportionate outcome in the public interest because it creates a credible deterrent to others and the issuing of such a sanction signifies the risk to the public, and the legal sector, that arises when solicitors do not comply with anti-money laundering legislation and their professional regulatory rules.

4.4 Rule 4.1 of the Regulatory and Disciplinary Procedure Rules states that a financial penalty may be appropriate to maintain professional standards and uphold public confidence in the solicitors' profession and in legal services provided by authorised persons. There is nothing within this Agreement which conflicts with Rule 4.1 of the Regulatory and Disciplinary Rules and on that basis, a financial penalty is appropriate.

## **5. Amount of the fine**

5.1 The amount of the fine has been calculated in line with the SRA's published guidance on its approach to setting an appropriate financial penalty (the Guidance).

5.2 Having regard to the Guidance, the SRA and the firm agree that the nature of the misconduct was more serious (score of three). This is because the firm's failure to ensure it had proper documentation in place for over six years, shows a persistent disregard of the firm's regulatory obligations. This is more serious given that the lack of AML procedures at the firm resulted in an impact at file level, with 100% of the files we reviewed being deficient in AML control standards. Further, the firm's PCPs did not explain its approach to risk assessing clients and matters.

5.3 The SRA considers that the impact of the misconduct was low (score of two). This is because, although the firm's conduct left it vulnerable to the risks of money laundering, particularly when acting in conveyancing transactions, the firm has historically has only taken on a small amount of high-risk work which is mitigated by the low-risk nature of its clients. The firm also demonstrated that it was considering the risks at firm level.

5.4 The nature and impact scores add up to five and this places the penalty in Band 'B', as directed by the Guidance, which indicates a broad penalty bracket of between 0.4% and 1.2% of the firm's annual domestic turnover.



5.5 The SRA considers a basic penalty in the middle of the bracket to be appropriate which determines a basic penalty of £18,744.

5.6 The SRA considers that the basic penalty should be reduced to £14,995. This reduction reflects the mitigation at paragraph 4.2 above.

5.7 The firm does not appear to have made any financial gain or received any other benefit as a result of its conduct. Therefore, no adjustment is necessary to remove this and the amount of the fine is £14,995.

## **6. Publication**

6.1 The SRA considers it appropriate that this agreement is published in the interests of transparency in the regulatory and disciplinary process. The firm agrees to the publication of this agreement.

## **7. Acting in a way which is inconsistent with this agreement**

7.1 The firm agrees that it will not deny the admissions made in this agreement or act in any way which is inconsistent with it.

7.2 If the firm denies the admissions, or acts in a way which is inconsistent with this agreement, the conduct which is subject to this agreement may be considered further by the SRA. That may result in a disciplinary outcome or a referral to the Solicitors Disciplinary Tribunal on the original facts and allegations.

7.3 Acting in a way which is inconsistent with this agreement may also constitute a separate breach of principles 2 and 5 of the Principles and paragraph 3.2 of the Code of Conduct for Firms.

## **8. Costs**

8.1 The firm agrees to pay the costs of the SRA's investigation in the sum of £600. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

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