

Pearcelegal Limited (Pearcelegal Limited)
2 The Square, Solihull , B91 3RB
Licensed body
423097

[Agreement Date: 22 September 2025](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 22 September 2025

Published date: 23 September 2025

Firm details

Firm or organisation at date of publication and at time of matters giving rise to outcome

Name: Pearcelegal Limited

Address(es): 2 The Square, Solihull, B91 3RB

Firm ID: 423097

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Pearcelegal Limited (the Firm), a licensed body, agrees to the following outcome to the investigation of its conduct by the Solicitors Regulation Authority (SRA):

- a. it is fined £12,958.
- b. to the publication of this agreement.
- 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 and the SRA Code of Conduct for Firms.

Firm-Wide Risk Assessment (FWRA)

2.3 Between 26 June 2017 and 16 May 2023, the firm failed to have in place a documented assessment of the risks of money laundering and terrorist financing to which its business was subject (a firm-wide risk assessment (FWRA)), pursuant to Regulations 18(1) and 18(4) of the MLRs 2017.

2.4 Between 17 May 2023 and 15 November 2024, the firm failed to have in place an appropriate FWRA that identified and assessed the risks of money laundering to which it was subject, taking into account all risk factors, pursuant to Regulation 18(2) of the MLRs 2017.

2.5 The firm confirmed to us in a questionnaire that its FWRA was first drafted on 16 May 2023. This is despite the firm previously declaring to us in 2020 that it had a compliant FWRA in place at that time.

2.6 As part of the desk-based review we requested the FWRA, as of May 2023, to review its compliance with the regulations. It was found that this document did not cover all of the mandatory areas required to be compliant.

2.7 The firm provided an updated FWRA, dated 15 November 2024, which had been improved and adapted based on the feedback we provided. We are satisfied that this document meets the requirements of Regulation 18 of the MLRs 2017.

3. Admissions

3.1 The firm makes the following admissions, which we accept, that by failing to comply with the MLRs 2017:

From 26 June 2017 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 November 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:

- a. The firm has ensured that it is now compliant with the MLRs 2017.
- b. The firm has cooperated with the SRA's AML Proactive and Investigations teams.
- c. The firm had a good foundation of policies, controls and procedures (PCPs), as required by Regulation 19 of the MLRs 2017.
- d. No issues were identified when specific files were reviewed, suggesting no harm has been caused.

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

- a. 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.
- b. 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.

- c. 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 as more than half of the firm's work falls within scope of the MLRs 2017. The firm should have been prompted to put in place a FWRA when it submitted its declaration in January 2020. Further, the firm has failed to pay sufficient regard to the SRA's warning notice on the same dated 7 May 2019 (updated 25 November 2019).

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, it is recognised that the firm has been giving consideration to the regulations during the period. For example, limited feedback was provided on the firm's PCPs, and we did not identify any issues with the files inspected during the desk-based review.

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 at the higher end of the bracket to be appropriate which determines a basic penalty of £15,245.

5.6 The SRA considers that the basic penalty should be reduced to £12,958. 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 £12,958.

6. Publication

6.1 Section 87(1) of the Legal Services Act 2007 (LSA 2007) and the Registers of licenced bodies: Section 87(4) rules, require the SRA, as a licencing authority, to maintain and publish a register of licenced bodies, which includes information on enforcement action or sanctions imposed on a licenced body, owner or employee of a licenced body.

6.2 This agreement confirms a decision has been made under Section 95 of the LSA 2007 to fine Pearcelegal Limited, which is a licenced body, which will be published. We do not have any discretion not to publish the decision.

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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