

PCB Lawyers LLP
Cavendish Court, 11-15 Wigmore Street, London ,
W1U 1PF
Recognised body
441402

[Agreement Date: 20 March 2025](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 20 March 2025

Published date: 24 March 2025

Firm details

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

Name: PCB Lawyers LLP

Address(es): Cavendish Court, 11-15 Wigmore Street, London, W1U 1PF

Firm ID: 441402

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 PCB Lawyers LLP (the Firm), a recognised body, agrees to the following outcome to the investigation of its conduct by the Solicitors Regulation Authority (SRA):

- a. it is fined £25,000;
- b. to the publication of this agreement; and
- c. it will pay the costs of the investigation of £1,350.

Reasons/basis

2. Summary of Facts



2.1 Between 29 November 2012 and 18 November 2020, PCB Lawyers LLP acted for a non-domestic politically exposed person (PEP), and their associated companies across 36 matters.

2.2 The matters consisted of residential property purchase transactions, refinancing and reassignment work.

2.3 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017) and The Money Laundering Regulations 2007 (MLRs 2007) require(d) relevant persons to apply enhanced checks when acting for a PEP.

2.4 The measures set out in Regulation 14(4) of the MLRs 2007 and Regulation 35(5) of the MLRs 2017 are similar and require a relevant person, in this case the Firm, to:

- a. have approval from senior management for establishing or continuing the business relationship with that person;
- b. take adequate measures to establish the source of wealth and source of funds which are involved in the proposed business relationship or transactions with that person; and
- c. where the business relationship is entered into, conduct enhanced ongoing monitoring of the business relationship with that person.

2.5 As part of an onsite SRA forensic investigation, we reviewed the information obtained by the Firm in respect of the PEP and their finances. The SRA identified that the Firm:

- a. Had not taken adequate measures to establish the source of wealth and source of funds in its transactions with that PEP; and
- b. Had not conducted enhanced ongoing monitoring of its relationship with that PEP.

3. Admissions

3.1 PCB Lawyers LLP makes the following admissions which the SRA accepts:

In respect of its client, a non-domestic PEP, and matters linked to that client, the Firm failed to:

- a. Take adequate measures to establish the source of wealth and source of funds involved; and/or
- b. Conduct enhanced ongoing monitoring of its relationship with that person.

And in doing so, the Firm failed to meet the requirements of

- a. Regulations 14(4)(b) and (c) of the MLRs 2007; and
- b. Regulations 35(5)(b) and (c) of the MLRs 2017.



3.2 In doing so, the Firm has breached or failed to achieve:

In so far as the conduct took place prior to 25 November 2019:

- a. Outcome 7.2 of the SRA Code of Conduct 2011; and/or
- b. Outcome 7.5 of the SRA Code of Conduct 2011; and/or
- c. Principle 6 of the SRA Principles 2011.

In so far as the conduct took place after 25 November 2019:

- d. Principle 2 of the SRA Principles [2019]; and/or
- e. Paragraph 2.1(a) of the SRA Code of Conduct for Firms [2019];
and/or
- f. Paragraph 3.1 of the SRA Code of Conduct for Firms [2019].

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

- a. The obligation was on the Firm to comply with the money laundering regulations. The Firm is directly responsible for ensuring it meets its obligations and had direct responsibility for its own conduct.
- b. It is in the public interest that firms ensure compliance with the money laundering regulations. A failure to do so has the potential to cause significant harm by exposing the Firm to the risk that its services will be used to carry out money laundering or terrorist financing. Where thorough checks are carried out, this mitigates and manages the risk and ensures that the public can take comfort that firms are complying with their legal and regulatory obligations.
- c. The Firm's conduct was serious, and diminished trust 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.

4.3 A fine is appropriate to maintain professional standards and uphold public confidence in the solicitors' profession and in legal services provided by authorised persons. A financial penalty therefore meets the requirements of Rule 4.1 of the Regulatory and Disciplinary Procedure Rules.

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 conduct was more serious (score of three). While not deliberate, the conduct formed part of a pattern of misconduct because it took place across multiple matters for this client, spanning nearly eight years.

5.3 The SRA considers that the impact of the misconduct was medium (score of four). PEPs are high risk clients (holding positions of power and influence, making it easier to obtain funds via corruption or by stripping assets of their country of origin) and the measures as set out in the money laundering regulations (both iterations referred to above), specifically have sections dedicated to PEPs requiring additional scrutiny to be applied to mitigate the increased risk. The Firm identified its client as a PEP at the outset and took action to mitigate the risk by applying enhanced customer due diligence measures, obtaining senior management approval to act and seeking advice from external compliance consultants. However, in practice, the required actions as specified in the money laundering regulations were not adequately executed.

5.4 The nature and impact scores add up to seven (Band C). The Guidance indicates a broad penalty bracket of between 1.6% and 3.2% of the Firm's annual domestic turnover.

5.5 Based on the Firm's annual domestic turnover, the basic penalty is £39,455.

5.6 The SRA and PCB Lawyers LLP agree that the basic penalty should be reduced, in terms of mitigation discount, to account for the following factors:

- a. The Firm made early admissions, recognising where it went wrong and why.
- b. The Firm has taken appropriate remedial action, including the implementation of new processes and additional training.
- c. The Firm has fully co-operated with the SRA throughout its investigation.

Following the discount adjustment for mitigating factors, the basic penalty is £25,646.

5.7 The SRA and the Firm have agreed a fine of £25,000. This is the maximum financial penalty the SRA can impose for recognised bodies. The above calculation, using the Firm's turnover and discount adjustment for mitigating factors, results in a financial penalty amount of £25,646. This exceeds the SRA's fining powers by only £646.

5.8 The SRA's fining guidance states (in the 'Purpose of this guidance' section) that 'This guidance cannot fetter the discretion of our authorised decision makers who are able to impose fines up to our statutory limits. This means there may be exceptional cases where an authorised decision maker (ADM) departs from the guidance and in these rare cases, full reasons would be given in the decision.'

5.9 The ADMs consider that this is a matter which is suitable for exercising such discretion. The matter should be considered exceptional, on the basis that it would be wholly disproportionate to presume that the only way of effectively concluding this matter is by issuing proceedings at the Solicitors Disciplinary Tribunal (which itself has unlimited fining powers). Such proceedings would undoubtedly attract increased legal costs and excessive and unnecessary delays and resource impact. A financial penalty of £25,000 would still have the effect of setting a credible deterrent and upholding public confidence in the regulatory and disciplinary process.

5.10 The Firm does not appear to have any financial gain or received any other benefit as a result of its conduct. Therefore, no additional adjustment is required, and the amount of the fine is £25,000.

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

7.2 Acting in a way which is inconsistent with this agreement may also constitute a separate breach of Principles 2 and 5 of the 2019 Principles and Paragraph 3.2 of the SRA Code of Conduct for Firms 2019.

8. Costs

8.1 The Firm agrees to pay the costs of the SRA's investigation in the sum of £1,350. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

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