

**Cotterhill Hitchman LLP (Cotterhill
Hitchman Solicitors)**
**Hazelmere House, 262 Lichfield Road, Sutton
Coldfield , B74 2UH**
Recognised body
353376

[Agreement Date: 29 July 2025](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 29 July 2025

Published date: 4 August 2025

Firm details

No detail provided:

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Cotterhill Hitchman LLP (the firm) a recognised body, authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation:

- a. Cotterhill Hitchman LLP will pay a financial penalty in the sum of £12,709 under Rule 3.1 (b) of the SRA Regulatory and Disciplinary Procedures Rules,
- b. to the publication of this agreement, under Rule 9.2 of the SRA Regulatory and Disciplinary Procedures rules; and
- c. Cotterhill Hitchman LLP will pay the costs of the investigation of £600, under Rule 10.1 and Schedule 1 of the SRA Regulatory and Disciplinary Rules.

2. Summary of facts

2.1 Our Anti-Money Laundering (AML) Proactive Supervision team carried out an AML inspection at Cotterhill Hitchman LLP, to assess its



compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulation 2017 (MLRs 2017).

2.2 As part of the inspection, eight files were reviewed. Of these eight files, six had client and matter risk assessments (CMRAs), pursuant to Regulations 28(12) and 28(13) of the MLRs 2017, dated significantly later than the completion of transaction, some up to three years later. The remaining two had CMRAs that were not dated.

2.3 This resulted in a referral to our AML Investigations Team on 9 October 2024.

2.4 On 14 January 2025, the firm provided its revised AML documents and six completed CMRAs, upon our request. The firm also advised that a compliance company had been instructed.

2.5 We conducted a review of the six completed CMRAs, dated between 28 November 2024 and 2 January 2025, and we consider that the firm is now adequately conducting CMRAs and customer due diligence (CDD), at the material times, and these risk assessments are documented on files.

2.6 Therefore, between 26 June 2017 and 28 November 2024, the firm failed to conduct client and matter risk assessments (CMRAs), at the appropriate times on its client files, as required by Regulation 28(12)(a) (ii) and 28(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 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.



And from 25 November 2019 (when the SRA Standards and Regulations came into force) until 28 November 2024, the firm 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 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.

4.2 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.

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

- a. 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.
- b. There has been no evidence of harm to consumers or third parties and there is a low risk of repetition.
- c. The firm has assisted the SRA throughout the investigation, admitted the breaches and has shown remorse for its actions.
- d. The firm did not financially benefit from the misconduct.

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 the nature of conduct in this matter as more serious (score of three). This is because the firm failed to conduct CMRAs on files and document them from 26 June 2017 until November 2024, in breach of Regulation 28 of the MLRs 2017, while carrying out a significant amount in-scope work. However, the conduct has not continued after it was known to be improper.

5.3 The impact of the harm or risk of harm is assessed as being medium (score of four). The nature of conveyancing, probate and trust work is considered high-risk, owing to the risk of abuse of the system by criminals. We note there is no evidence of there being any direct loss to clients or actual harm caused as a result of the firm's failure to ensure it had proper AML controls and documentation in place. However, there is always an inherent risk associated with a firm's non-compliance with the money laundering regulations.

5.4 The nature and impact scores add up to seven, placing the conduct in penalty bracket Band 'C'. The Guidance indicates a broad penalty bracket of between 1.6% and 3.2% of the firm's annual domestic turnover is appropriate.

5.5 The SRA agree a fine in this bracket because the firm should have been aware of its statutory obligations under the MLRs 2017. The lack of client and matter risk assessments on files shows a pattern of behaviour and increases the risks of the firm laundering illicit funds. The period of non-compliance would have exposed the firm to the risk of money laundering by criminals and terrorist financing. The failure is aggravated, as the firm failed to pay sufficient regard to warning notices and guidance published by the SRA also.

5.6 We are however pleased to see the firm has been assessing clients and files since 2024.

5.7 Based on the firm's annual domestic turnover, the fine results in a basic penalty of £18,156.

5.8 The SRA considers that the basic penalty should be reduced, in terms of mitigation discount, to £12,709, for the following factors:

- a. Remedying harm - the firm took steps to rectify its failure and started documenting appropriate CMRAs on files and in doing so, is now compliant with the MLRs 2017.
- b. The firm immediately improved its firm-wide risk assessment and policies, controls, and procedures, following our guidance.
- c. The firm admitted the breaches at the earliest opportunity and shown remorse for its historic non-compliance.
- d. The firm has cooperated with the SRA's AML Proactive Supervision and Investigations teams.



5.9 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 £12,709.

6. Publication

6.1 Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules states that any decision under Rule 3.1 or 3.2, including a Financial Penalty, shall be published unless the particular circumstances outweigh the public interest in publication.

6.2 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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