

AJD Law Limited (22 Law)
22 Front Street, Whickham, Newcastle Upon Tyne ,
NE16 4DT
Licenced body
8003634

[Agreement Date: 27 March 2025](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 27 March 2025

Published date: 28 March 2025

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: AJD Law Limited

Address(es): 22 Front Street, Whickham, Newcastle Upon Tyne, Ne16 4DT

Firm ID: 8003634

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 AJD Law 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 £17,920;
- b. to the publication of this agreement; and
- c. it will pay the costs of the investigation of £600.

Reasons/basis

2. Summary of Facts

2.1 We carried out an investigation into the firm following a report from a third party.

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 2019 and the SRA Code of Conduct for Firms.

2.3 Firm-wide risk assessment (FWRA)

- a. Between 5 July 2023 and May 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.
- b. In the alternative, between 5 July 2023 and May 2024, the firm was unable to evidence that it had an appropriate FWRA in place, pursuant to Regulation 18(4) of the MLRs 2017 which requires it to keep an up-to-date record in writing of all the steps it has taken under Regulation 18(1) of the MLRs 2017.

2.4 Policies, controls and procedures (PCPs)

- a. Between 5 July 2023 and May 2024, the firm failed to establish and maintain PCPs to mitigate and effectively manage the risks of money laundering and terrorist financing, identified in any risk assessment (FWRA), pursuant to Regulation 19(1)(a) of the MLRs 2017.
- b. In the alternative, between 5 July 2023 and May 2024, the firm was unable to evidence that it had PCPs in place, pursuant to Regulation 19(1)(c) of the MLRs 2017 which requires it to maintain a record in writing of its PCPs and any changes to those PCPs.

2.5 Source of Funds (SoF)

- a. In two conveyancing matters, the firm failed to conduct ongoing monitoring, including scrutiny of transactions (including, where necessary, the customer's SoF), as required by Regulation 28(11)(a) of the MLRs 2017.
- b. In the alternative, the firm failed to maintain copies of any documents and information obtained to satisfy the customer due diligence requirements in Regulation 28, as required by Regulation 40(1) and 40(2)(a) of the MLRs 2017.

3. Admissions

3.1 The firm admits, and the SRA accepts, that by failing to comply with the MLRs 2017, the firm has breached:

1. 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.
2. Paragraph 2.1(a) of the SRA Code of Conduct for Firms – 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.
 3. Paragraph 3.1 of the SRA Code of Conduct for Firms – which states 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 The SRA considers that a fine is the appropriate outcome because:

- a. The obligation was on the firm to comply with the MLRs 2017. The firm is directly responsible for ensuring it has effective systems and controls in place to meet its obligations pursuant to the MLRs 2017.
- b. It was in the public interest for the firm to ensure compliance with money laundering legislation. The firm's failure to do so diminishes the trust the public placed in it and the delivery of legal services.
- c. All firms within the scope of the MLRs 2017 are required to have proper procedures and measures in place to meet the requirements of Regulation 18, Regulation 19 and Regulation 28, et al. The requirement is not simply a paperwork exercise – the regulations play an important role in managing the risk of a firm facilitating money laundering (and terrorist financing). The firm either did not have these documents in place or was unable to provide evidence that it did have the same in place – in either case, this behaviour breached the requirements of the MLRs 2017.
- d. 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 in this matter was more serious (score of three). This is because multiple breaches of the MLRs 2017 have been identified and as such, the firm's behaviour formed part of a pattern of misconduct.

5.3 The SRA considers that the impact of harm or risk of harm was medium (score of four). Although there was no loss to clients, the failure to either have proper AML documentation in place, or maintain records of the same, put the firm at risk of being used to launder money, particularly when acting in conveyancing transactions.

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 £22,400.

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

- a. The firm has made admissions.
- b. The firm has cooperated with the SRA throughout its investigation. Following the discount adjustment for mitigating factors, the basic penalty is £17,920.

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 £17,920.

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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