

**Law Abroad Ltd (Underwoods Solicitors)
Firsdon, Bushfield Road, Bovingdon, Hemel
Hempstead , HP3 0DR
Licenced body
522884**

[Agreement Date: 10 February 2025](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 10 February 2025

Published date: 4 March 2025

Firm details

No detail provided:

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Law Abroad Ltd T/A Underwoods Solicitors (the Firm), a licensed body authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation:

- a. Law Abroad Ltd will pay a financial penalty in the sum of £5,468, under Rule 3.1(b) of the SRA Regulatory and Disciplinary Procedure Rules (the RDPRs),
- b. to the publication of this agreement, under Rule 9.2 of the RDPRs, and
- c. Law Abroad Ltd will pay the costs of the investigation of £600, under Rule 10.1 and Schedule 1 of the RDPRs.

2. Summary of Facts

2.1 We carried out an investigation into the firm following an inspection by our AML Proactive Supervision team.

2.2 Our inspection identified areas of concern in relation to the firm's compliance with the Money Laundering, Terrorist Financing (Information

on the Payer) Regulations 2017 (MLRs 2017), the SRA Principles 2019 and the SRA Code of Conduct for Firms 2019.

Client and matter risk assessments

2.3 Between 1 February 2023 and January 2024, the firm failed to conduct client and matter risk assessments (CMRAs), as required by Regulation 28(12)(a)(ii) and 28(13) of the MLRs 2017.

2.4 During the inspection on 24 July 2024, our AML Proactive Supervision team reviewed eight of the firm's files that were in-scope of the MLRs 2017. All eight files failed to have a documented CMRA on them.

3. Admissions

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

- a. 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.
- b. 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.
- c. 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 not failed in conducting appropriate risk assessments on its client and matters.

4.2 Historically, and since 1 February 2023 when the firm became a licensed body, about a quarter of the firm's work has been in-scope of the MLRs 2017, by virtue of conveyancing, probate and some trust work. Conveyancing is a high-risk area of work. Property is an attractive asset for criminals because of the large amounts of money that can be laundered through a single transaction and because property will tend to appreciate in value. This has been highlighted in the Government's national risk assessments and our sectoral risk assessments too, since 2017. Probate and estate administration is considered a high-risk area, owing to risks of fraudulent activity.

4.3 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.

4.4 The SRA considers 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, which 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 and has shown remorse for its actions.
- d. The firm did not financially benefit from the misconduct.

4.5 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.

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, we and the firm agree the nature of the misconduct was less serious (score of one). This is because although the firm failed to conduct appropriate CMRAs on files and document them, from 1 February 2023 until January 2024, in breach of Regulation 28 of the MLRs 2017, the conduct has not continued after it was known to be improper, and not have formed part of a pattern of misconduct thereafter. The firm started adequately risk assessing its files since January 2024. We note from the eight files reviewed at the inspection that the files did contain a 'New Matter Form Final version 20 October 2020'. However, this form was not considered sufficiently compliant, as it failed to identify risks, rate the risks, and justify the risk ratings with a supporting rationale.

5.3 On 12 December 2024, the firm informed us that it accepted there was a period when the Client and Matter Risk Assessment forms were not compliant with the relevant regulations and that, following an annual review in January 2024, the firm switched to a new form. This risk assessment form was last updated on 20 March 2024 and is compliant.

The firm only became compliant with the MLRs 2017 in January 2024, because of our AML Proactive Supervision team's inspection and guidance we have provided in respect of its firm-wide risk assessment, policies, controls and procedures, monitoring of compliance and training on CMRAs to relevant people.

5.4 We have limited the period of the breach from 1 February 2023 (when the firm became a licensed body) to January 2024. Moreover, our inspection identified that the firm required improvements on its firm-wide risk assessment, policies, controls and procedures, monitoring compliance on the file review forms, and screening of relevant employees while in employment. Furthermore, the files failed to contain checks for politically exposed persons (PEPs) or individuals subject to sanctions. Guidance was provided to improve these documents and bring the firm into full compliance.

5.5 The impact of the harm or risk of harm is assessed as being medium (score of four). This is because the nature of conveyancing is considered high-risk, owing to the risk of abuse of the system by criminals. Similarly, the nature of probate work and associated property transactions is considered high-risk, owing to the risk of abuse of the system by criminals. We do however note the firm now currently undertakes only probate work and 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.

5.6 The 'nature' of the conduct and the 'impact of harm or risk of harm' added together give a score of five. 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.

5.7 The firm, as of 6 November 2024, has provided eight CMRA forms from its current in-scope client files and these risk assessments range from 6 September 2014 to 19 September 2024. In the same email, the firm confirmed that it currently has 25 live files in-scope of the MLRs 2017, and all of these files have been reviewed and have a CMRA form in place.

5.8 On 10 January 2025, the firm provided twenty-one completed risk assessments on files and these risk assessments range from 3 April 2024 to 14 August 2024. This was after the firm's annual review in January 2024 and thereafter its implementation of a compliant CMRA form. We are satisfied that the firm has been adequately risk assessing its files since early 2024. Hence, we consider that the firm became compliant in January 2024.

5.9 Despite its current compliance, the firm has failed to ensure that it was fully compliant with its statutory obligations until January 2024, a period of over six years since the MLRs 2017 came into effect, notwithstanding the previous MLRs 2007 being in force since the firm

started trading, in 2010. The breach has arisen as a result of recklessness and a failure to pay sufficient regard to money laundering regulations and published guidance. The lack of client and matter risk assessments on files, increased the risks of the firm laundering illicit funds. The SRA, therefore, considers a basic penalty at the upper end of the bracket.

5.10 Based on the evidence the firm has provided of its annual domestic turnover; this results in a basic penalty of £6,433.

5.11 The SRA considers that the basic penalty should be reduced to £5,468. This reduction reflects the firm's cooperation with the AML Proactive Supervision team and AML Investigations team, along with remedying the breaches.

5.12 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 £5,468.

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 as there are no circumstances that outweigh the public interest in publication and it is in the interest of transparency in the regulatory and disciplinary process.

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 1, 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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