Solicitors Regulation Authority

Heath & Blenkinsop (Heath & Blenkinsop)
42 Brook Street, Warwick , CV34 4BL
Recognised sole practitioner
50995

Agreement Date: 19 August 2025

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 19 August 2025

Published date: 10 September 2025

Firm details

No detail provided:

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Heath & Blenkinsop (the Firm), a recognised sole practice authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation:

a. Heath & Blenkinsop will pay a financial penalty in the sum of £4,282,
b. to the publication of this agreement, and
c. Heath & Blenkinsop will pay the costs of the investigation of £600.

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 investigation 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), and previously the Money Laundering Regulations 2007 (MLRs 2007), the SRA Principles 2011, the SRA Code of Conduct 2011, the SRA Principles [2019] and the SRA Code of Conduct for Firms [2019].

Firm-wide risk assessment (FWRA)

2.3 The firm did not have in place a compliant FWRA between 26 June 2017 and 21 June 2025, in breach of Regulations 18(1) and 18(4) of the MLRs 2017. The firm is required to have a FWRA which includes the details of the firm's assessment of risk in five key areas. Although the firm had a FWRA in place, it did not meet the requirements of Regulation 18. The document did not cover geographical risk, transactional risk or delivery channel risk in adequate detail, despite previous SRA feedback given.

2.4 On 21 November 2024, the firm entered into a compliance plan to draft and produce a compliant FWRA. We provided guidance in assisting the firm in drafting a compliant FWRA and informed it of a referral to the AML Investigations team. However, the firm still provided us with the same document previously used as part of the compliance plan.

2.5 On 9 June 2025, the Investigation Officer wrote to the firm, providing detailed guidance on re-drafting the FWRA.

2.6 On 21 June 2025, the firm sent an email to the Investigation Officer attaching a revised FWRA. Upon review of this document, we are satisfied that the firm now has a compliant FWRA in place.

2.7 Consequently, between 25 June 2017 and 21 June 2025, the firm failed to have a compliant FWRA in place, in accordance the requirements of Regulations 18(1) and 18(4) of the MLRs 2017.

Policies, controls and procedures (PCPs) / Policies and Procedures (P&Ps)

2.8 Between 26 June 2017 and 21 June 2025, the firm failed to establish and maintain fully compliant PCPs which mitigate and effectively manage the risks of money laundering and terrorist financing, and regularly review and update them, in breach of Regulation 19(1)(b) of the MLRs 2017.

2.9 On 26 July 2024, the firm provided a document entitled ‘AML Policy procedures' which was stated to be the firm's PCPs. Upon review of this document, the AML Associate wrote to the firm stating that the document did not amount to adequate PCPs as many of the mandatory points required by Regulation 19 were not contained within the document. The firm also indicated that its PCPs were first drafted in 2018

2.10 The firm was put on a compliance plan to draft and produce compliant PCPs and was given guidance in order to do so. On 23 April 2025, the firm sent the Investigation Officer the firm's current PCP's as well as previous versions. None of these versions were compliant with Regulation 19, including the revised 2025 version that followed from the guidance received from our AML Proactive Supervision team.

2.11 On 9 June 2025, the Investigation Officer wrote to the firm, providing detailed guidance on re-drafting the firm's PCPs. On 21 June 2025, the firm sent an email to the Investigation Officer attaching revised PCPs. Upon review of this document, we are satisfied that the firm now has compliant PCPs in place.

2.12 Consequently, it is the case that between 26 June 2017 and 21 June 2025, the firm failed to establish and maintain compliant PCPs to mitigate and effectively manage the risks of money laundering and terrorist financing, pursuant to Regulation 19(1)(a) of the MLRs 2017.

2.13 Prior to this, the firm between 6 October 2011 and 25 June 2017, also failed to establish and maintain compliant, appropriate and risk-sensitive policies and procedures relating to customer due diligence measures and ongoing monitoring, reporting, record-keeping, internal control, risk assessment and management, the monitoring and management of compliance with, and the internal communication of, such policies and procedures, in order to prevent activities related to money laundering and terrorist financing, pursuant to Regulation 20(1) of the MLRs 2007.

Client and matter risk assessments (CMRAs)

2.14 Between 26 June 2017 and 21 June 2025, the firm failed to properly conduct CMRAs, pursuant to Regulation 28(12)(a)(ii) and Regulation 23(13) of the MLRs 2017.

2.15 As part of the inspection, the firm was asked to provide its ‘template CMRA'. The firm provided a document entitled ‘template'. However, this form refers to the outdated Money Laundering Regulations 2007 and had no record of the file handler's risk rationale, and any reasoning for the level of customer due diligence (CDD) to be applied.

2.16 The firm was put on a compliance plan to draft and produce a compliant CMRA template. However, as part of the compliance plan, the firm sent in the same document (with the exception of a paragraph at the end requiring evidence of the ‘introduction of monies').

2.17 On 9 June 2025, the Investigation Officer wrote to the firm, providing detailed guidance on re-drafting the firm's CMRA template. On 21 June 2025, the firm sent an email to the Investigation Officer attaching the SRA's CMRA template. The firm confirmed in the same email that this template would be used going forward in all matters.

2.18 Therefore, between 26 June 2017 and 21 June 2025, the firm failed to properly conduct client and matter risk assessments, pursuant to Regulation 28(12)(a)(ii) and Regulation 28(13) of the MLRs 2017

Failure to take prompt remedial action when requested

2.19 The firm had several opportunities to bring itself into compliance with the MLRs 2017.

2.20 The firm was subject to a previous investigation, in March 2020, which culminated in guidance being provided on its FWRA. However, this was not followed and the firm continued to use the same inadequate FWRA.

2.21 Furthermore, our AML Proactive Supervision team provided guidance on all three documents; FWRA, PCPs and the CMRA template. However, again, this guidance was not considered and the firm continued to operate with the same documents in place.

2.22 Therefore, it is the case that between 5 March 2020 and 21 June 2025, the firm failed to take prompt remedial action, when requested by the SRA, to ensure it fully complied with legislative requirements to which its business was subject, namely, Regulations 18, 19 and 28 of the 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 6 October 2011 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 21 June 2025, the firm has breached:

e. Principle 2 of the SRA Principles – 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.
h. Paragraph 3.4 of the SRA Code of Conduct for Firms 2019 – which states you act promptly to take any remedial action requested by the SRA.

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 2007 and 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 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, 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 now 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.

4.4 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, we and the firm agree that the nature of the misconduct was more serious (score of three). This is because the firm should have been aware of its obligation to have a compliant FWRA, PCPs and CMRA since June 2017, and further its obligation to have had compliant P&Ps since 2007. Furthermore, the firm was provided with guidance in order to bring itself into compliance on numerous occasions but still failed to do so.

5.3 The firm has failed to meet the requirements of the regulations over many years, while exclusively carrying out work that falls within scope of the regulations for a proportion of this time. Although the firm now has compliant documents in place, which are in proper use, the firm was left vulnerable for a significant period of time and the SRA considers this amounts to a serious breach.

5.4 The firm therefore also failed to pay sufficient regard to SRA warning notices on FWRAs (first issued 7 May 2019) and CMRAs (first issued on 18 October 2023).

5.5 The impact of the harm or risk of harm is assessed as being medium (score of four). This is because although there is no evidence of any harm being caused, as a result of the firm not having a compliant FWRA, PCPs and CMRA template until June 2025, the nature of its work, in particular the fact that all of the work currently undertaken by the firm is in-scope, suggests the firm had the potential to cause moderate impact by this conduct.

5.6 The ‘nature' of the conduct and the ‘impact of harm or risk of harm' added together give a score of seven. This places the penalty in Band 'C', as directed by the Guidance, which indicates a broad penalty bracket of between 1.6% to 3.2% of the firm's annual domestic turnover.

5.7 We recommend a basic penalty at the top of the bracket. This is because while there were failings identified which formed a pattern of misconduct, and which had the potential to cause significant loss or have significant impact, no evidence of actual harm was identified which would indicate a fine in Band 'D'. The firm should have been aware of its statutory obligations under the MLRs 2007 and MLRs 2017, acted on SRA guidance given and had sufficient regard to SRA warning notices, and the breaches spanned a significant amount of time. However, the firm has now brought itself into compliance and therefore the ongoing risk is now low.

5.8 Based on the evidence the firm has provided of its annual domestic turnover this results in a basic penalty of £4,758.

5.9 We have also considered mitigating factors and consider that the basic penalty should be discounted by ten percent. This is to take account of, as indicated by the Guidance, the firm remedying the harm by taking steps to rectify the non-compliant documents and is now fully compliant with the MLRs 2017.

5.10 The adjusted penalty is therefore £4,282.

5.11 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, and the financial penalty is £4,282.

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 act in any way which is inconsistent with this agreement, such as by denying responsibility for the conduct referred to above. This may result in a further disciplinary sanction.

7.2 Acting in a way which is inconsistent with this agreement may also constitute a separate breach of Principles 1, 2 and 5 of the SRA Principles.

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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