Solicitors Regulation Authority

Buglear Bate & Co (Buglear Bate & Co)
31 Guildford Road, Woking , GU22 7QQ
Recognised body
059791

Agreement Date: 9 July 2025

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 9 July 2025

Published date: 11 July 2025

Firm details

No detail provided:

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Buglear Bate & Co (the Firm), a recognised body, authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation:

a. Buglear Bate & Co will pay a financial penalty in the sum of £4,652, 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. Buglear Bate & Co 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 Buglear Bate & Co, to assess its compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulation 2017 (MLRs 2017).

2.2 The Proactive Supervision team identified AML control failings in relation to the firm failing to document client and matter risk assessments (CMRAs).

2.3 This resulted in a referral to our AML Investigations Team, where further enquiries were made in relation to compliance with the Money Laundering Regulations 2007 (MLRs 2007).

CDD measures and CMRAs

2.4 Between 6 October 2011 and 25 June 2017, failed to determine the extent of customer due diligence measures on a risk-sensitive basis, depending upon the type of customer, business relationship, product or transaction; and was not able to demonstrate to its supervisory authority that the extent of the measures were appropriate in view of the risks of money laundering and terrorist financing, as required by Regulation 7(3) of the MLRs 2007.

2.5 Between 26 June 2017 and 30 March 2025, failed to undertake a client and matter risk assessment (CMRA) on all eight in-scope files reviewed, as required by Regulation 28(12)(a)(ii) and Regulation 28(13) of the MLRs 2017. The firm had no process for documenting CMRAs on files, therefore it was unable to demonstrate that the extent of the measures it had taken to satisfy the requirements if Regulation 28 were appropriate, as required by Regulation 28(16) of the MLRs 2017.

3. Admissions

3.1 The firm admits, and the SRA accepts, that by failing to comply with the MLRs 2007 and MLRs 2017, it has:

To the extent the conduct took place before 25 November 2019 (when the SRA Handbook 2011 was in force), the firm:

a. Breached 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. Breached 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.
c. Failed to achieve Outcome 7.2 of the SRA Code of Conduct 2011 – 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. Failed to achieve 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), the firm:

a. Breached 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. Breached 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. Breached 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 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 issues identified around not having no risk-sensitive CDD measures and not carrying out CMRAs are serious AML control environment failings, and the conduct had the potential to cause significant harm. The firm undertakes almost three quarters of its work in scope of the regulations, by way of conveyancing. This had the potential to open up the firm to a significant amount of risk of being exploited by criminals.

4.3 It is a regulatory obligation for the firm to meet the requirements set out in the MLRs 2017 (and previously the MLRs 2007), which the firm failed to do.

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, that arises when solicitors do not comply with anti-money laundering legislation and their professional regulatory rules.
b. There is no evidence of harm to consumers or third parties.
c. The firm recognises that it failed in its basic duties regarding statutory money laundering regulations and regulatory compliance, as identified during our inspection and subsequent investigation.

4.6 The firm has cooperated fully, has admitted the breaches, shown remorse and remedied the breaches, and there is low risk of repetition.

4.7 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 misconduct was more serious (score of three). This is because the firm failed to have risk-sensitive CDD measures between 6 October 2011 and 25 June 2017, and between 26 June 2017 and 30 March 2025 failed to undertake a client and matter risk assessment (CMRA) on all eight scope files reviewed, as well as having no process for documenting CMRAs on its files.

5.3 The SRA considers the impact or risk of harm was medium (score of four). The nature of conveyancing is considered high-risk, owing to the risk of abuse of the system by criminals. The firm carries out the majority of its work in conveyancing, which puts it at a greater risk of being used to launder money. 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 documentation in place.

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, with the aggravating factor that it performs the majority of its work in-scope of the regulations, but there is no evidence of any harm being caused or an unwillingness to improve. Based on the firm's annual domestic turnover, the fine results in a basic penalty of £5,815.

5.6 The SRA considers that the basic penalty should be reduced by twenty percent, in terms of mitigation discount, to £4,652. This is owing to the following mitigating factors:

a. The firm has taken steps to rectify its failures, by taking into account our guidance and producing compliant AML documentation (CMRA form) and took steps to document them on all live in-scope files. It is also acknowledged that the files checked had no issues in terms of customer due diligence (CDD), source of funds (SoF) checks and source of wealth (SoW) checks.

b. The firm has drawn attention to guidance which was provided at a previous inspection it had in 2021, around implementing a CMRA at the firm. Evidence for the new CMRA process was not sought, only evidence that it had been incorporated into its PCPs, after which the PCPs were signed off, making no remarks around the CMRA aspect. The firm therefore had made a reasonable assumption that the CMRA was compliant. However, our recent inspection highlighted that it was not. The firm has accepted this and stated its previous misunderstanding around its CMRA process was not a defence to breaching the regulations, but did not wholly amount to being caused by recklessness.
c. The firm has cooperated with the SRA's AML Proactive Supervision and Investigations teams.

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 £4,652.

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.

Solicitors Regulation Authority

Agreement Date: 14 September 2022

Decision - Agreement

Outcome: Regulatory issue agreement

Outcome date: 14 September 2022

Published date: 26 September 2022

Firm details

No detail provided:

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome and Undertakings

a. Buglear Bate & Co, a recognised body, authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation:
b. Buglear Bate & Co will pay a financial penalty in the sum £2,000, pursuant to Rule 3.1(b) of the SRA Regulatory and Disciplinary Procedure Rules to the publication of this agreement, pursuant to Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules
c. Buglear Bate & Co will pay the costs of the investigation of £600, pursuant to Rule 10.1 and Schedule 1 of the SRA Regulatory and Disciplinary Procedure Rules.

2. Summary of Facts

2.1 We carried out an investigation into Buglear Bate & Co following a referral from our AML Proactive Supervision team.

2.2 The investigation identified areas of concern in relation to compliance with Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017), the SRA Principles 2011 (the Principles), the SRA Code of Conduct 2011 (the Code), the SRA Principles 2019 and the SRA Code of Conduct for Firms 2019.

2.3 The firm did not have in place a compliant AML practice-wide (firm-wide) risk assessment, as required by Regulation 18 of the MLRs 2017, until 22 July 2022. The firm incorrectly made a declaration to us, on 9 January 2020, that its risk assessment was compliant, in line with the

requirements of Regulation 18 and in line with relevant guidance. The risk assessment the firm had in place failed to consider the firm's delivery channels and failed to have sufficient regard for the Legal Sector Affinity Group guidance, our sectoral risk assessment and warning notice.

2.4 The firm did not have in place compliant AML policies, controls and procedures (PCPs), as required by Regulation 19 of the MLRs 2017 (and previously Regulation 20 of the MLRs 2007; the previous iteration of the money laundering regulations). The firm is required to have established and maintained PCPs, to mitigate and manage effectively the risks of money laundering and terrorist financing. Those PCPs were not compliant until 22 July 2022 because (but not limited to) they left out the following information:

- identification and verification (ID&V) procedures,
- ongoing monitoring of clients and their matters,
- identification of Politically Exposed Persons (PEPs),
- source of funds information.

2.5 We investigated several transactions that the firm had been instructed in. In one transaction, the firm failed to conduct adequate ongoing monitoring and scrutinise the transaction, including necessary source of funds checks, as required by Regulation 28(11)(a) of the MLRs 2017, when £75,000 was received into firm's client account. Documentation only described that the £75,000 funds as being £25,000 from 'rentals' and £50,000 from a 'loan'. There was no further information provided, eg whether the loan was personal or commercial, or any evidence for this.

2.6 On another matter, there was a note on the file that it was 'Below AML threshold' and so the source of funds did not need to be scrutinised. Customer due diligence (CDD) must be undertaken for all transactions in scope of the regulations, outside of very limited exceptions.

2.7 The firm failed to have sufficient regard for our warning notice on money laundering and terrorist financing, which was first issued on 8 December 2014 and updated on 2 March 2018 (to take account of the MLRs 2017 coming into force) and updated again on 25 November 2019 (to take account of new SRA Standards and Regulations, which replaced the SRA Handbook 2011). The firm failed to identify warning signs listed within the warning notice, specifically with respect to source of funds being unusual and unexplained payments from third parties and loans from non-institutional lenders.

2.8 The matter risk assessment form provided was not compliant with Regulations 28(12) and (13) of the MLRs 2017, for the following reasons:

- The form was intended to be filled in by the client, not the firm. The matter risk assessment is for the firm to complete, to identify and

assess the risks posed by the client and matter.
- One purpose of assessing the risks of any matter is to determine whether enhanced customer due diligence (EDD) is required. The form, as it stands, is of no assistance to the person making the assessment in deciding this.

3. Admissions

3.1 Buglear Bate & Co admits, and the SRA accepts, that by failing to comply with money laundering legislation, the firm has:

SRA Handbook from 6 October 2011 to 25 November 2019 (when the SRA Handbook 2011 was in force)

i. failed to behave in a way that maintains the trust the public places in the firm and in the provision of legal services, in breach of Principle 6 of the SRA Principles 2011.
ii. failed to comply with its legal and regulatory obligations, in breach of Principle 7 of the SRA Principles 2011.
iii. failed to carry out the business effectively and in accordance with proper governance and sound financial and risk management principles, in breach of Principle 8 of the SRA Principles 2011.
iv. failed to achieve Outcome 7.2 of the SRA Code of Conduct 2011, which states 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.
v. failed to achieve Outcome 7.3 of the SRA Code of Conduct 2011, which states that you identify, monitor and manage risks to compliance with all the Principles, rules and outcomes and other requirements of the Handbook, where applicable.
vi. failed to achieve 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.

From 25 November 2019 (when the SRA Standards and Regulations came into force) until 22 July 2022 when the firm became compliant:

vii. failed to act in a way that upholds public trust and confidence in the solicitors profession and in legal services provided by authorised persons, in breach of Principle 2 of the SRA Principles 2019.
viii. failed to achieve Code of Conduct for Firms 2.1 Compliance and business systems which states you have effective governance structures, arrangements, systems and controls in place that ensure:
    a. you comply with all the SRA's regulatory arrangements, as well as with other regulatory and legislative requirements, which apply to you.

ix. failed to achieve Code of Conduct for Firms 3.1 Cooperation and accountability which states you keep up to date with and follow the law and regulation governing the way you work.

4. Why the agreed outcome is appropriate

4.1 The conduct showed a disregard for statutory and regulatory obligations and had the potential to cause harm, by facilitating transactions that could have led to money laundering (and/or terrorist financing).

This could have been avoided had the firm established an adequate practice-wide (firm-wide) risk assessment, adequate policies, controls and processes at the firm (and previously policies and procedures) and assessed the level of risk arising in any particular case.

The lack of compliance showed an AML control environment failing at the firm, and:

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.
c. the firm did not financially benefit from the misconduct.
d. the firm recognises that it failed in its basic duties regarding statutory money laundering regulations and regulatory compliance, as identified during our inspection and subsequent investigation.
e. the firm has assisted us throughout the investigation, admitted the breaches and has shown remorse for its actions and remedied the breaches.

4.2 Rule 4.1 of the SRA 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 what is stated in Rule 4.1 and on that basis a financial penalty is appropriate.

4.3 In deciding the level of the financial penalty reference is made to the guidance on The SRA's Approach to Financial Penalties. Following the three-step fining process, the SRA has determined the following:

a. the nature of the misconduct was low/medium because the conduct was reckless. There was a failure on the part of the firm to comply with statutory obligations, as imposed by statutory money laundering regulations, and a failure to comply with the SRA's rules that were in force at the time. The Guidance gives this level of impact a score of one.

b. We consider that the impact of the misconduct was medium because there was a failure to have in place a compliant practice-wide risk assessment, compliant policies, controls and procedures (previously known as policies and procedures) and client/matter risk assessments, as obliged by statutory legislation. The Guidance gives this level of impact a score of four.

The associated 'Conduct band' is "B", owing to the total score of 5 (1+4) from sub-paragraphs above, giving a penalty bracket of £1,001 to £5,000.

4.4 However, in deciding the level of fine within this bracket, we have considered the mitigation which Buglear Bate & Co has put forward. We consider that on the basis of the mitigation offered, a basic penalty towards the middle of the bracket, of £2,000, is appropriate.

5. Publication

5.1 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.

5.2 We consider it appropriate that this agreement is published, as there are no circumstances that outweigh the public interest in publication and in the interests of transparency in the regulatory and disciplinary process to do so.

6. Acting in a way which is inconsistent with this agreement

6.1 Buglear Bate & Co agree 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. That may result in a further disciplinary sanction. 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 contained within the SRA Standards and Regulations 2019 (such SRA Principles having been in force since 25 November 2019).

7. Costs

7.1 Buglear Bate & Co agree 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.

The date of this Agreement is 14 September 2022.

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