Solicitors Regulation Authority

Cruickshank Limited (Cruickshanks)
10 Bentinck Street, London , W1U 2EW
Recognised body
565109

Agreement Date: 17 June 2025

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 17 June 2025

Published date: 18 June 2025

Firm details

Firm or organisation at date of publication and at time of matters giving rise to outcome

Name: Cruickshank Limited

Address(es): 10 Bentinck Street, London

Firm ID: 565109

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Cruickshank Limited t/a Cruickshanks (the firm), a recognised body, authorised and regulated by the Solicitors Regulation Authority (SRA) agrees to the following outcome to the investigation:

a. it is fined £16,984,
b. to the publication of this agreement, and
c. it will pay the costs of the investigation of £600.

2. Summary of Facts

2.1 We carried out an investigation into the firm following a desk-based review by our AML Proactive Supervision team.

2.2 Our review 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 2011, the SRA Code of Conduct 2011, the SRA Principles 2019 and the SRA Code of Conduct for Firms 2019.

Firm-wide risk assessment

2.3 Between 26 June 2017 and 10 September 2024, the firm failed to have in place a documented assessment of the risks of money laundering and terrorist financing to which its business was subject (a firm-wide risk assessment (FWRA)), pursuant to Regulations 18(1) and 18(4) of the MLRs 2017.

2.4 The firm provided a document, as part of the desk-based review, which it referred to as its FWRA. However, the document was not a FWRA and did not include mandatory areas, as set out in Regulation 18(2) of the MLRs 2017.

Client and Matter risk assessments

2.5 Between 26 June 2017 and 13 November 2024, the firm failed to conduct client and matter risk assessments (CMRAs) on files and also failed to adequately conduct CMRA on the six files reviewed, pursuant to Regulation 28(12)(a)(ii) and Regulation 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 that:

To the extent the conduct before 24 November 2019:

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 provisions of legal services.
b. Principle 8 of the SRA Principles 2011 – which states you must run in 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 failed to achieve:

c. 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. Outcome 7.5 of the SRA Code of Conduct 2011 - You comply with legislation applicable to your business, including anti-money

laundering and data protection legislation.

To the extent the conduct took place from 25 November 2019 onwards:

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 conducted appropriate risk assessments on its clients and files, on in-scope matters.

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 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 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 the nature of conduct in this matter as more serious (score of three). This is because the firm should have been aware of its obligation to have in place a FWRA in place since June 2017. In addition, the majority of the firm's work falls within scope of the MLRs 2017, therefore the firm should have been familiar with the obligations imposed by the regulations and should have implemented strict adherence.

5.3 Furthermore, although the six files reviewed during the desk-based review did contain CMRA forms, these documents were not deemed compliant. It is because of our review of the firm's AML compliance and subsequent guidance, that the firm has now retrospectively reviewed all of its open and in-scope files and documented a compliant CMRA on them. Furthermore, the firm has delivered training to its fee earners in adequately completing CMRAs. The firm is appropriately risk assessing its clients and matters going forward.

5.4 It is the SRA's view that the firm remained in breach of Regulation 28 of the MLRs 2017, for a period over seven years and, therefore, the conduct has continued after it was and should have been known to be improper and formed a pattern of misconduct.

5.5 The firm has failed to meet the requirements of the regulations for many years. Although the firm now has compliant documents in place, which are in proper use, the firm was left vulnerable for a period the SRA considers amounting to a serious breach. Consequently, the firm failed to pay sufficient regard to published guidance and warning notices. It was not until the AML desk-based review, investigation, and further guidance we have provided that the firm brought itself into compliance. The breach has arisen as a result of recklessness and a failure to pay sufficient regard to money laundering regulations and published guidance.

5.6 The impact of harm or risk of harm score 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 FWRA (until September 2024), given the nature of its work, and the fact that over 200 files required a CMRA documented on them, and now do, suggest there is always the potential to cause moderate impact by this conduct.

5.7 The nature of conveyancing is considered high-risk, owing to the risk of abuse of the system by criminals. Historically, over half of the firm's work has been in-scope of the money laundering regulations, by virtue of it undertaking conveyancing, and trust work. The firm continues to carry out in-scope work as this has increased to around three-quarters of its turnover currently. This 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. However, there is always a potential risk of a loss or actual harm without the firm having the appropriate AML documents and controls in place.

5.8 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% and 3.2% of the firm's annual domestic turnover.

5.9 Based on the evidence the firm has provided of its annual domestic turnover; this results in a basic penalty of £18,871.

5.10 The SRA considers that the basic penalty should be reduced to £16,984. This reflection reflects the firm's transparency and cooperation with the AML Proactive Supervision team and AML Investigations team, along with admitting and remedying the breaches.

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 £16,984.

6. Publication

6.1 Section 1(1) of Part 1 of the Legal Services 2007, states the following objectives are relevant to the publication of our decisions:

- Protecting and promoting the public interest
- Protecting and promoting the interest of consumers
- Encouraging and independent, strong, diverse, and effective legal profession
- Promoting and maintaining adherence to the professional principles.

6.2 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.

6.3 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 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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