

Financial penalties – our proposed new approach

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Areas we will be covering:

- Our increased fining powers
- Providing assurance around our decision making processes
- Means tested fines – how they will work
- Fixed penalties

Four key decisions

1. Increased fining powers - £25k for traditional law firms
2. Means tested fines for firms and individuals
3. Behaviour not suitable for a fine
4. Fixed penalties

Taking income/turnover into account

- All fining bands to be linked to % of annual turnover/income
- Higher percentages for more serious cases
- Firms: fining bands range from 0.2% to 5.0% of turnover
- Individuals: fining bands range from 2% upwards

Aim is to ensure fines have an equally proportionate impact regardless of income

Fixed penalty regime

- Designed to resolve cases more quickly - reduces costs & stress for all
- To be used for low-level breaches by firms, such as:
 - SRA Transparency Rules breaches
 - Failure to comply with regulatory requests
 - Lower level administrative breaches
- £750 for a first offence, £1,500 for a further offence