



# **Clive Farndon**

## **Solicitor**

### **109437**

**[Agreement Date: 6 June 2025](#)**

## **Decision - Agreement**

Outcome: Regulatory settlement agreement

Outcome date: 6 June 2025

Published date: 24 June 2025

## **Firm details**

### **Firm or organisation at time of matters giving rise to outcome**

Name: Andersons Solicitors

Address(es): 14 Albert Street, Harrogate, HG1 1JT

Firm ID: 071696

## **Outcome details**

This outcome was reached by agreement.

### **Decision details**

#### **1. Agreed outcome**

1.1 Mr Clive Lyndon Farndon, a solicitor and former partner of Andersons Solicitors (the firm), agrees to the following outcome to the investigation of his conduct by the Solicitors Regulation Authority (SRA):

- a. He will pay a financial penalty in the sum of £7,619 under Rule 3.1(b) of the SRA Regulatory and Disciplinary Procedure Rules.
- b. to the publication of this agreement under Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules; and
- c. He will pay the costs of the investigation of £600, under Rule 10.1 and Schedule 1 of the SRA Regulatory and Disciplinary Procedures Rules.

#### **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 and subsequent investigation identified areas of concern in relation to compliance with the Money Laundering Regulations 2007 (MLRs 2007), the Money Laundering, Terrorist Financing (Information on the Payer) Regulations 2017 (MLRs 2017), the SRA Principles 2019, the SRA Principles 2011, the SRA Code of Conduct for Solicitors 2019 and the SRA Code of Conduct 2011.

**Customer due diligence measures - MLRs 2007**

2.3 Between 28 February 2013 to 25 June 2017, Mr Farndon caused his firm to fail to determine the extent of customer due diligence measures on a risk-sensitive basis, or be able to demonstrate to his supervisory authority that the extent of the measures is appropriate in view of the risks of money laundering and terrorist financing, pursuant to Regulation 7(3) of the MLRs 2007.

**Client and matter risk assessments - MLRs 2017**

2.4 Between 26 June 2017 and 20 March 2024, Mr Farndon caused his firm to fail to conduct client and matter risk assessments (CMRAs), pursuant to Regulation 28(12)(a)(ii) and Regulation 28(13) of the MLRs 2017.

2.5 Between 20 March 2024 and 16 August 2024, Mr Farndon caused his firm to fail to document client and matter risk assessments, pursuant to Regulation 28(16) of the MLRs 2017.

### **3. Admissions**

3.1 Mr Farndon admits, and the SRA accepts, that by causing his firm (of which he was the senior partner, COLP, MLCO and MLRO) to fail to comply with the MLRs 2007 and MLRs 2017, he has breached or failed to achieve:

To the extent the conduct took place on or 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 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 and risk management principles.
- c. Outcome 7.5 of the SRA Code of Conduct 2011 - which states you must 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:



- d. 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.
- e. Paragraph 3.3 of the SRA Code of Conduct for Solicitors 2019 – which states you must maintain your competence to carry out your role and keep your professional knowledge and skills up to date.
- f. Paragraph 7.1 of the SRA Code of Conduct for Solicitors 2019 – which states you must keep up to date with and follow the law and regulation governing the way you work.
- g. Paragraph 7.2 of the SRA Code of Conduct for Solicitors 2019 – which states you must be able to justify your decisions and actions in order to demonstrate compliance with your obligations under the SRA's regulatory arrangements.

#### **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 When considering the appropriate sanctions and controls in this matter, the SRA has taken into account the admissions made by Mr Farndon and the following mitigation:

- a. Mr Farndon took steps to rectify his firm's failings and started documenting appropriate CMRAs on files and in doing so, ensured compliance with the MLRs 2017.
- b. His firm ceased trading on 28 October 2024, and Mr Farndon will no longer hold the roles of MLCO/MLRO and COLP at his new firm of employment.
- c. At the time of the inspection, the firm's firm-wide risk assessment (FWRA), policies, controls and procedures (PCPs), and CMRA template were found to be compliant with the MLRs 2017, so there was a lower exposure to ongoing risks.
- d. Mr Farndon has cooperated with the SRA's AML Proactive Supervision and AML Investigation teams and has admitted the breaches listed above at the earliest opportunity.

4.3 The SRA considers that a fine is the appropriate outcome because:

- a. The conduct showed a disregard for statutory and regulatory obligations and had the potential to cause harm, by allowing his firm to act in conveyancing matters without a compliant AML control environment in place, that could have led to money laundering (and/or terrorist financing). This could have been avoided had Mr Farndon ensured compliance by conducting and documenting CMRAs, since he held all of the compliance roles and seniority within the firm, until its closure on 28 October 2024.



- b. It was incumbent on Mr Farndon to ensure his firm met the requirements set out in the MLRs 2007 and MLRs 2017. He failed to do so and so materially caused and contributed to the firm's failure to comply with the MLRs 2007 and MLRs 2017. 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.
- c. 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.

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, the SRA and the firm agree that the nature of the misconduct was more serious (score of three). This is because Mr Farndon failed to ensure his firm conducted CMRAs on files and document them from 2013 until 2024, in breach of Regulations 7(3) of the MLRs 2007 and Regulation 28 of the MLRs 2017. This translated to a poor understanding of the risks posed by clients and their matters and resulted in insufficient scrutiny being applied to transactions.

5.3 The firm only became compliant with the MLRs 2017 because of our AML inspection and guidance we have provided. The breaches have arisen because of recklessness and a failure to pay sufficient regard to money laundering regulations and published guidance.

5.4 Mr Farndon failed to ensure that the firm was fully compliant with its statutory obligations until 2024, a period of over seven years since the MLRs 2017 came into effect and a period of over 17 years since the MLRs 2007 came into effect.

5.5 The impact of the harm or risk of harm is assessed as being low (score of two). The nature of conveyancing is considered high-risk, owing to the risk of abuse of the system by criminals. However, we note the firm is now closed, so there is no ongoing risk at the firm. We also note that Mr Farndon does not hold any compliance roles at his new firm of employment, which also reduces any ongoing risk. There is no evidence



of there being any direct loss to clients or actual harm caused as a result of his failure to ensure the firm had proper documentation and processes 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.

5.7 We and Mr Farndon agree a financial penalty towards the higher end of the bracket. Mr Farndon confirmed that he had put in place measures to ensure continuing and future compliance but recognises the lack of CMRAs on files until 2024 shows a pattern of behaviour and increased the risks of the firm laundering illicit funds.

5.8 Based on the evidence Mr Farndon has provided of his annual salary, this results in a basic penalty of £9,523.

5.9 The SRA considers that the basic penalty should be reduced to £7,619. This reduction reflects the mitigation set out at paragraph 4.2 above.

5.10 Mr Farndon does not appear to have made any financial gain or received any other benefit as a result of his conduct. Therefore, no adjustment is necessary, and the financial penalty is £7,619.

## **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 Mr Farndon agrees that he will not deny the admissions made in this agreement or act in any way which is inconsistent with it.

7.2 If Mr Farndon 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 Denying the admissions made or 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 7.3 of the Code of Conduct for Solicitors, RELs and RFLs.

## **8. Costs**

8.1 Mr Farndon 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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