

Nicola Phillips Solicitors LLP (NPS Law)
1 Black Horse Way, Horsham , RH12 1NU
Licenced body
570169

[Fined Date: 16 January 2025](#)

Decision - Fined

Outcome: Fine

Outcome date: 16 January 2025

Published date: 3 February 2025

Firm details

Firm or organisation at date of publication

Name: Nicola Phillips Solicitors LLP

Address(es): 1 Black Horse Way, Horsham, RH12 1NU

Firm ID: 570169

Outcome details

This outcome was reached by SRA decision.

Decision details

Who does this disciplinary decision relate to?

Nicola Phillips Solicitors LLP located at 1 Blackhorse Way, Horsham, RH12 1NU, a licensed body (the firm).

Short summary of decision

We have fined the firm for failing to comply with two undertakings with a reasonable amount of time and for breaches of the SRA Accounts Rules 2019.

Facts of the misconduct

The firm was instructed in relation to two property transactions.



The first matter concerned a commercial conveyancing transaction. The firm was acting on behalf of the purchaser, and the lender was separately represented.

On 4 March 2021 the firm gave an undertaking to the solicitors acting on behalf of the lender to be responsible for its charges and disbursements in connection with the matter, even if the transaction did not complete. By June 2022, the transaction had become abortive and an invoice for costs was raised. However, the invoice was not paid until March 2024.

In the second matter, the firm was instructed to act in relation to the sale of a property. The firm gave an undertaking to discharge two charges in respect of the property upon completion. Following completion on 15 October 2021 only one mortgage was redeemed. The second remained outstanding until 29 March 2023.

In respect of both matters outlined above, it was found that the firm failed to perform undertakings given within the agreed timescale or a reasonable amount of time. The firm therefore breached paragraph 1.3 of the SRA Code of Conduct for Firms 2019.

In respect of the first matter only, it was also found that the firm had breached Principle 2 of the SRA Principles 2019.

As part of the SRA investigation into the firm, it was also identified that the firm had failed to comply with the SRA Accounts Rules 2019. Concerns that the client account had not been properly managed were identified. It was found that the firm breached rules 4.3, 5.1, 5.3 and 8.1 of the SRA Accounts Rules 2019.

Decision on sanction

The firm was directed to pay a financial penalty of £8,790 and ordered to pay costs of £1,350.

It was decided that a financial penalty was an appropriate and proportionate sanction.

This was because its conduct was serious by reference to the following factors in the SRA Enforcement Strategy:

- The firm's conduct had the potential to harm trust in the legal profession and provision of legal services generally.
- The firm had previously been fined in 2016 and 2022 in relation to similar accounts rules breaches.
- Any lesser sanction would not provide a credible deterrent to the firm and others.

In view of the above, the firm's conduct was placed in conduct band C which has a financial penalty bracket of 1.6% to 3.2% of annual domestic

turnover. The firm's conduct was placed at C4 (2.8%) of this bracket given:

- a. Aggravating factors
 - The firm had breached Principle 2 and failed to behave in a way that maintained trust and confidence in the profession.
 - A number of breaches of the rules had been identified and many clients had been affected.
 - The firm's conduct persisted for longer than reasonable.
- b. Mitigating factors
 - There was no allegation of a lack of integrity or dishonesty.
 - The firm has taken steps to remedy the failures identified and to bring itself into compliance with the rules.

The financial penalty was reduced by 10% in recognition of the fact that the firm had cooperated with the investigation and made some admissions.

SRA Standards and Regulations breached

SRA Code of Conduct for Firms 2019

Paragraph 1.3 You perform all undertakings given by you and do so within an agreed timescale or if no timescale has been agreed then within a reasonable amount of time.

SRA Principles 2019

Principle 2: You act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons. SRA Accounts Rules 2019

Rule 4.3 When holding client money and some or all of that money will be used to pay your costs you must give a bill of costs or other written notification before you transfer money from the client account.

Rule 5.1 You only withdraw client money from a client account (a) for the purpose for which it is being held; (b) following receipt of instructions from the client, or the third party for whom the money is held; or (c) on the SRA's prior written authorisation or in prescribed circumstances.

Rule 5.3 You only withdraw client money from a client account if sufficient funds are held on behalf of that specific client or third party to make payment.

Rule 8.1 You keep and maintain accurate, contemporaneous, and chronological records to:



- a. record in client ledgers identified by the client's name and an appropriate description of the matter to which they relate: (i) all receipts and payments which are client money on the client side of the client ledger account; (ii) all receipts and payments which are not client money and bills of costs including transactions through the authorised body's accounts on the business side of the client ledger account;
- b. maintain a list of all the balances shown by the client ledger accounts of the liabilities to clients (and third parties), with a running total of the balances; and
- c. provide a cash book showing a running total of all transactions through client accounts held or operated by you.

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