Solicitors Regulation Authority

John Gibson
Solicitor
294681

Control of practice Date: 11 April 2025

Decision - Control of practice

Outcome: Condition

Outcome date: 11 April 2025

Published date: 5 June 2025

Firm details

No detail provided:

Outcome details

This outcome was reached by SRA decision.

Decision details

John Michael Gibson's practising certificate for 2024/2025 is subject to the following conditions:

1. Mr Gibson is not a manager or owner of any authorised body.
2. Mr Gibson may not practise on his own account under Regulation 10.2(a) or (b) of the SRA Authorisation of Individuals Regulations.

In these conditions the terms are as defined in the SRA Glossary.

Reasons/basis

The above condition is necessary in the public interest. They are reasonable and proportionate having regard to the purposes set out in regulation 7 of the SRA Authorisation of Individuals Regulations, and the regulatory objectives and principles governing regulatory activities as contained in section 28 of the Legal Services Act 2007.

Agreement Date: 1 August 2024

Decision - Agreement

Outcome: Regulatory settlement agreement

Solicitors Regulation Authority

Outcome date: 1 August 2024

Published date: 5 August 2024

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: Aventus Law Limited

Address(es): Angel's Wing II, Whitehouse Street, Leeds, LS10 1AD

Firm ID: 565045

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 John Michael Gibson, a solicitor and sole director of Aventus Law Limited (ID: 565045) (the Firm), agrees to the following outcome to the investigation of his conduct by the Solicitors Regulation Authority (SRA):

a. he is rebuked
b. to the publication of this agreement
c. he will pay the costs of the investigation of £300.

2. Summary of Facts

2.1 Mr Gibson was the sole director and shareholder of the Firm. In addition, he held the roles of Compliance Officer for Legal Practice (COLP) and Compliance Officer for Finance and Administration (COFA). The Firm closed on 7 June 2023 when it was subject to intervention.

2.2 A forensic inspection was commenced at the Firm on 7 February 2023 following receipt by the SRA of a Qualified Accountant's Report for the period 3 January 2022 to 2 January 2023. The Forensic Investigation Officer (FIO) identified that the Firm had failed to carry out timely reconciliations and that a suspense ledger had been maintained since 2012 with a credit balance on the office side of £39,480.16.

2.3 The FIO also found that the Firm did not have an accounts system in place. The Firm explained that the money in the suspense ledger related to cheques paid by insurance companies for costs paid on personal injury matters on which the Firm had been instructed.

2.4 On 1 February 2022, an invoice was raised for the full amount held in the suspense ledger to clear the office credit balance in full. The bill was reversed on 9 March 2023 and the Firm closed without the credit balance being fully dealt with.

3. Admissions

3.1 Mr Gibson was the sole manager of the Firm and was therefore responsible for ensuring the Firm's compliance with all regulatory obligations.

3.2 Mr Gibson makes the following admissions which the SRA accepts:

a. As the Firm did not have an accounting system in place, they were unable to reconcile the amounts held in the suspense ledger to client matters so that bills could be raised. In doing so, he breached:
    - Rules 1.2(e) and 1.2(f) of the Accounts Rules 2011
    - Rules 17.2 and 29.25 of the Accounts Rules 2011
    - Rule 8.1 of the SRA Accounts Rules, and
    - Rule 2.1 of the Code of Conduct for Firms.
b. The Firm had not carried out regular reconciliations every five weeks as required. In doing so, he breached:
    - Rule 29.12 of the Accounts Rules 2011
    - Rule 29.13 of the Accounts Rules 2011, and
    - Rule 8.3 of the SRA Accounts Rules.

4. Why a written rebuke 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 Gibson and the following mitigation which he has put forward:

a. Mr Gibson did attempt to deal with the suspense ledger by contacting the bank to obtain details of the client matters where payments were received.
b. Prior to the Firm closing, reconciliations were taking place regularly.
c. The issues which led to money being left in the suspense ledger and reconciliations not being carried out regularly was due to not having enough staff.

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

a. There was no lasting harm to clients. Although money was held in a suspense ledger since 2012, the Firm has explained that this was money owed to the Firm.

b. As COFA, Mr Gibson had a responsibility to ensure that he promptly rectified breaches of the SRA Accounts Rules. He has accepted that he was aware of the breaches of the Accounts Rules, although he did not know how to remedy them.
c. Mr Gibson attempted to rectify the breach and some remedial action was taken. However, the breach persisted longer than reasonable, and action was only taken after the forensic inspection commenced.
d. A rebuke would serve to remind Mr Gibson of his requirement to ensure adherence to the Accounts Rules and would also uphold public confidence.

5. Publication

5.1 The SRA considers it appropriate that this agreement is published in the interests of transparency in the regulatory and disciplinary process. Mr Gibson agrees to the publication of this agreement.

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

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

6.2 If Mr Gibson 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.

6.3 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.

7. Costs

7.1 Mr Gibson agrees to pay the costs of the SRA's investigation in the sum of £300. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

Control of practice Date: 16 August 2023

Decision - Control of practice

Outcome: Termination of suspension of PC/registration

Outcome date: 16 August 2023

Published date: 15 September 2023

Solicitors Regulation Authority

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: Aventus Law Limited

Address(es): Angel's Wing II, Whitehouse Street, LEEDS LS10 1AD

Firm ID: 565045

Outcome details

This outcome was reached by SRA decision.

Decision details

John Gibson’s was adjudged bankrupt on 16 August 2023. As such, his 2022/2023 practising certificate was automatically suspended.

The suspension of Mr Gibson’s practising certificate has been terminated subject to the following conditions.

1. Mr Gibson is not a manager or owner of any authorised body.
2. Mr Gibson may not practise on his own account under Regulation 10.2(a) or (b) of the SRA Authorisation of Individuals Regulations.

In these conditions the terms are as defined in the SRA Glossary.

Reasons/basis

The above conditions are necessary in the public interest. They are reasonable and proportionate having regard to the purposes set out in regulation 7 of the SRA Authorisation of Individuals Regulations, and the regulatory objectives and principles governing regulatory activities as contained in section 28 of the Legal Services Act 2007.

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