SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No. 12691-2024

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD. Applicant

and

CHARLES MICHAEL STEVENS Respondent

Before:

Mr G Sydenham (Chair)
Mr D Green
Mr R Slack

Date of Hearing: 10 June 2025

Appearances

Thomas Walker, Barrister and Legal Director at Blake Morgan LLP, for the Applicant.

Jonathan Goodwin, Solicitor Advocate of Jonathan Goodwin Solicitor Advocates for the Respondent.

JUDGMENT

Allegations

1. The allegations made by the SRA against Charles Michael Stevens ("the Respondent") are that whilst in practice as a Solicitor at Bawtrees LLP ("Bawtrees") he:

1.1 Between approximately 30 June 2022 and 1 July 2022, gave misleading information to Lynne Goldsby of The Wilkes Partnership ("TWP"), by informing her that he was in receipt of Client A's deposit in connection with the purchase of the Property; and / or that he would transfer Client A's deposit to TWP by 4 July 2022, when he knew that he had not received Client A's deposit; and by doing so, breached all or any of:

1.1.1 Principles 2, [withdrawn] and 5 of the SRA Principles 2019 ("the Principles"); and

1.1.2 Paragraph 1.4 of the Code of Conduct for Solicitors, RELs and RFLS 2019 ("the Code").

PROVED

1.2 Failed to perform an undertaking that he had given to Ms Goldsby on 1 July 2022, that by 4 July 2024 he would transfer Client A's deposit from Bawtrees to TWP and / or send Client A's copy of the exchanged contract to TWP; and by doing so, breached any or all of:

1.2.1 Principle 2 of the Principles;

1.2.2 *[withdrawn]*; and

1.2.3 Paragraph 1.3 of the Code

PROVED

1.3 On 16 September 2022, attempted to prevent Kevin Lynch of TWP and /or Client B, from providing information to the SRA about the conduct referenced in Allegations 1.1 and / or 1.2 above; and by doing so, breached any or all of:

1.3.1 Principle 2 of the Principles; 1.3.2 Principle 5 of the Principles; and 1.3.3 Paragraph 7.5 of the Code.

PROVED

2. In Allegation 1.1 it was alleged that the Respondent's conduct was reckless. Recklessness was alleged as an aggravating feature of the Respondent's conduct but was not an essential ingredient in proving allegation 1.

Executive Summary

3. The case stemmed from an attempted £6.5 million property sale where the Respondent represented the buyer. The Respondent admitted giving misleading information to the seller's solicitor about receiving a £650,000 deposit, acting recklessly in doing so, and

failing to perform an undertaking to transfer the funds and send the contract copy by the agreed date. Furthermore, the Respondent attempted to prevent the reporting of his misconduct to the SRA.

4. The Tribunal concluded that his conduct involved serious instances of a lack of integrity, particularly in allegations two and three, and deemed his culpability total, viewing the misconduct as a series of connected failures and a pattern of behaviour rather than an isolated incident.

5. Despite mitigating factors, including an unblemished record, remorse, cooperation, and personal difficulties, the Tribunal determined that the inherent seriousness of the misconduct outweighed these factors. There was a need to protect the public and the reputation of the profession. The Tribunal concluded that, as no lesser sanction was appropriate, the Respondent should be struck off the Roll of Solicitors. No order for costs was made following the principles from *Barnes v SRA Ltd*.

Sanction

6. The Respondent was struck off the Roll of Solicitors. There was no order for costs.

Documents

7. The Tribunal considered all the documents in the case which were contained in the electronic bundle.

Preliminary Matters

8. The Tribunal acceded to the Applicant's applications, unopposed, for two matters:

9. Allegation 1.1 to be amended to remove an allegation of the breach of Principle 4 of the SRA Principles 2019 (dishonesty).

10. The Rule 12 Statement to be amended to correct a factual error as to the date of the Respondent's admission to the Roll. This took place in 2007 and not 2017 as stated.

Admissions

11. The case proceeded on the basis of the Respondent's acceptance of responsibility for the subsisting breaches of the Principles and that he had been reckless in relation to matters set out in Allegation 1.1.

Factual Background

12. The Respondent is a solicitor having been admitted to the Roll on 1 May 2007. During the course of the alleged conduct, it is understood that the Respondent was employed by Shergroup Legal, also known as Sherwins Limited ("Shergroup") but acted as a Consultant at Bawtrees.

13. The Respondent currently holds a Practising Certificate, which is free from conditions. According to the SRA Register, the Respondent remains a Shergroup employee.

14. The Respondent's conduct came to the attention of the SRA after a report was received from Mr Lynch of TWP on 17 August 2022. The SRA accordingly investigated the Respondent's conduct.

Findings of Fact and Law

15. The Applicant was required to prove the allegations on the balance of probabilities. The Tribunal had due regard to its statutory duty, under section 6 of the Human Rights Act 1998, to act in a manner which was compatible with the Respondent's right to a fair trial and to respect for their private and family life under Articles 6 and 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

16. The Tribunal had due regard to the following and applied the various tests in its fact-finding exercise:

Integrity

The matters set at paragraphs 97 to 107 of Wingate v SRA [2018] EWCA Civ 366,

Recklessness

The matters set out at paragraph 78 of Brett v SRA [2014] EWHC 1974.

NOTE: While all the evidence was carefully considered the Tribunal does not refer to each and every piece of the evidence or submissions in its judgment and findings.

17. **Allegations 1.1 – 1.3**

Rule 12 Statement - [Click Here]

The Applicant's Case

17.1 The case concerned the attempted sale of a property between Client B (represented by TWP solicitors, specifically Lynne Goldsby and Kevin Lynch) and Client A (represented by the Respondent of Bawtrees solicitors). A sale price of £6,500,000 with a 10% deposit (£650,000) was agreed and contracts were exchanged under Law Society 'Formula B' on 1 July 2022. This formula includes an implicit undertaking for the buyer's solicitor to immediately send the deposit to the seller's solicitor.

17.2 A variation was agreed: the Respondent was to send the deposit by 4 July 2022. Despite this, neither the buyer's contract copy nor the deposit were received by the seller's solicitor, and the sale did not complete as planned.

Misleading Information

17.3 The Respondent provided misleading information to Ms Goldsby regarding the receipt and transfer of Client A's deposit. Ms Goldsby received a text stating, "*Hi Lynne, money is in the system will be here tmw [sic] and I will give you a call to get this one finalised!*

Sorry for the delay and thank you for your patience." This was interpreted to mean the money would arrive on 1 July 2022.

17.4 Ms Goldsby said that during a telephone call (1 July 2022) the Respondent confirmed he had received the deposit from his client. As for the reason for the delay the Respondent stated he had "*outside appointments*" and would be unable to transfer funds on 1 July 2022, requesting a variation to the undertaking to transfer by 4 July 2022. The correct reason was the non-receipt of funds.

17.5 The Respondent admitted sending the text and speaking to Ms Goldsby. He accepts he did not possess the deposit on 30 June or 1 July 2022. However, he denied representing that he was *in possession* of the deposit on 1 July, stating he only said it was *"in the system"* based on his honest belief his client was in the process of transferring it.

Breach of SRA Principles

17.6 Principle 2 (Public Trust): Providing misleading information is a failure to uphold public trust and confidence in the profession.

Breach of SRA Code

17.7 Paragraph 1.4 requires solicitors not to mislead or attempt to mislead others.

Failure to Perform an Undertaking

17.8 The Respondent failed to perform the undertaking given on 1 July 2022 to transfer the deposit funds and send the buyer's contract copy to TWP by 4 July 2022. An undertaking is defined as "*a statement... to someone who reasonably places reliance on it, that you or a third party will do something or cause something to be done, or refrain from doing something."* Undertakings are described as the *"bedrock of our system of conveyancing."* (Briggs v Law Society). The system relies on solicitors being able to "assume that once given it will be scrupulously performed." Breach of an undertaking "damages public confidence in the profession."

17.9 The Respondent admitted giving the undertaking as described by Ms Goldsby and that he did not perform it and representing that he would have performed the undertaking if his client had transferred the deposit. The Applicant's position was that he should not have given the undertaking in the first place if he knew he had not received the funds.

17.10 The breach exposed the Respondent's client to the risk of litigation to recover the £650,000 deposit, interest, and legal fees.

Breach of SRA Principles

17.11 Principle 2 (Public Trust): Failing to comply with an undertaking undermines the conveyancing system and public confidence.

17.12 Principle 5 (integrity): A solicitor of integrity would only give undertakings with which they know they can comply.

Breach of SRA Code of Conduct

17.13 Paragraph 1.3 requires solicitors to perform all undertakings within an agreed timescale or a reasonable amount of time.

Attempt to Prevent Reporting to the SRA

17.14 On 16 September 2022, the Respondent attempted to prevent Mr Lynch and Client B from providing information about the Respondent's alleged conduct to the SRA. After Ms Goldsby's efforts to resolve the matter failed, Mr Lynch became involved and subsequently reported the Respondent to the SRA on 17 August 2022. In the course of settlement discussions, the Respondent sent an email stating: "*My client agrees to the below on the basis that, as we mentioned before, this matter is then dropped and neither your firm or your clients proceed with any action against me or Bawtrees including reporting either to the Law Society or the SRA. If you can confirm this then I think we are agreed*."

17.15 The Respondent accepted sending the email.

Breach of SRA Principles

17.16 Principle 2 (Public Trust): Attempting to prevent reporting to the SRA is viewed as a failure to uphold public trust, demonstrating a lack of transparency and accountability.

17.17 Principle 5 (Integrity): Trying to avoid scrutiny is a failure to act with integrity.

Breach of SRA Code of Conduct

17.18 Paragraph 7.5 prohibits solicitors from attempting to prevent anyone from providing information to the SRA or other regulatory bodies (Paragraph 54).

Allegation 2: Recklessness (Alternative to Dishonesty for Allegation 1)

17.19. The Respondent's conduct was reckless. This was based on the Respondent's own admission that he was aware he had not received the deposit on 1 July 2022/ The Applicant contended that the Respondent was aware of the risk that the funds would not be received. In these circumstances, it had been unreasonable for him to take that risk and give an undertaking when he could not be sure that he would be able to comply.

The Respondent's Case

17.20 The Respondent admitted sending the messages and giving the undertaking but denied misleading anyone. He claimed he only said the money was "in the system" and denied acting recklessly. He also denied attempting to prevent SRA reporting, claiming he was merely conveying his client's settlement terms.

The Tribunal's Findings

17.21 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admissions were properly made. In conclusion, the Tribunal found the following proved on the balance of probabilities:

Allegation 1.1 – 1.1.2 *(R12)* [proved in full]

17.22 Breach of Principle 2 (Public Trust) of the Principles and a breach of Paragraph 1.4 of the Code.

Allegation 1.2 – 1.2.3 *(R12)* [proved in full]

17.23 Breaches of Principle 2 (Public Trust) and Principle 5 (integrity), and Paragraph 1.3 of the Code.

Allegation 1.3 – 1.3.1 *(R:12)* [proved in full]

17.24 Breaches of Principle 2 (Public Trust) and Principle 5 (integrity), and Paragraph 7.5 of the Code.

Previous Disciplinary Matters

18. There were no previous findings.

Mitigation

19. Mr. Goodwin set out that the Respondent had an unblemished regulatory history, submitting that the current matter represented an isolated event when viewed within the broader context of the Respondent's professional record. The admitted failings occurred during a period of significant personal difficulties, specifically when the Respondent was dealing with news of his grandmother's terminal illness and helping his mother to come to terms with it. These circumstances affected the Respondent's judgment, causing him to rely on his client's assurances about the funds. He had simply not been thinking straight, and he recognised he should have not been working that day while he processed the information.

20. The Respondent had demonstrated genuine insight and remorse for his failings and through Mr Goodwin he offered a sincere apology who added that he had fully cooperated with both the SRA's investigation and the Tribunal proceedings.

21. Four-character references were submitted, all attesting to the Respondent's honesty, integrity, reliability, work ethic, and dedication to his clients. Notably, clients expressed continued trust in the Respondent and indicated their willingness to instruct him despite being aware of the regulatory proceedings *[N.b. following a question from the Lay Member, the Respondent had not shown the Rule 12 Statement to the character witnesses]*.

Health and Financial Circumstances

22. Mr. Goodwin provided context regarding Respondent's ongoing serious health issues, which he said was relevant to the Respondent's current state. Furthermore, he said the Respondent faced a precarious financial position, with significant tax liabilities and a repayment arrangement with HMRC in place.

23. Mr. Goodwin argued that a financial penalty would be the most appropriate and proportionate sanction, rather than suspension or removal from the roll. He specifically argued against a reprimand but proposed that a level two fine (£5,001 to £10,000) would be reasonable and proportionate given all the circumstances.

Submission on Sanctions

24. Mr Walker applied for the Applicant to be heard on sanction. This was opposed by the Respondent.

25. The Tribunal refused the application. The matters were not factually complex and were in fact admitted. The Tribunal is an expert one and capable of reaching its own decision on sanction with reference to its view of the facts, mitigation, the sanctions guidance and its own experience.

Sanction

26. The Tribunal considered its Guidance Note on Sanction (11th Edition June 2022) ("the Sanctions Guidance") and the proper approach to sanctions as set out in Fuglers and others v SRA [2014] EWHC 179. In doing so the Tribunal had to assess the culpability and harm identified together with the aggravating and mitigating factors that existed.

27. The Tribunal noted that central to the admitted misconduct was a property transaction for a very high value property, in the region of £6 million and £650,000 deposit. The Respondent acted for the purchaser.

28. The allegations (including recklessness) were interconnected. They concerned a breach of an undertaking in the conveyancing transaction and recklessness.

29. Undertakings within the context of conveyancing are characterised as providing the bedrock and foundation of the whole system and of fundamental importance in keeping it working. On a micro scale breaches cause disruption and delay to the transaction, stress for the seller and purchaser, and additional work for the solicitors on the other side of the transaction. On a macro scale such breaches strike at the heart of the conveyancing process and the trust and confidence the public have in their solicitors and the profession.

30. On its own a breach of an undertaking would be serious however in the Respondent's case this was combined with reckless misrepresentation, where he had represented that funds were *"in the system"* when he knew they had not been received. He may have perhaps thought that he would be in receipt of funds, but at the time he made the representation he knew that he did not have them. The Tribunal agreed that this had gone beyond wishful thinking and represented recklessness of a high order. The value

of the property though extremely high was in many senses immaterial, as the breach of the undertaking in circumstances of extreme recklessness would apply to any conveyancing transaction no matter the value.

31. Allegation 1.3 focused on the Respondent's attempt to prevent reporting to the regulator. This occurred after the initial transaction disruption, and during negotiations to revive the deal. By this time, the Respondent had left his original firm and was approached by his former client. He sent an email to the counterpart solicitor proposing settlement on the condition that no report would be made to the Law Society or SRA. The Tribunal agreed with the Applicant's characterisation of this as being potentially obstructive" and an effort to "create a situation where his tracks were covered."

32. The Tribunal found that these had been series of connected failures rather than an isolated incident and for which the Respondent had been entirely culpable. His motivation was not entirely clear though due to the high value of the property it could be reasonably be inferred that the need to get the deal 'over the line' by whatever means played significant role. Therefore, the Respondent may have been swayed by the potential rewards for him and the Firm, however, such considerations should not have induced him to take the risk which he did take.

33. The Tribunal found this had not been spontaneous conduct. For example, the Tribunal did not accept the contention that the September e-mail had been merely clumsy and ill thought through. On the contrary it had been planned and considered. It mattered not to the level of seriousness that this attempt to prevent reporting was ultimately unsuccessful as a report had already been made to the SRA by the time the email was sent.

34. By its very nature a breach of an undertaking represented a breach of trust. The Respondent was an experienced solicitor and should have known better. However, any solicitor of any level of experience would have known that a breach of an undertaking is a fundamental one and in itself very serious.

35. The Respondent's culpability was total. He had chosen not to follow the well-established rules.

36. Therefore, the Tribunal found the admitted conduct very serious, involving as it did two episodes of lack of integrity coupled with recklessness. The least the public and colleagues may expect from a solicitor is that they will act openly and not do anything which would mislead. This basic premise forms the bond of trust between the public and the profession and the Respondent would have known and should have foreseen that his conduct would shake such trust and undermine the reputation of the profession.

37. The misconduct had not been an isolated incident and brief error of judgment but had involved serious lack of integrity at a very high level on two separate occasions (separated by a little over a month) demonstrating a pattern of behaviour and a troubling mind set on the Respondent's part. The Respondent had failed to self-report the misconduct and instead had taken active steps to prevent the conduct being reported to the SRA, effectively hiding behind his client and attempting to persuade a fellow solicitor not to fulfil their own regulatory reporting responsibilities. This was found to be particularly egregious. As stated above the large value of the property and potential

rewards may have influenced his decision-making, though such considerations provided no excuse for the risk-taking or subsequent obfuscation.

38. Whether or not there had been direct harm, and there was some indication that there had been due to subsequent litigation, the level of harm was found to have been very high.

39. The Tribunal accepted that many aggravating features were not present. His conduct had been highly reckless. There was no criminal element, bullying or direct coercion. However, the Respondent knew or ought reasonably to have known that the conduct complained of was in material breach of obligations to protect the public and the reputation of the legal profession.

40. The Tribunal considered mitigating factors, including the Respondent's hitherto unblemished record and his many good qualities, as set out in the four-character references, and also his remorse. However, they could not dislodge the inherent seriousness of the admitted misconduct which bore heavily on the Tribunal's need to protect of the public and the profession's reputation and were insufficient to tip the balance away from a potentially severe penalty.

41. When reviewing all the factors in this case with a view to imposing the most appropriate sanction the Tribunal adopted a 'bottom up' approach considering the least serious sanctions first and working upwards. Given the findings it had made on culpability and seriousness Tribunal concluded that the Respondent's misconduct was so serious that 'No Order' or a Reprimand were clearly inappropriate. Mr Goodwin had urged the Tribunal to consider a fine, however, given the combination of factors, all of which were serious the Tribunal did not consider this to be adequate. A Fine or Restriction Order would not be a sufficient sanction to protect the public or the reputation of the profession from harm.

42. The Tribunal gave earnest thought to the imposition of a fixed or indefinite suspension, but it considered that in this case the Respondent's conduct had been at a level where even this would have been inappropriate. In the circumstances of this case, the protection of the public, the public confidence in the profession and the reputation of the profession required no lesser sanction than that the Respondent be removed from the Roll.

Costs

43. Prior to consideration of sanction the indicated that costs had been agreed in the sum of £25,000.

Tribunal's Decision on Costs

44. Notwithstanding the agreed position of the parties the Tribunal had a duty to review the issue of costs before making an order.

45. The Tribunal noted that under Rule 43 (1) of The Solicitors (Disciplinary Proceedings) Rules 2019 it has the power to make such order as to costs as it thinks fit, including the payment by any party of costs or a contribution towards costs of such amount (if any)

as the Tribunal may consider reasonable. Such costs are those arising from or ancillary to proceedings before the Tribunal.

46. By Rule 43(4), the Tribunal must first decide *whether* to make an order for costs and when deciding whether to make an order, against which party, and for what amount, the Tribunal must consider all relevant matters such as:

- The parties' conduct.
- Were directions/ deadlines complied with?
- Was the time spent proportionate and reasonable?
- Are the rates and disbursements proportionate and reasonable?
- The paying party's means.

47. The Tribunal found the case had been properly brought by the Applicant.

48. The Tribunal noted the following factors:

- The Substantive Hearing had taken less time than anticipated.
- This had not been a complex case to prepare and present. The Respondent had made sensible admissions.
- All directions had been complied with in a timely manner.

49. The Tribunal adopted a 'broad brush' approach to the costs and looked at matters in the round. The agreed costs claimed by the Applicant were reasonable and proportionate and that in principle the Applicant's costs should be paid by the Respondent in full and not borne by the profession. However, the Tribunal considered very carefully the Respondent's statement of means and other matters he had told the Tribunal.

50. The Tribunal, in considering the Respondent's liability for the costs of the Applicant, had regard to the following principles, drawn from R v Northallerton Magistrates Court, ex parte Dove (1999) 163 JP 894:

- it is not the purpose of an order for costs to serve as an additional punishment for the respondent, but to compensate the applicant for the costs incurred by it in bringing the proceedings and
- any order imposed must never exceed the costs actually and reasonably incurred by the applicant.

51. It was clear that the Respondent's means were extremely limited and the material impact of the sanction would likely make such resources even more limited.

52. The Tribunal was mindful that it should not make an order for costs where it is unlikely ever to be satisfied on any reasonable assessment of the respondent's current or future circumstances as per Barnes v SRA Ltd [2022] EWHC 677 (Admin).

53. The Tribunal considered that the Respondent's case was analogous to Barnes and that in his case his impecuniosity was a persuasive factor to allow it to divert from the normal course involving costs.

54. The Tribunal therefore made no order for costs.

Statement of Full Order

55. The Tribunal ORDERED that the Respondent, CHARLES MICHAEL STEVENS solicitor, be STRUCK OFF the Roll of Solicitors and it further Ordered that there be no order for costs.

Dated this 23rd day of June 2025
On behalf of the Tribunal

G. Sydenham

G. Sydenham
Chair