AML FIRM WIDE RISK ASSESSMENT (FWRA)

The Eric Whitehead Partnership Limited

1) Introduction

The Eric Whitehead Partnership operates from our offices in Cheadle, Stoke-on-Trent and is a high street practice which predominantly deals with residential conveyancing, family, wills, probate and lasting powers of attorney. The firm currently has three Directors and employs fourteen other members of staff.

During the financial year to the end of April **2026** the overall turnover for our business **£1,005,361.**

In the year ending April 2025, our fee income was generated as follows:

51%	Residential Conveyancing
17%	Probate
11%	Lasting Powers of Attorney
6%	Commercial Conveyancing
7%	Wills
3%	Matrimonial
5%	Other

Over the last twelve months:

- there have been **no** internal/external suspicious activity reports.
- there have been **no** issues regarding reporting processes, "tipping off" etc.
- there have been **no** issues have arisen regarding PEPS or sanctions.
- the position of COLP & MLRO have **not** changed, however Elizabeth Collins became the Deputy MLRO on 1st November 2024.
- there have been **no** material changes to the firm's structure (i.e. mergers/offices/work type) that may increase the risk of money laundering.

We have considered where our practice is at risk of involvement in money laundering and/ or terrorist financing, taking into account the size and nature of our business in relation to:

A) our clients
B) the locations in which we and our clients operate
C) the services we offer
D) the type of transactions in which we are involved
E) our internal and operational risks

F) emerging risks; and
G) delivery channels

2) External Sources of Information

- Risk factors set out in the **Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017**, as amended (MLR). **The amendments to this were debated in the commons on 3rd June and passed. They are due to come into force around the 30th of June 2026.**
  Provisions on pooled client accounts in that banks may be able to apply a simplified set of controls if the PCA holder presents a low risk of ML & information on the ID of customers is available on request to the LCA holder. Firms will not be required to provide information which is legally privileged or breach any duty of confidentiality.
  Enhanced Due Diligence trigger under 33(1)(f)(i) is to change from 'complex or unusually large' to 'unusually complex or unusually large' — focusing EDD on genuinely higher-risk transactions. Our AML policy has been amended to reflect this.
  Only High-Risk Countries under regulation 33(b) and 3A will trigger mandatory EDD (currently Democratic People's Republic of Korea, Iran & Myanmar). However, the firm has decided that we will continue to include the FATF Increased Monitoring countries as High Risk and we will continue to carry out EDD on those matters. Our AML policy has been amended to reflect this.

- the **SRA's Risk Outlook report: cryptocurrencies** issued February 2023; *SRA guidance updated February 2025: We have reviewed the updated guidance, but our position has not changed so we do not believe that we need to make amendments to our policies and procedures at this time.*

- the **SRA's Risk Outlook: managing regulatory risk during economic uncertainty** issued 28th July 2023;
- **Economic Crime and Corporate Transparency Act 2023 (ECCTA 2023)** which includes reforms to Companies House, preventing abuse of limited partnerships, unlimited fines etc. The new offence of failure to prevent fraud comes into effect September 2025. We have reviewed and we believe that we have robust fraud prevention systems in place.

- **SRA Warning Notice – Client & Matter Risk Assessments** dated 18th October 2023. **This was updated 19th June 2026. This published the common issues that the SRA has found during its inspections and reviews.** *We have reviewed and considered but we do not believe that we need to make amendments to our policies and procedures at this time.*

- **SRA Guidance Note – Proceeds of Crime** dated 18th October 2023

- **SRA Guidance Note – Sanctions** Regime dated 23rd January 2024. **This was updated 19th June 2026.** *We have reviewed and considered but we do not believe that we need to make amendments to our policies and procedures at this time*

- the **Financial Action Task Force's (FATF)** jurisdictions under increased monitoring and high-risk jurisdictions subject to a call for action updated **June 2026. We have amended our AML policy to reflect this and emailed all staff/added to the firms' intranet.**

- the **SRA's Sectoral Risk Assessment** updated 5th March 2024 in respect of the following new risks: vendor fraud, pooled client funds, third-party managed accounts & irregular methods of transferring funds. Also, the position with regard to domestic PEPs has been updated.

- the **Financial Action Task Force's (FATF)** guidance in respect of Beneficial Ownership & transparency of Legal Arrangements March 2024. We only deal with private individuals or small private/family-owned companies with clear and transparent ownership.

- **SRA Risk Outlook report:** The use of Artificial Intelligence in the Legal Market dated 20th November 2023. Although the report states ¾ firms are using AI, we only use this on a very limited basis (i.e. predictive text on a keyboard) and have no plans to use AI at a higher level in the near future i.e. chatbots. We are also aware of the risk posed by AI tools known as "deepfakes" which can impersonate a real person's appearance convincingly. This increases the risk of relying on video calls to identify and verify your client which is not a tool we currently use or have any plans to utilise.

- **UKFIU SAR Reporting Booklet August 2024 (nationalcrimeagency.gov.uk)**: Suspicious Activity Reports (SARs) alert law enforcement to potential instances of money laundering or terrorist financing. SARs are made by financial institutions and other professionals such as solicitors, accountants and estate agents and are a vital source of intelligence not only on economic crime but on a wide range of criminal activity. They provide information and intelligence from the private sector that would otherwise not be visible to law enforcement. SARs can also be submitted by private individuals where they have suspicion or knowledge of money laundering or terrorist financing. **Updated June 2026** and reviewed.

- **Australia – Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill September2024:** The Bill has 3 key objectives - 1) Expand the AML/CTF regime to additional high-risk services provided by tranche two entities. 2) Modernise the regulation of digital currency and of virtual asset and payments technology. 3) Simplify and clarify the AML/CTF regime to increase flexibility, reduce regulatory impacts and support businesses to better prevent and detect financial crime. We do not believe this will have an impact on us as we have very limited dealings with a very small number of private individuals in Australia (usually beneficiaries in probate matters).

- **SRA Risk Outlook Report December 2024: Serving clients' needs in a changing legal market.** This report presented some of the ways that firms are adapting to risks in the market, considers the impact on clients and signposts to resources that support effective risk management. This has been reviewed but we do not believe it is required to make any amendments to our policies and procedures at this time.

- **OFSI Annual Review Annual Review 2024-25 published October 2025.** In light of OFSI's enhanced resourcing and enforcement capabilities, ensuring adherence to sanctions is increasingly crucial in order to mitigate risks of incurring penalties from the regulator in the first place, and to avoid wider reputational damage from publication of any such penalties.

- ***Legal Services Affinity Group (LSAG) Guidance* updated April 2025**. Amendments included were Third-Party Source of Funds updated guidance in that when it becomes know that a third party is to contribute funds for a transaction you should consider and evidence the underlying SoF in the same way you would on the client themselves. This is the firm's policy in dealing with funds from third parties, but we have amended our AML policy to reflect this.

- **National Crime Agency's national strategic assessment, Updated 2026 -** the main SOC threats considered in this paper are those set out in the UK Government's Serious and Organised Crime Strategy 2023-2028: child sexual abuse, cyber, drugs, firearms, fraud, modern slavery and human trafficking, money laundering, organised acquisitive crime, and organised immigration crime. We have reviewed the assessment, but we do not believe it is required to make any amendments to our policies and procedures at this time.

- **UK Government Russia Sanctions Guidance. Updated May 2026.** We have reviewed the guidance, but we do not believe it is required to make any amendments to our policies and procedures at this time.

- **The UK's National Risk Assessment (NRA) updated in July 2025.** This maintained a "high" money laundering risk rating for legal services providers, unchanged from 2020. The nature of services offered and the volume of money that can be moved through them contribute to the sector vulnerabilities. Non-compliance levels remain relatively low across the sector, but the vulnerabilities the sector is exposed to and the scale of money laundering involving the legal sector have remained high. We have reviewed the assessment, but we do not believe it is required to make any amendments to our policies and procedures at this time.

- **SRA's Sectoral Risk Assessment – Anti-money laundering and terrorist financing updated 4th February 2026.** The emerging risks reviewed included Capital Flight from high-risk countries, poor client account practice, poor CDD scrutiny, change of business firm models, & global economic uncertainty. We have reviewed the assessment, but we do not believe it is required to make any amendments to our policies and procedures at this time.

- **Government guidance on the exemptions from the money laundering obligations and money laundering reporting obligations in the POCA 2002. Updated July 2025.** This exemption applies for the whole of the anti-money laundering regulated sector when they end a relationship with a client or customer and for that purpose pay away property below the threshold. On 31 July 2025, the threshold amount was raised from £1,000 to £3,000. This guidance has been reviewed but no updates are deemed to be required at this time.

- **SRA Anti-Money Laundering Annual Report 2024-25 Published 30th October 2025**. This revealed a significant increase in regulatory activity, with 935 proactive engagements and 151 enforcement actions taken against law firms. The report highlighted a concerning trend of non-compliance, with 32.4% of inspected firms failing to meet requirements, a drop from the previous year's 22% full compliance rate. Key areas of failure included inadequate client verification, weak risk assessments, and poor "source of funds" checks, with residential conveyancing identified as a particularly high-risk area. We have reviewed this report, and no amendments are required at this time.

- **SRA Guidance Note – Your obligations to report breaches of the AML regulations November 2025.** This concerns reporting serious breaches of the Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (the MLRs) and your obligations to do so. This guidance has been reviewed but no updates are deemed to be required at this time.

- **UK Government Update November 2025**. From 28th January the UK Sanctions List (UKSL) will be the only sanctions list which details sanctions designations published by the UK government. The OFSI Consolidated List and its search tool will no longer be updated from this date. Staff will be updated and all policies and procedures will be amended prior to then.

- **SRA News Release November 2025.** The government has announced plans to strip the SRA of its AML supervisory role and move supervision to the FCA. The plan of transition and any amendment to legislation have yet to be announced so there are no amendments to policies and procedures at this time, but the situation must be closely monitored.

- **Statutory guidance on the Meaning of "Significant Influence or Control" over Companies in the Context of the Register of People with Significant Control February 2026.** We have reviewed this report, and no amendments are required at this time.

- **SRA Guidance Firm-wide risk assessments updated 19th June 2026.** We have reviewed this report, and no amendments are required at this time.

- **SRA Warning notice – Compliance with the money laundering regulations – firm risk assessment updated June 2026.** We have reviewed this report, and no amendments are required at this time.

- **SRA Warning notice Money laundering and terrorist financing updated 19th June 2026.** This summarises the warning signs and our obligations to report any suspicious transactions in order that we do not facilitate AML/CTF. We have reviewed this notice, and no amendments are required at this time.

3) Analysis

A) Client Risk

We undertake client due diligence for all our clients and verify their identification either in person or by using our online identification verification provider Thirdfort.

We also do an Initial Risk Assessment for each matter which is updated as the matter progresses and also when it concludes.

In regulated work we obtain details of the client's employment status, and this is taken into consideration when establishing/evidencing source of funds and source of wealth. Cash intensive businesses/employments such as salons, takeaways, retail shops, scrap metal

dealers, car wash etc pose a higher risk of money laundering. If there are any concerns, the matter must be referred to the MLRO before any further work takes place.

The only work we undertake for limited companies is when all the directors have instructed us and are the only beneficial owners of the company.

Very occasionally we will deal with larger organisations in simple transactions (such as the disposal of a freehold property), but this would only be dealt with by Timothy Halliday who is the COLP/MLRO. We do not deal with complex corporate structures.

Sources of work

Our instructions come primarily from private individual clients. Where instructions come directly from a client that isn't an existing client, despite the risk of money laundering in the non-regulated sector being low, we still complete CDD.

Our residential conveyancing instructions typically comefrom:

- Repeat Instructions
- Recommendations from friends or family members that have used us previously
- Estate Agents
- Mortgage brokers
- Staff members or family and friends of staff members
- Review Solicitors Website

We set out our approach to client identification and verification in line with our Anti-Money Laundering Policy:

- client identification (and verification thereof).
- understanding the client's background and circumstances (including financial position) and assessing whether the legal services provided to the client are in keeping with your understanding of that background and circumstances.
- identifying the person who instructs us on behalf of a client (such as a person who represents a company) and checking they are authorised so to act.
- taking reasonable measures to understand the ownership and control structure of any company, trust, or other entity we act for.
- identifying any beneficial owners and taking "reasonable measures to verify the identity of the beneficial owner" so we are satisfied that we know who the beneficial owner is.
- assessing the purpose and intended nature of the business relationship or transaction and where necessary obtaining information on that subject.
- assessing risk – CDD and ongoing monitoring must be done on a risk-sensitive basis, and this includes checking if a client or beneficial owner may be "politically exposed"
- ongoing monitoring of the business relationship including where necessary the source of funds.

We are aware that private clients may seek the provision of legal services for both genuine and criminal purposes, and that conveyancing is a high-risk service which is

attractive to UK criminals, and we therefore assess the risk of money laundering or terrorist financing through this aspect of our business to be **Medium/High.**

B) Geography

It is extremely important to consider where our clients, client entities or where the transactions we are working on are based/where they are linked to.

Our client base is predominantly based in our geographical area, mainly individuals or families, local businesses and other organisations, most of whom are known to the firm and have been past clients. Around 85% of our clients are based in the Staffordshire area (and of those around half are based within a six-mile radius of our office).

We do receive instructions from clients throughout the UK (approximately 15%), particularly in conveyancing matters. However, these are quite often through personal recommendations from previous clients to family and friends.

We do not have a client base with individuals or entities in high-risk jurisdictions, but this is confirmed at the outset and monitored as the matter progresses.

Occasionally we do deal with clients in high-risk jurisdictions (for example a sibling of a long-established local client who has moved abroad). Any such matters must be referred to the MLRO for authority to act at the outset and enhanced due diligence measures would be put in place. The matters would be then entered onto the High-Risk Register and closely monitored by the MLRO. Whilst these are likely to be one off transactions, we must be aware of the risk of receiving future instructions as a direct result of these transactions. Also, if these clients instruct us again then enhanced due diligence would apply on those matters automatically.

We are based in the United Kingdom, and the UK is a FATF registered country and is ranked as low risk on the Transparency International Corruptions Perception Index.

We therefore assess the risk of money laundering or terrorist financing through this aspect of our business to be **Medium.**

C) Services

Our practice areas are as follows are as detailed in the introduction, namely

51% Residential Conveyancing

17% Probate

11% Lasting Powers of Attorney

6% Commercial Conveyancing

7% Wills

3% Matrimonial

5% Other

Of those practice areas, the following involve AML regulated work:
Residential Conveyancing, Commercial Conveyancing & Probate matters Probate matters where we are managing the assets of the estate under instruction from the executors or as the executor.

AML regulated work makes up around 74% of our overall work.

The risk profile in relation to money laundering, terrorist financing and proliferation financing of the firm's departments are assessed as follows (in declining order of assessed risk):

- Residential conveyancing
  Predominantly purchases, sales, transfers of equity and a limited amount of remortgage work and also a modest amount of buy to let purchases predominantly for existing clients.
  High - particularly when property is empty, funds are from/going to accounts abroad, end of chain/cash/high value transactions.
- Commercial property
  These predominantly relate to agricultural sale and purchases of farmland/buildings. We do also undertake sales and purchase for limited companies and a limited amount of commercial buy to let and remortgage work, but only when all the directors have instructed us, and they are the only beneficial owners.
  High - particularly when property is empty, funds are from/going to accounts abroad, end of chain transactions/ cash/high value transactions; lower when dealing with the grant or assignment of business leases at market rent)
- Private client
  Probate, wills and lasting power of attorneys
  Medium - wills and last power of attorney matters are relatively low risk. The average value of estates we currently deal with is £205k. However higher value estates and ones involving large amounts of cash would be a higher risk.
- Family
  Divorce, children arrangement orders and financial provision within divorce.
  Low to Medium – most of our family work would be considered to be low risk however source of funds/wealth would still need to be investigated when dealing with financial aspects. We do not undertake litigious matters involving co-habitees.
- Employment
  Settlement agreements
  Very low

We therefore assess the risk of money laundering or terrorist financing through this aspect of our business to be **Medium to High.**

D) Transactional Risks

Transactional monitoring is crucial to inhibiting the movement of monies from one criminal to another, or when criminals seek to clean illicit funds by erroneously depositing them in our client account.

The firm does not accept funds from third parties or send funds to third parties not involved in the transaction in which we are dealing. We are aware that criminals can seek to disguise the source of funds by having payments made by or to associates or third parties. This is a way of disguising assets therefore we make sure that we identify the source of funds and source of wealth to mitigate this risk.

We are aware that taking instructions from third parties, including family members poses a higher risk as it requires the firm to undertake checks on the third party, ensure that confidentiality implications are considered, and the client's prior consent is obtained. We review all matters on a weekly basis to minimise this risk.

The firm occasionally accepts payment in cash but only up to a limit of £500.

As a firm the only transactions that involves large financial transactions are probate matters, and in conveyancing transactions. We do not deal with mergers or acquisitions.

In the year ending 30th April 2025, we completed dealing with 45 probate matters with the average gross value of the estate being £244k. We are currently dealing with an estate of around £950k and this is on the firm's high-risk register so it can be closely monitored by the MLRO.

In the year ending 30th April 2025, we dealt with the following conveyancing transactions:

Residential Conveyancing
217 sales with an average sale price of £240k and where the highest sale price was £1,100k.
193 purchases with an average purchase price of £252k and where the highest purchase price was £855k.
13 remortgages where the average advance was £153k and the highest amount was £566k.

Commercial Conveyancing
14 sales with an average sale price of £209k and where the highest sale price was £1,150k.
26 purchases with an average purchase price of £359k and where the highest purchase price was £2,000k.
12 remortgages where the average advance was £187k and the highest amount was £1,400k.

We estimate that around 17% of the conveyancing work undertaken was higher risk than a standard conveyancing matter due to higher transaction value/matter complexity.

We therefore assess the risk of money laundering or terrorist financing through this aspect of our business to be **Medium.**

E) Operational Risks

We are aware that a member of staff or director may use the name, bank account and reputation of the firm deliberately to carry out money laundering or fraud. We undertake regular AML screening and do not have a high turnover of staff.

Our firm does not offer financial incentives, such as bonus schemes, to employees which could have the potential to tempt some employees to overlook regulatory requirements in order to attain financial gain.

There are no known deficiencies in training on AML/CTF. The firm adopts the following strategy with regard to internal AML training for staff:

- All new starter fee earners and support staff receive AML training, tailored to their position, which includes the following key areas as a minimum: recognising suspicious circumstances/ red flags to look out for, what the law on AML is, how to undertake CDD checks in accordance with the firms procedures, when and how to carry out a sanctions check, how to report suspicions internally, non-reporting of suspicions is a criminal offence, an understanding of what tipping off is and how to avoid doing it and record keeping and data protection requirements.

- All employees receive AML awareness/refresher training, which is reflective of the AML risks associated with their role, annually in the following areas:

  - Anti-Money Laundering
  - PEPS & Sanctions
  - Avoiding Bribery Risks
  - Risk Management
  - Solicitors' Accounts Rules

  In addition, conveyancing fee earners receive annual training in the following areas:

  - Anti-Facilitating Tax Evasion for Law Firms
  - Risk, Compliance and Client Care
  - Protocol in Practice
  - Financial Crime

  All employees are also enrolled on a monthly compliance update webinar from Access legal and a quarterly AML compliance update webinar.

- Agents such as consultants, locums and temporary staff who are involved, on our behalf, with regulated work will also be provided with appropriate training dependant on and proportionate to the extent of the terms on which they are engaged.

- The MLRO undertakes regular file reviews to ensure files are being handled correctly, in line with the firm's AML regime, and circulate details of the findings/areas for improvement/learning points to all relevant staff thereafter.

- The MLRO will circulate summaries of relevant case law, regulatory decisions and legal press articles relating to real-life examples of where AML has come into play, as and when they come to light, by way of learning points and reminders to all relevant employees.

- Any material change to the legislative AML regime or the firm's internal policies will prompt a training review and refresher training for all relevant staff.

The firm operates a client account. We are aware that there is a risk of the client account being exploited by criminals to transfer funds to third parties, effectively breaking the audit trail to launder funds. To reduce this risk, we carry out thorough CDD checks in each transaction and only accept funds when they are required, once we are satisfied with these checks. In addition, we only allow funds to transfer through client account where there is a legitimate underlying legal transaction. All funds transferred from the firm's client account must be set up by a member of the accounts team and authorised by a director (no-one can act alone).

We have clear financial controls and have appropriate oversight of everyone in the firm (particularly regarding client money and transactions).

We therefore assess the risk of money laundering or terrorist financing through this aspect of our business to be **Low.**

F) Emerging Risks

Global pandemics: As a result of the Covid-19 pandemic/cost of living crisis/looming economic recession, the UK economy has entered a period of significant economic downturn. This has potentially left some firms in a vulnerable position, where they might be more likely to become involved in business areas and relationships they would otherwise have avoided. Criminals know this is happening and are looking to exploit those firms where tolerance to risk has increased. To mitigate against the risk, we have robust AML policies, controls and procedures (including the accurate assessment of risks at every level) in place.

Wider economic pressures: A separate issue which is of growing importance is the issue of sufficient resourcing of AML work. Economic conditions have deteriorated and there is much uncertainty for firms. Firms are likely to be under pressure to reduce costs, and elements of businesses that do not directly generate revenue might see their budgets reduced.

Whatever decisions are made about resourcing, we understand that economic conditions do not change the requirement to comply with the regulations. In fact, the economic conditions are more likely to increase our exposure to would-be money launderers, emboldened by a perception that they are in a position of relative strength in dealing with firms. To mitigate against this risk as a firm we are committed to importance of this work, and we are regularly reviewing and improving our internal training and risk assessments.

New types of technology: There are risks in the use of new types of financial technology, e.g., fund transfer systems, crowdfunding platforms and the increased use of artificial intelligence within the legal sector. We are also aware of the risk posed by AI tools known as "deepfakes" which can impersonate a real person's appearance convincingly. This increases the risk of relying on video calls to identify and verify your client which is not a tool we currently use or have any plans to utilise. Any use of new technologies will be preceded by an assessment of the risks they may introduce and effective mitigation of these risks where possible.

This greater use of technology in all respects also heightens the importance of cyber security. Cyber security breaches could allow criminals to gain total access to both client's sensitive data and the firm's systems, allowing them to be used for laundering money. To mitigate

against this risk all employees undertake training via our Cyber Clear Risk Academy. The firm also has the Cyber Essentials accreditation and has Cyber Insurance in place.

Crypto assets and currencies: We currently have no plans to accept or use cryptocurrencies. Any use of new cryptocurrencies will be preceded by a thorough assessment of the risks they may introduce and effective mitigation of these risks where possible.

Proliferation Financing: We are aware of the risk of proliferation financing, which is the act of providing funds or financial services in connection with chemical, biological, radiological or nuclear weapons (from the manufacture to the use of said weapons). We have assessed our risk to be low due to our firm's client base, location and practice areas but we will reassess on a regular basis.

Vendor fraud is on the rise and usually involves residential property which is targeted by fraudsters who will impersonate the owners of the property and sell the property without the knowledge or consent of the real owner.

Warning flags which we would look out for include:

- properties being offered for sale over or under the market value
- reluctance on the client's part to provide documentation
- altered, forged or stolen documents
- pressure to complete transaction quickly
- instructions for minimal work to be done (i.e. no searches)
- complex or unusual circumstances
- cash property purchases
- funds coming from or going to unconnected third parties
- being instructed to act for both the seller and the purchaser in the transaction
- property being bought/sold in back-to-back sales

Failures in identification and verification make it easier for these frauds to take place. To mitigate against this risk as a firm we are aware of the importance of this risk, and we are committed to regularly review and improve our internal training and procedures in respect of client due diligence and risk assessments.

We therefore assess the risk of money laundering or terrorist financing through this aspect of our business to be ***Medium to high.***

G) **Delivery Channel Risk**

We deal with our clients in face-to-face meetings where possible, and also by telephone calls, in writing and by email.

In all private client and family matters we will meet with all clients face to face.

In all other matters, if a face-to-face meeting cannot take place (and the clients are not existing clients), then we would take a risk-based approach on a case-by-case matter.

These investigations would depend on the facts of each individual matter but could include (but are not limited to):

Where is the buyer/seller located?
What is their reason for instructing us?
Are family members existing clients?
Has there been a recommendation from local agent who has met them?
Have you spoken to the client to confirm the details of the property (i.e. when they bought the property) etc?
Does all of the above make sense?

Any concerns should be referred to the MLRO before acting any further, and he would be able to advise what steps should be taken to satisfy that the client is who they say they are on a case-by-case basis depending on the facts of the individual matter.

For all matters, including non-money laundering regulated work, we use the Thirdfort platform to assist with client verification.

It is rare for someone other than the client to be giving instructions, but if this happens, we will verify their identity and their status to do so. If the client wishes funds to be sent to a third party, it is our policy that we send them only to our client.

We have assessed the risk of "passporting" (where a client instructs a firm on a low-risk matter to avoid scrutiny on a later high-risk matter). As we risk assess and complete CDD on all matters, we therefore assess the risk of money laundering or terrorist financing through this aspect of our business to be **Low.**

4) Conclusions from the FWRA

We deal with a high level of conveyancing work which is considered high risk. However, to mitigate against the risk we have robust AML policies, training, controls and procedures in place.

Overall, we therefore consider this firm to be *medium* compared to most law firms.

Our key risk area:

Conveyancing is a high-risk service, which is attractive to criminals for the purposes of laundering money.

Criminals may acquire property using criminal funds as this provides an opportunity to launder a substantial sum in a single transaction. Buyers may be mere nominees for criminals who are funding the purchase.

Property is an attractive asset for criminals because of the large amounts of money that can be laundered through a single transaction, and the fact that property will tend to appreciate, can be used to generate rental income or can be lived in. For these reasons, property transactions also often involve a risk of mortgage fraud, or other property-related fraud.

The effectiveness of our current systems and controls:

We are committed as a firm to mitigate the risk wherever possible by undertaking regular file reviews, investing in training, implementing new procedures and reviewing/improving existing policies and procedures.

We have introduced a pro-forma source of funds and wealth file note to improve the firmwide consistency of evidencing the fee earners' decision-making process on purchase matters.

This report has been updated to prompt fee earners to not only obtain relevant company accounts but also ensure that all documentation is fully reviewed and scrutinised. Additional amendments were made to ensure the client's overall financial position is considered, rather than focusing solely on the amount required for a specific transaction.

We have also introduced a pro-forma source of funds questionnaire on probate matters to improve the firmwide consistency and the evidencing of this.

We have also introduced a sanctions policy in December 2023 and have registered for the NCA SAR Portal in readiness for if/when required.

The client due diligence form was amended in March 2024 for the fee earner to show the consideration of any thirdfort "flags" to improve firmwide consistency. The client due diligence form for companies was amended January 2025 to document further information about the company ownership.

We have created a new PEP risk assessment in November 2025. When a fee earner believes that we are dealing with a Politically Exposed Person, this risk assessment must be completed and submitted to the MLRO so that the correct level of risk can be applied and added to the central register.

The firm has invested in an intranet to make all policies, procedures and updated guidance easily accessible to all staff.

We also have regular meetings in order to effectively communicate any regulatory updates and any amendments to existing or new policies and procedures.

- To mitigate the risk in our Conveyancing work, we have weekly conveyancing meetings where all new updates from the Law Society, SRA, Bold Legal, Access Legal, CQS updates etc are discussed.

  All individual matters are reviewed for risk at the onset. Before any matter can proceed to exchange, the file has to be independently reviewed (pre-exchange review), and a further risk review must be undertaken.

  A closing risk review is completed as part of our file closure procedure.

  The firm obtained Conveyancing Quality Scheme accreditation at the first attempt in December 2011, and this accreditation was renewed in December 2024.

- To mitigate the risk in our private client work, we have a monthly meeting where file reviews are completed and all new updates from the Law Society, SRA, Solicitors for the Elderly, WIQS updates etc are discussed.

  All individual matters are reviewed for risk at the onset, and before any matter can proceed to distribution, the file has to be independently reviewed (pre-distribution review).

A closing risk review is completed as part of our file closure procedure.

The firm obtained Wills and Inheritance Quality Scheme accreditation at the first attempt in February 2023, and this accreditation was renewed in 2025.

- We hold monthly fee earners meetings where Lexcel standard file reviews are completed to identify any quality issues or training requirements.

  The firm obtained Lexcel accreditation (evidence of compliance with the Law Society's Practice Management Standards) at the first attempt in January 2006. The firm is re-assessed annually (usually in December) in respect of its Lexcel accreditation. The firm is currently assessed against the latest version of Lexcel and was re-awarded Lexcel accreditation in December 2024.

- The COFA completes monthly file reviews to ensure that the Solicitors Accounts Rules are being adhered to, and all procedures followed. These are reviewed at the monthly COLP & COFA meeting to identify any issues/training requirements.

  The COFA is a member of the Institute of Legal Finance & Management which provides resources, training & support in respect of legal accounts, solicitors account rules and law firm management including dedicated COFA support.

- The MLRO/MLCO completes monthly file AML audits to ensure that all employees are following the firms' policies and procedures and to identify any training requirements.

- The findings from the above are referred to the firms' independent audit function to examine, evaluate, monitor and make recommendations regarding the adequacy and effectiveness of its AML and CFT policies, controls and procedures.

- The firm is a member of the Law Society Risk & Compliance section which provides regular updates in the form of a Legal Compliance magazine, webinars, events and resources to help firms manage compliance.

- We hold regular support staff meetings to ensure that any AML regulatory updates, findings from audits and any amendments in procedures can be effectively communicated and training provided to all employees of the firm.

This record reflects the firm's current risks. It will be reviewed *annually* or sooner in the event of major changes which are likely to affect the firm's AML risks.

Signed .....

Dated 24.6.26

Prepared by *Timothy Halliday MLRO, MLCO & COLP*

Approved by *Directors at Directors meeting*

Signed .....

Signed .....

Dated 24/6/26.....

Next Review Date: June 2027 (or earlier)