



Shaun Sloyan
Employee
831402

[Agreement Date: 23 June 2025](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 23 June 2025

Published date: 8 July 2025

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: DWF Law LLP

Address(es): 1 Scott Place, 2 Hardman Street, Manchester M3 3AA

Firm ID: 653260

Firm or organisation at date of publication

Name: DAC Beachcroft LLP

Address(es): St. Peters Square, 1 Oxford Street, Manchester M1 4PB

Firm ID: 441033

Outcome details

This outcome was reached by agreement.

Reasons/basis

1. Agreed outcome and undertakings

1.1. Shaun Sloyan, an Employee of DAC Beachcroft LLP of Landmark, St Peter's Square, 1 Oxford Street, Manchester, M1 4PB agrees to the following outcome of the investigation into his conduct by the Solicitors Regulation Authority Limited ('SRA') under reference number CDT-1303117-2020:

- i. that he receives a written rebuke;
- ii. that he pays costs to the SRA in the sum of £600.00;



iii. the publication of this Agreement.

2. Summary of Facts

2.1. Between 2015 and mid 2021 Shaun Sloyan was employed by DWF LLP ('the Firm') and its offices at 1 Scott Place, Hardman Street, Manchester in the Firm's plot sales team.

2.2. On 1 March 2021, the SRA received a self-report from the Firm notifying them that the Firm had incorrectly released buyers' instalment and deposit monies from its client account to "SPV1" in breach of contractual conditions for the off-plan sale of a number of residential new-build properties, referred to as Development C.

2.3. The Firm had previously acted for "Company A" in their development and plot sales. "Plot sale" is a term commonly used to describe the sale of newly built residential properties by a housing developer. The most common scenario is where the developer lays out a residential estate, builds houses or apartments on it in accordance with plans prepared by the developer, and then sells the land and completed buildings on it or leases the relevant apartments to a series of buyers (this is what was intended to happen with Development C). The Firm was instructed on 12 August 2019 to act for "SPV1 ", a special purposes vehicle connected to Company A in connection with the sale of residential units on Development C. It was agreed that the Firm would provide legal services to SPV1 in relation to Development C, involving the construction and sale of a number of residential units, together with associated real estate advice.

2.4. The Firm drafted standard contracts (note below that there were three similar versions used as the development progressed) to be used for the sale by SPV1 of the long leasehold interest in the individual units within the Development to buyers. The contract included the following numbered provisions:

2.4.1. Clause 5.1 set out that a buyer would pay the Firm a deposit (the "Deposit Payment") initially held by the Firm as stakeholder until a policy of deposit warranty insurance was in place, the existence of which needed to be evidenced in writing and provided to a buyer's solicitor, after which point the Deposit Instalment Payments ("DIPs") would be held as agent for SPV1 and could, at its request, be released. The Firm accepts they held the deposit funds as stakeholder until provision of the deposit warranty insurance. However, in further versions of the contract, Clause 5.1 was amended to reflect that the Deposit Payment was to be immediately held as agent on the stipulated basis that deposit warranty insurance was already in place (such a statement was agreed between the parties in the contract despite this not being the case, factually).

2.4.2. Clause 5.3 confirmed the "Construction Instalment Payments (CIPs)" were held as stakeholder by the Firm: "pending release by the Sellers solicitor in the manner and in terms set out in this clause". Clause 5.6 stated that: "the instalment should be released to the seller on the Instalment Release Date..." In the Definitions, the Construction "Instalment Release Date" was recorded as "the date upon which the supervisor ... confirms that completion of foundations, structural frame, floor slabs and stair core has taken place in respect of the Development (by way of the supervisor or other surveyor) has issued Supervisor's Certificates in respect of these works" (emphasis added). The Supervisor's Certificate should have been completed by a surveyor and would confirm that completion of the foundations, structural frame, floor slabs and stair core of the units had occurred in respect of the Development.

2.5. In summary, the Firm were responsible for holding monies from buyers' solicitors in respect of deposits and instalments toward the purchase prices of the residential units within Development C and the contract required, before the release of these monies to the seller, that:

2.5.1. The release of DIPs to its seller client was contingent on the provision of Deposit Warranty Insurance by the seller; and

2.5.2. The release of the CIPs to its seller client was contingent on the provision of Supervisor's Certificates.

2.6. The SRA's Forensic Investigation Officer ("FIO") noted during their investigation that there were three different types of contracts, and the provisions of how the deposit money would be held differed slightly. The effect of the provisions in each contract, in respect of the release by the Firm of deposit payments being contingent on a Deposit Warranty Insurance being in place and instalments payments being contingent on the provision of Supervisor's Certificates, were broadly the same save in relation to the later versions of the contract where the funds were held as agent.

2.7. The Firm received monies from the buyers' solicitors in respect of deposits and instalments towards the purchase prices of the units in Development C and:

2.7.1. The sum of £746,880.00 was released in respect of DIPs in relation to 45 units between 24 October 2019 and 30 November 2020 despite Deposit Warranty Insurance not, in fact, being in place despite the contract provisions at clause 5.1 and 5.2 above; and

2.7.2. The sum of £1,852,853.56 was released in respect of CIPs in relation to 44 units between 17 December 2019 and 30 November 2022, however no Supervisor's Certificates were ever provided and, in December 2020, it became apparent that no or little work had been carried out on the site.



2.8. The sum of £2,599,733.56 was therefore paid erroneously to the seller. As outlined in the Firm's internal investigation report, the Firm pursued its own client via a Letter of Claim for repayment of these sums, and was informed its client had gone into administration. The Firm has confirmed it has made good the payments to the various buyers and has paid an excess under their professional indemnity policy of £1,550,000.00 with the insurers paying the remaining sum of £1,095,713.56 plus the interest.

2.9. A list of the various individual buyers was compiled, which includes what appear to be a number of individuals making significant payments of money to purchase a residential property and who will have likely experienced significant concern and difficulty upon being informed that their monies were paid over to purchase new residential properties where, in some cases, the construction of that property had not even started. An example of the impact on the buyers can be seen in a report dated 3 March 2021 made by one of the buyers, Person FC. At this point, Person FC had personally made payments totalling £48,609.00 by November 2019 (notably £34,980.00 of that amount was not covered by warranty insurance and therefore not recoverable).

2.10. Person FC also represented a number of investors in the development, noting the impact on them - "much angst, concern and worry has been caused and some people stand to lose significant sums in other projects." Person FC wrote to the Firm on 2 February 2021 upon discovering that no progress had been made on the development and the payments had therefore been released in breach of contract. Notably, in the Firm's response dated 23 February 2021 they confirmed they had mistakenly released the funds without the contract conditions being fulfilled, going on to state, "It is accepted that paying the deposits and construction instalments to ACCSL [SPV1] when they should have been held as a stakeholder by [the Firm] is therefore a breach of the SAR [the Solicitors Accounts Rules] and needs remedying". Person FC made a complaint to the SRA on 3 March 2021.

2.11. Mr Sloyan, a senior paralegal in the Plot Sales Team at the Firm, had day to day conduct of the plot sales of Development C. As at March 2021, he had worked in the Plot Sales Team for approximately 6 years. Mr Sloyan incorrectly requested payment out of the DIPs and CIPs to SPV1.

2.12. The payments were authorised by a partner of the Firm, Mr Mark Shepherd. Mr Shepherd was based in London and did not supervise the activities of the Plot Sales Team but was the partner responsible for the client relationship with Company A (and was described as the "client partner" at the Firm). Mr Shepherd failed, following Mr Sloyan's payment requests, to personally check the terms of the underlying contracts to verify or ascertain that the conditions of the contracts had been met and



that the DIPs and CIP monies were properly due to SPV1 before authorising the payments from the Firm's client account.

Payment of the DIPs to SPV1

2.13. A number of the contracts provided required that Deposit Warranty Insurance was in place before the DIPs were converted from being held by the Firm as stakeholder to being held by the Firm as agent, the latter status enabling the Firm to release buyer's deposit payments to its seller client.

2.14. On 24 October 2019, Mr Johnson (Managing Director of Company A) emailed Mr Shepherd, stating that the deposit warranty insurance for the development was in place. He provided the documents from the insurance company and asked the Firm to release the deposits. The attachments from the insurance company comprised of a direct debit mandate, an invoice for the sum of £108,158.23, a schedule with a quote for the same sum and a generic policy document. Whilst the covering email from the insurance broker purported to have issued the deposit warranty insurance, a separate policy of insurance was not attached.

2.15. On 24 October 2019, Mr Shepherd acknowledged the email of the same day from Mr Johnson and copied in Mr Sloyan, stating: "Shaun will let you know the balance of all the deposits and when the funds are being transferred". Mr Sloyan confirmed the balance totalled £238,947.42 and that he was "requesting the transfer as we speak". Mr Johnson responded confirming "Bacs is fine Shaun". The first payment of £238,947.42 was made later that day.

2.16. On 15 February 2021, the insurance broker emailed Mr Sloyan (Mr Shepherd was not copied in) with a list of outstanding points before the insurance policy could be issued, demonstrating that no deposit warranty insurance could have been in place in October 2019.

Payment of the CIPS to SPV1

2.17. As set out above, the issuing of the Supervisor's Certification was a necessary prerequisite before these construction instalment monies were released under the Contract for Sale that was in place in respect of Development C.

2.18. Between 17 December 2019 and 30 November 2020, £1,852,853.56 was paid from the Firm's client account to SPV1 in respect of the construction instalment monies held by the Firm. These payments were requested by Mr Sloyan to be authorised by Mr Shepherd and were authorised by Mr Shepherd despite no Supervisor's Certificate having been issued.

2.19. Gaddes Noble (solicitors for the buyer of one plot) raised enquiries with Mr Sloyan about the Supervisor's Certificate on 2 July 2020. Mr Sloyan forwarded this email to Mr Johnson who said he could provide the relevant information. It does not appear that this information was ever provided nor that Mr Sloyan followed this up with Mr Johnson.

2.20. Ridley and Hall Solicitors (solicitors for the buyers of three plots) also requested a copy of the Supervisor's Certificate in their enquiries dated 28 July 2020 to which Mr Sloyan responded on 30 July 2020 saying; "please see attached enquiries with our responses in red". In the responses Mr Sloyan had written "attached", referring to the Supervisor's Certificate however this was not in fact attached. Mr Sloyan went on to later confirm in his email dated 6 November 2020 that the Supervisor's Certificate will follow "nearer to practical completion" and "should not hold up exchange". Mr Shepherd was not copied into these email communications.

2.21. Following these exchanges, Mr Sloyan continued to make payment requests in respect of the sales and Mr Shepherd continued to approve these and asserts that he had no knowledge of the above communication from the buyers' solicitors.

2.22. It later transpired, following an email from Ayana Properties (the agent) dated 8 December 2020, that there had been no progress in building Development C. Images of the site (attached to the email) showed that the development works had not begun, and the site was still bare land so it was not possible for the Supervisor's Certificates to have been issued.

2.23. Following this communication in December 2020, Mr Shepherd asserts that Mr Sloyan raised the matter, for the first time, with him and Mr Shepherd immediately raised the matter with the correct internal escalation procedures.

2.24. As outlined above, by the time the errors had been identified, the Firm had released fifteen payments to SPV1 between 24 October 2019 and 30 November 2020 resulting in a significant total cash shortage.

2.25. The Firm and its indemnity insurance company have repaid the monies into the client account.

2.26. An internal investigation was conducted, resulting in an investigation report dated 28 February 2021. The investigation report recommended formal disciplinary investigation, although disciplinary action was neither recommended nor taken against Mr Sloyan. Recommendations were made in the report regarding systemic processes and training. The Firm accepted that there was no formal or documented process which required either client partners to supervise matters referred to the plot sale team, or for the plot sale team to escalate queries to client partners or other partners. The Firm appears to have



accepted the Development C matter should have been handled by Manchester based partners who could have directly supervised Mr Sloyan's work as opposed to Mr Shepherd who was based in London as part of the commercial real estate team and not associated with plot sale work. The SRA understands that the Firm no longer conducts plot sales work.

3. Admissions

3.1. Mr Sloyan makes, and the SRA accepts, the following admissions:-

3.1.1. Between 24 October 2019 and 30 November 2020, he requested the release of at least £1,852,853.56 to the client before the money was properly due to the client under the contracts for sale and therefore breached the contracts for sale.

3.1.2. In making the admission above, Mr Sloyan therefore admits, in respect of the allegation that he:

3.1.2.1. insofar as such conduct took place on or after 6 October 2011 but before 25 November 2019, acted in breach of Principles 6 and 10 of the SRA Principles 2011 and Rule 20.1(a) of the SRA Accounts Rules 2011; and

3.1.2.2. insofar as such conduct took place on or after 25 November 2019, acted in breach of Principle 2 of the SRA Principles, Paragraph 4.2 of the SRA Code of Conduct for Solicitors, RELs and RFLs and Rule 5.1(a) of the SRA Accounts Rules.

4. Why is a rebuke 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. The SRA considers that the failing by Mr Sloyan was serious because:

4.2.1. Mr Sloyan had simply followed the process which applied to other developments rather than checking the specific contract position in relation to Development C resulting in a contract breach and failed to follow up on concerns raised by buyers' solicitors prior to the release of funds, instead relying on the client's instructions as to when the deposit and instalment funds could be released.

4.2.2. Significant sums were paid out improperly from client account over a protracted period of 13 months which caused a shortfall on the client account.

4.2.3. There was a direct impact on over 40 buyers, reportedly causing some of them 'much angst, concern and worry' thereby risking



undermining public confidence in the profession.

4.3. When considering the appropriate sanction in this matter, the SRA has taken into account:

4.3.1. Mr Sloyan thought that Mr Shepherd (as the Client partner) authorising the payments was confirmation that the payments were properly due and Mr Sloyan did not know that Mr Shepherd was not checking if monies could be paid out;

4.3.2. Representations on Mr Sloyan's behalf that there were aspects of the Plot Sale process which contributed to Mr Sloyan's conduct;

4.3.3. Prior to this incident, he has no relevant regulatory history;

4.3.4. He has fully engaged with the SRA's investigation; and

4.3.5. He has demonstrated insight into his conduct.

4.4. The SRA considers that a rebuke is the appropriate and proportionate outcome because the admitted conduct and breaches involved issues of moderate seriousness and do not require a higher level of response to maintain standards/uphold public confidence.

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

5.1. Mr Sloyan agrees he will not act in any way that is inconsistent with this agreement by, for example, denying the misconduct admitted in paragraph 3.1 above. Mr Sloyan understands that if he acts inconsistently in any way with this agreement, for example by denying the allegations, then all issues may be referred to the SRA for reconsideration, including that there be referral to the Solicitors Disciplinary Tribunal on the original facts and allegations and also on the basis that such failure to comply constitutes a breach of Principles 2 and 5 of the SRA Principles and paragraph 7.3 of the SRA Code of Conduct for Solicitors, RELs, RFLs and RSLs.

6. Publication

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

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