

**IN THE COURT OF FACULTIES
IN THE MATTER OF
CAROLINE COATS, A NOTARY
AND IN THE MATTER OF
THE NOTARIES (CONDUCT AND DISCIPLINE) RULES 2015
(AS AMENDED)**

ADDITIONAL COMPENSATION ORDER

BACKGROUND

1. We heard further submissions in relation to penalty, costs and compensation on 4th February 2022 and gave our decision in writing on 9th February. We were conscious that not all possible complainants had understood the need to provide the court with information on any loss that they had incurred and any compensation which they wished to claim, having only received submissions from the Nominated Notary on their behalf which were not backed by any concrete evidence from the complainants.
2. We set a strict timetable and we are grateful to all that this has been adhered to. We received claims for compensation from Mr Hamilton on behalf of his mother and from Mrs Harrison in relation to the estate of Mrs Kirk.
3. Those documents were forwarded to Mrs Coats who responded as follows:

“I have just seen your email containing further unreasonably outrageous monetary claims. The effects of this case on me personally are indescribable and far exceed any wrong I am perceived to have done. I do not have sufficient money to cover the decrees the judge has already made and threats of enforcement action is not going to change a simple fact. The only thing that I can see is that when I am able to claim my pension that I simply pay that over until all is clear.”

4. We note her general complaint that they are “unreasonable and outrageous monetary claims” but also note that she makes no attempt to analyse the figures or make any submissions on individual figures put forward by the two complainants.

5. Having looked at the figures claimed we do not consider them to be excessive especially where the complainants have suffered anguish and distress as a result of the action, and inaction, of Mrs Coats.

6. We have paid particular attention to the claims for interest on the amounts held by Mrs Coats for periods far in excess of that which can properly be expected by a client of a Notary. In that regard we have considered the Notaries’ Accounts (Deposit Interest) Rules 1989. And in particular Rules 3, 4 and 6.

7. Rule 3 reads:

Subject to Rule 6, when a notary holds money for a client, the notary shall account to the client for interest in the following circumstances:

(a) Separate designated account: Where the money is held in a separate designated account, the notary shall account for the interest earned on it.

(b) Undesignated accounts: Where the money is not held in a separate designated account, the following provisions shall apply:

(i) Sums held for specified periods: The notary shall account to the client for interest at a rate calculated in accordance with Rule 4, if the money is held for as long as or longer than the number of weeks set out in the left hand column of the Table below and the minimum balance held during that period equals or exceeds the corresponding figure in the right hand column of the Table.

No. of weeks	Minimum Balance
8	£500
4	£1,000
2	£5,000

8. Rule 4 sets out that the rate of interest shall be the rate which would have been earned by the money, or its gross equivalent if the rate would have been net of tax, if the money had been kept in a separate designated account earning interest at a rate not less than that from time to time posted publicly by the relevant bank or building society for small deposits subject to the minimum period of notice of withdrawals.
9. Rule 6 provides that nothing in these Rules applies to money received by a Notary being money subject to a trust of which the Notary is a trustee. We have considered whether this debars us from awarding compensation in respect of interest which has been lost. We conclude that it does not; its purpose is to protect the Notary from paying interest on amounts that the Notary may be required to hold in their client account or other designated account. It does not apply to the position here where through her misconduct she has deprived others from obtaining trust funds timeously and where, we judge, the complainants are entitled to be compensated.
10. However we judge that the interest rate claimed by Mr Hamilton, whilst reasonable in commercial terms, is not at the rate allowed for within the Rules. We judge that, although the circumstances here take us outside the Rules we should, nevertheless, have regard to them. We are fortified in that approach because it is in line with the claim made by Mrs Harrison. We have taken a rate of 1.25% as being fair in the circumstances.
11. The final figures that we approve by way of compensation are as follows:

Mr Hamilton

Tangible Costs: (which include the transfer of the trusteeship to a

designated solicitor in Lancashire, obtaining independent legal advice and repayment of an unsubstantiated invoice from Mrs Coats): £2,120.88

Intangible Costs: (being two years interest at 1.25%): £2,526.67

Damages: £2,000

Total: £6,647.55

Mrs Harrison

Cost of six caveats as advised by the Probate office to prevent Mrs Coats gaining access to the assets, and obtaining advice from a solicitor: £2,666.54

Excessive fees paid to Mrs Coats for work either not done or not required: £1,264

Part of the fees paid to replacement administrators: £1,200

Loss of interest on the Estates' assets over six years at rates varying between 0.34% and 1.39%: £5,580.73

Total: £10,711.27

12. We add in total a further £17,358.82 to the overall award of compensation. As this is an increase in the amount originally ordered we will extend the period over which these additional amounts are to be paid to six months.

POSTSCRIPT

13. We note that Mrs Coats seems to be approaching the payment of costs and compensation on the basis that she will only be able to pay when she receives a state pension. We remind her that the court has laid down the period in which the costs and compensation must be paid.

His Honour Judge Leonard QC (Commissary)

Mrs Elizabeth McQuay (Lay Assessor)

Mrs Esther Ogun (Notary Assessor)

25th February 2022