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Client Account Interest Policy

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Section 1: Scope and purpose of policy

We are required by the Solicitors accounts rules to pay clients fair and reasonable interest on client money held by us on their behalf, as part of carrying out their instructions to us.

Section 2: Application of interest for client funds held.

- 2.1 Where the holding of client monies is incidental to the carrying out of instructions for legal work, the interest rate is unlikely to be as high as the rate clients might be able to achieve when depositing the money themselves in a bank or savings account. This is because client money held in our client account must be available immediately or on demand when required for the purpose of the work instructed.
- 2.2 All client monies held in our general client account will have interest applied at the rate that would apply to a standard current account with our primary bank, HSBC.
- 2.3 Interest will be payable for the period we hold the relevant client money and will be calculated from when the funds have been cleared through the banking system.
- 2.4 Interest will be calculated at the conclusion of the relevant matter and on a quarterly basis, 1 March, 1 June, 1 September and 1 December. If the amount of interest as at any such calculation date is less than the minimum specified in 2.5 below, interest will not be payable and will not be credited to the client ledger balance.
- 2.5 Due to regulatory requirements and administrative costs involved, we will not pay interest if the sum calculated is less than £50 in total for the full period during which we hold money in our client bank account.
- 2.6 We will not provide periodic interest statements but will account to clients for interest at the conclusion of the matter, with a written statement of the interest earned. Clients are welcome to enquire about the amount of interest, if any, earned on their matter at any time, by contacting the lawyer advising them.
- 2.7 We reserve the right to set off any interest due to clients against any amounts due to us.
- 2.8 Where we agree with a client that funds should be held in a separate designated deposit account, interest will be payable at the rate of interest which is received by us on the monies held. The rate of interest will vary depending on the specific account being used and the circumstances of the arrangement.

Section 3: Circumstances in which Interest will not be paid.

- 3.1 Where the amount of interest is below £50 as defined in 2.5 above.
- 3.2 On money held by us on account of costs received from a third party.

3.3 On money held by us on account of any professional disbursement.

3.4 On balances held by us for a public funded matter (Legal Aid).

Section 4: Tax Liability

Interest will be credited before deduction of tax. It will be the responsibility of the client to declare interest received to HMRC and any other, relevant authority, and to pay any tax due as a consequence.

Section 5: Monitoring and Review

5.1 This policy will be reviewed on an annual basis by the firm's Compliance Officer for Finance and Administration (COFA).

5.2 The rate of interest paid to our clients will be reviewed monthly.

5.3 The policy and any updates will be published on the firm's intranet site and communicated via any other appropriate communication tool in use within the firm at that time.

Owner:	Shaun O'Halloran
Date approved:	20 th January 2025
Person responsible for reviewing this Policy:	COFA – Shaun O'Halloran
Review frequency:	Annually
Date of next review:	January 2026
To whom should this policy (and changes to this policy) be circulated?	Firmwide via Intranet To clients via Website and linked to Terms of Business
Department/Role	Contributors/Reviewers
Emma Palmer	Director of Risk
Executive	Executive Committee

Name of reviewer:	
Date reviewed:	
Summary of changes:	
Date revised policy circulated and to whom:	
Document version:	