BLAKE MORGAN

Interest policy

1 Introduction

1.1 We are required by the SRA Accounts Rules to account to clients or third parties for a fair sum of interest on any client money held on their behalf.

2 Responsibility for payment of interest

2.1 The Chief Finance Officer is responsible for agreeing the interest rates stated in this policy.

2.2 The COFA is responsible for:

2.2.1 devising and implementing this interest policy, in consultation with the Executive Management Team

2.2.2 providing assistance to individuals and/or teams who have responsibility for calculating or paying interest

2.2.3 reviewing periodically the interest rates we receive and pay

2.2.4 monitoring compliance with this policy

2.2.5 reporting to the Executive management team on the firm's interest arrangements

3 When do we pay interest?

3.1 We do not pay interest:

3.1.1 on money held to pay a professional disbursement, if the intended recipient has requested that we delay paying them

3.1.2 on money held on behalf of the Legal Aid Agency

3.1.3 on money that we have paid into a client account as an advance from the firm to fund a payment on behalf of a client or trust in excess of funds held for that client or trust

3.1.4 if we have agreed with the recipient to contract out of the obligation to pay interest

3.1.5 on monies that we are instructed to hold outside a client account in a manner that does not attract interest, eg cash held in our safe

3.1.6 if the amount calculated on the balance held is £50 or less.

3.2 We will pay interest on all other monies held on client account, including any monies we should have held on client account but failed to do so.

3.3 Interest will be calculated and paid in accordance with this policy. The amount of interest paid to each recipient will take into account:

3.3.1 the amount held

3.3.2 how long we held cleared funds

3.3.3 the requirement to provide instant access to funds held in client account

3.3.4 the higher of the rates of interest available from HSBC or Barclays on a client Premium Account for the actual balance held.

3.3.5 the practice of HSBC on how often interest is compounded

3.4 In the event that a negative interest rate is applied to a client account where we hold funds for you, we reserve the right to pass on a charge in accordance with any interest charged by the bank.

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4 Interest period

4.1 Interest will be calculated over the whole period that we hold the monies, starting from the date the monies are treated by us as cleared funds.

5 Monies held on more than one matter

5.1 Where we hold monies on more than one matter for a recipient, interest will be calculated separately for each individual instruction--unless it is fair and reasonable to aggregate the interest.

6 Payment dates

6.1 Interest will be paid on a monthly basis.

7 Informing clients of our interest policy

7.1 We will notify clients of our interest policy in our terms of business.

7.2 Our interest policy will be available to view on our website.

8 Contracting out

8.1 We may, by written agreement with the client and/or recipient, contract out of the terms of this interest policy.

8.2 We will only contract out where doing so provides a fair outcome. This will depend on all the circumstances.

8.3 When agreeing to contract out, we will:

8.3.1 act fairly towards our client

8.3.2 Provide sufficient information to enable the client to give informed consent.