

Interest policy

1 Introduction

- 1.1 We are required by the SRA Accounts Rules 2018 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

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- 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 our 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.

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