

## **CLIENT INTEREST POLICY**

Subject to the circumstances set out in this policy, if we hold money for you in our general client account, we will pay you a gross sum in lieu of interest.

If we hold money for you in a separate designated client account on your behalf, we will account to you for all the interest earned on such an account.

Interest will not be paid to you in the following circumstances:-

- If the amount calculated is £50.00 or less or if the monies have been held for 14 days or less (even if the sum exceeds £50.00) unless otherwise agreed with you at the outset of your matter;
- On money held for payment of a professional disbursement if the person to whom the money is owed has requested a delay in settlement;
- On money held for the Legal Services Commission;
- On any advance from us to you into our general client account to fund a payment on your behalf;
- Other than as may be required by the rules of professional practice; or
- If there is an agreement between us to contract out of the payment of interest.

If we hold sums of money intermittently on your behalf in our general client account during the course of acting and the sum in lieu of interest calculated for any single period is £50.00 or less, we will only account to you if the total interest exceeds £50.00. We will not account to you if the total amount of time the monies are held amounts to 14 days or less unless otherwise agreed with you at the outset of your matter.

If money is held for a continuous period and for that period it is held in a separate designated client account, we will account to you for a sum in lieu of interest for the rest of the period when the money was held in a general client account regardless of whether it is less than £50.00.

If any money is held on your behalf for a fixed term over a long period of time we will calculate and pay interest quarterly or as agreed with you or other third parties where applicable.

We will calculate the interest and pay it to you when your matter has been concluded or unless as otherwise agreed.

In calculating interest, we apply a rate that we believe reflects the market rate of interest paid on an instant access current account offered by our bank, HSBC, over the period that interest is due.

For funds that are to be held by us in a separate designated client account we will always negotiate with our bank to endeavour to obtain the best available interest rate.

In determining the period that interest is to be calculated, we look at the following:-

- The period between the date when the relevant funds received by us clear our account;
- If we send funds electronically, the date when the funds are sent; or
- If we send funds by cheque, five days after the cheque is raised.

Interest on funds held in our general client account is paid without any deduction of tax (unless you are resident overseas as noted below). It is therefore your responsibility to inform HMRC of any amounts of interest you receive from us.

When funds are held in a separate designated client account, interest is usually paid net of tax unless you have signed a declaration confirming your entitlement to receive bank interest gross.

The European Savings Directive regulations 2003/48/EC requires us to inform HMRC of payments of interest to relevant payees and residual entities in prescribed territories. Where you reside outside the UK and EU, we are required to deduct income tax at the current basic rate and account for this interest to HMRC directly and pay you the net amount.

This policy will be reviewed from time to time to ensure that it continues to deliver a fair outcome to clients.