

Interest Policy

1. Introduction

1. This document sets out our policy for paying interest where we hold money in client account for a:
 1. client
 2. person funding all or part of our fees
 3. trust
 4. person to whom a stake is to be paid (when we hold money as stakeholder) collectively called 'the recipient(s)'

2. Amount of Interest

We will pay a fair sum of interest which will be decided at this firm's discretion to clients or third parties on any client money we hold on their behalf.

3. Responsibility for payment of interest

1. The COFA/Partners are responsible for agreeing the interest rates stated in this policy.
2. The COFA is responsible for:
 1. devising and implementing this interest policy, in consultation with the partners
 2. providing assistance to individuals and/or teams who have responsibility for calculating or paying interest
 3. reviewing periodically the interest rates we receive and pay
 4. monitoring compliance with this policy

4. When do we pay interest?

1. In most cases we hold monies for a short period of time, we will only pay interest in the following circumstances:
 1. Monies are held in our client account for more than 56 consecutive business days, and
 2. The monies have accumulated more than £200 in interest in accordance with clause 2 above.

5. We do not pay interest:

1. on money held to pay a professional disbursement, once the intended recipient has requested that we delay in paying them
2. on money held for the Legal Aid Agency

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
4. if we have agreed with the recipient to contract out of our obligation to pay interest
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
6. the amount of interest, calculated in accordance with this policy, is less than £200

6. Interest on monies held in our client account

1. Interest will be paid before the deduction of tax. It will be the recipient's responsibility to declare interest received to HMRC.

7. Best available rate

We are required by the Solicitors Regulation Authority (SRA) to deposit monies in instant access accounts only. This means that the interest rate paid on monies in our general client account may not be as high as the recipient can achieve by placing the money on deposit themselves.

Interest will be paid in accordance with Natwest standard client deposit account less 0.5%. We will review the Bank's standard client deposit account at the end of our financial year and or when the Bank of England reviews interest rates.

Current rate payable, we refer you to: <https://www.natwest.com/business/savings/client-deposit-manager.html>

8. Interest period

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.
2. Unless we are notified by our bank to the contrary, we will treat monies as cleared funds in accordance with the table shown below:

Method of payment	When are monies treated as cleared funds
cheque	5 working days after the money has been paid into our client account
debit or credit card	date of actual receipt into the account (i.e. transferred from the card company holding account)

Method of payment	When are monies treated as cleared funds
direct transfer	the same working day

3. We will apply the same time periods when calculating the date that monies are received by the recipient.

9. Monies held on more than one matter

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.

10. Payment dates

1. Interest will be paid at the conclusion of the retainer

11. Special cases

1. This policy does not apply when we act as liquidator, trustee in bankruptcy, Court of Protection deputy or the trustee of occupational pension scheme. We will comply with the appropriate statutory rules and any other relevant provisions of the SRA Accounts Rules 2019 regarding payment of interest
2. If we hold money jointly with a client, the interest earned will belong to the client, unless we agree otherwise
3. If we hold money jointly with another firm, we will agree with the other firm how interest will be allocated.

12. Unpresented cheques

1. Where we pay monies to clients by cheque, some clients will delay in paying the cheque into their bank. We will pay additional interest only where it is reasonable in all the circumstances to do so.
2. Where we do recalculate interest and/or issue a further cheque, we reserve the right to charge for the additional work involved.

13. Informing clients of our interest policy

1. We will notify clients of our interest policy in our terms of business.
2. Failure to explain our policy on payment of interest could give the recipient unrealistic expectations about the amount of interest they will receive. Ultimately, this could lead to complaints to the firm and/or Legal Ombudsman.

14. Contracting out

1. Contracting out usually takes the form of agreeing that we will pay no interest or a reduced amount of interest. It can also include agreeing to pay 100% of the

interest received on monies held on general client account, where this exceeds the amount that would normally be paid under this policy.

2. We may, by written agreement with the client and/or recipient, contract out of the terms of this interest policy.
3. We will only contract out where doing so provides a fair outcome. This will depend on all the circumstances, e.g.:
 1. the amounts involved—the larger the sum of interest, the greater the onus on us to show that the client has been treated fairly
 2. the status and bargaining position of the client—it may be less appropriate to contract out if the client is a private individual with little legal exposure than for a commercial client where the interest represents a very modest proportion of the overall transaction
 3. whether there are specific reasons for contracting out, e.g. tax reasons or religious belief
4. When agreeing to contract out, we will:
 1. act fairly towards our client
 2. provide sufficient information to enable the client to give informed consent

15. Failure to comply with this policy

1. We are required to notify the SRA if we breach the SRA Accounts Rules 2019, including the rules relating to payment of interest. If you suspect that we have breached this policy, please report your concerns to our COFA using the process described in our separate Compliance failure policy.

16. Training

1. All staff will receive training, as necessary, on our interest policy including:
 1. regular training for existing staff
 2. training for new staff at induction
 3. updates following any changes to the policy that affect staff
 4. focused training for individual staff or teams responsible for specific interest actions

17. Monitoring and review

1. The COFA is responsible for this policy.
2. All staff must be aware of and adhere to it. You may be liable to disciplinary action if you fail to comply with the provisions of this policy or related policies and procedures
3. The COFA will monitor compliance with this policy by regular liaison the Accounts Department staff.

4. We will review this policy regularly—at least annually. We will provide information and/or training on any changes we make