

39. INTEREST POLICY

As part of carrying out your instructions to us, we may need to hold your money in our client account. In holding client money, we have an obligation to pay interest on that money at a fair and reasonable rate and are required to put in place an interest policy; this policy set out the guidelines for when interest will be paid and is summarised below.

We aim to account to you for interest at a reasonable rate of interest, but as the holding of our funds is incidental to the carrying out of your legal instructions, the rate is unlikely to be as high as the rate you may be able to obtain when depositing the money we hold on your behalf yourself. In most cases, we must ensure that money held on client account is immediately available and therefore may require an instant access account or a notice account that allows us to make an immediate withdrawal at the sacrifice of interest. All of this is taken into consideration when we set our interest rate.

We align our interest rates paid as follows:

- Designated Deposit Accounts will be paid at HSBC's Client Premium Deposit Account rate
- General Client Accounts will be paid 1% below the above

Where amounts are held outside of a general client account or separate designated deposit account, the rate of interest and date that interest is credited will depend on the relevant institution where the funds are held, and as such fall outside the requirements of this policy. The relevant interest information can be obtained at your request.

Where your money is held on our general client account, or in a separate designated deposit account, any interest paid to you is paid without any deduction for income tax. As such it is your responsibility to inform HM Revenue & Customs of amounts of interest received from us, and the implications of this will depend upon your own financial circumstances.


Interest will be calculated on cleared funds for interest purposes. On cheques or banker's drafts this will be 5 days after the cheque or draft has been deposited with our bank. For amounts received by debit or credit card, interest will start to accrue from the date of the actual receipt, usually 3 days after the transaction has been authorised. For direct transfers or same day payments the funds become cleared with immediate effect. Interest will be

calculated on a daily basis and calculated on amounts held overnight from the day the funds become cleared for interest purposes.

Interest **will not** be paid if the total amount calculated for the period that cleared funds are held is less than £50. We also reserve the right to charge negative interest if the Bank of England base rate were to fall below 0.01%. We would absorb any loss less than £20, however any charge above this would be re-charged onto you.

Interest will be calculated when the file is financially complete and Fee Earners will be responsible for notifying our Accounts Department to credit the client ledger so it can be paid over to you at the end of your matter.

This policy will be reviewed on an annual basis by J Graham Parry (Compliance Officer) as part of the review of all Policies and Procedures.

Policy reviewed by: 
J Graham Parry

Dated: 31/6/24