

Legal services client monies interest policy

As part of carrying out regulated legal services, we may need to hold your money in our client account. In holding a client's money, we have an obligation to pay interest on that money at a fair and reasonable rate and are required to have an interest policy, setting out when interest will be paid.

Our policy

We aim to account to you for interest at a reasonable rate however, as the holding of your funds is incidental to the carrying out of your instructions, the rate is unlikely to be as high as the rate you may be able to obtain if you were to deposit the money yourself. We must ensure that money held on our client account is immediately available and so the need for instant access is taken into account when setting the rate of interest payable by us.

Rates of interest

We align the interest rates we pay on monies held on both our general client and separate designated deposit account to the NatWest Bank Plc Base Rate. This rate is likely to change from time to time. The same rate of interest will be paid on money held in our general client account or our separate deposit account.

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

Applicable taxes

Where your money is held on our general client account, any interest paid to you is paid without any deduction for income tax (unless you are resident overseas – see below). As such it is your responsibility to inform HMRC of amounts of interest received from us and that implications of this will depend upon your own financial circumstances. Where interest is held on a separate designated deposit account interest is usually paid net of tax (unless you have signed a declaration confirming your entitlement to receive bank interest gross). Under the European Savings Directive regulations 2003/48/2EC we are required to inform HMRC of payments of interest to relevant payees and residual entities in prescribed territories. Where you reside outside the UK and EC, 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.

Calculation of interest

Interest will be calculated from the time the funds become cleared for interest purposes, on cheques or banker's drafts this will be 3 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 on the day after receipt. 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 be calculated at the end of the matter and will be added to the client ledger at that date.

When interest will not be paid

Interest will not be paid if the sum of money held does not exceed the amount shown in the left column below for a time not exceeding the period indicated in the right column:

Amount	Period
£1,000	8 weeks
£2,000	4 weeks

£10,000 2 weeks

£20,000 1 week

Interest will not be paid if the total amount calculated for the period that cleared funds are held is less than £50.00.