



CLIENT INTEREST POLICY

The firm will pay a sum in lieu of interest (“compensation”) to clients where the firm holds money in a general client account on their behalf in the course of providing legal services and calculated on the basis set out below. We will calculate and normally pay compensation when your matter has been concluded unless it is fair and reasonable to pay compensation at intervals throughout given the particular circumstances of your matter.

The amount paid is gross, without deduction of tax. It will be taxable in the client’s hands and it is the client’s responsibility to declare this to HM Revenue & Customs (“HMRC”). For non-UK resident clients it is the client’s responsibility to declare it to their applicable tax authority.

Compensation is only paid on cleared funds held in the client bank accounts. Cheques are generally cleared for interest purposes on cheques 5 working days after receipt, on BACS and card payments after 3 working days and on CHAPS and Faster Payments from the day of allocation.

We will not account to you for any compensation in the following situations:

- 1) on money which is held for the payment of a professional disbursements if the person to whom the money is owed has requested a delay in settlement; or
- 2) on money held for the Legal Services Commission; or
- 3) if there is an agreement to contract out of the provisions of this policy (e.g. if the money is held by us on an escrow/temporary basis or to the order of a third party and it has been agreed how we should account for interest on it); or
- 4) you have notified us that you cannot accept interest on religious or other grounds; or
- 5) if the calculated compensation is £75 or less;
- 6) If the money is held for 28 days or less.

Administration cost

The firm reserves the right to charge an administration cost covering the time to calculate the compensation due, the general administrative burden involved and any other pertinent factors and will then apply the compensation to your client account and pay it to you. In addition we are obliged by HMRC to record the names and addresses of all clients to whom compensation is paid and retain that information for at least 6 years. As stated, we reserve the right to make a charge to cover

administration. Where compensation due is £75 or less you will not receive any compensation, bearing in mind point 5) above. Where the amount due is more than £75, we will deduct our administration fee, which will be a minimum of £50 plus VAT, and account to you for the balance, if it is appropriate to do so in all the circumstances.

Amount of interest

In calculating compensation due we will base the rate on the market rate of interest paid on the instant access current accounts offered by our bankers. Money held by the firm is incidental to the legal work undertaken and the firm does not act as a financial advisor investing funds for the best rate. Therefore it is likely that the rates of interest payable by the firm will not be as high as clients might obtain for themselves.

Current Interest Rate utilised:

0.50%

Clients have the right to seek alternative arrangements to hold their funds privately during the course of a transaction, except where we have requested a payment to us on account of fees and/or expenses. Where a client organises such special arrangements we reserve the right to charge, at usual solicitor charge rates, for any reasonable additional time costs or third party costs that we incur in implementing your request in respect of your funds.

We will review the interest regularly and also whenever the Bank of England changes its Bank Rate.

In determining the period over which interest is to be calculated, we will look at the following:

- the period between the date when the relevant funds received by us clear our account and
- if we send the funds electronically, the date when the funds are sent or, if we send the funds by cheque, 5 days after a cheque is raised.

The firm will pay you a reasonable sum in lieu of interest, which will be based on the above rate which takes into account the rate which our bank pays to the firm on the client account but will also take into account the following factors:

- The general administrative burden which has been involved in relation to the holding of the funds;
- The Administration cost referred to above;
- Any endeavours made by the firm to distribute the funds on earlier occasions, which have not been successful through no fault of this firm.

Interest is paid gross and it is the client's responsibility to declare gross interest received to HMRC.

Interest is paid by Barclays Bank to the firm on the aggregate of all client money held in the general client account and, subject to any interest paid to the client, is for the benefit of the firm. If the

bank in which the firm holds funds should fail, the firm reserves the right to disclose to the FSCS the names and other details for clients whose money is held on the general client account in order for the client to claim compensation, the limit of which is currently £85,000.

Designated deposit accounts

Interest / Compensation will be paid on client monies held on separate designated deposit accounts in line with the interest actually credited to those separate accounts, if any.

This interest policy will be reviewed on an annual basis to ensure that a fair and reasonable outcome is achieved for both clients and the firm.