

Interest Policy

Overview

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 this policy sets out the guidelines for 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 carrying out your legal instructions, the rate is unlikely to be as high as the rate you may be able to obtain elsewhere when depositing the money we hold on your behalf. In most cases we must ensure that money held on 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.

Interest is paid on monies held on general client account at the Lloyds Client Call rate and is currently set at 0.1%.

In some circumstances it may be more advantageous for monies to be held outside of a general client account or in a designated deposit account and we may agree with you to do this. Where amounts are held outside of a general client account or separate designated account, the rate of interest and the date that interest is credited will depend upon the relevant institution and this falls outside of this policy.

Where your money is held on our general client account, any interest is paid to you without any deduction of 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 the implications of this will depend on your own financial circumstances. Where interest is held on a separate designated deposit account interest is usually paid net of tax (unless you have a signed declaration confirming your entitlement to receive gross bank interest).

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

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 credit or debit card, interest will start to accrue from the date of 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 of 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 not be paid if the total amount calculated for the period that cleared funds are held is less than £20 due to the administrative costs of doing so.

The total amount of interest owing will normally be calculated at the end of the matter and we will credit the client account at that date. Where funds are deposited for a significant period of time interest may be paid on a half yearly basis.

Policy Governance:

Owner: Head of Client Finance

Last Review Date: 11/03/2014

Next Review Date: 01/03/2015