

Interest policy

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1 Interest Policy

In accordance with the Solicitors Accounts Rules it is our policy to account to clients or third parties for a fair sum in lieu of interest calculated on a fair and reasonable basis where the firm holds money in general client account on behalf of a client to which it is providing legal services or holding money for a third party as part of the provision of legal services. This is referred to as interest in this policy.

2 Circumstances in which interest will not be paid

We will not pay interest:

- 2.1 on money we are instructed to hold outside a client account in a way that does not attract interest, eg cash held in our safe;
- 2.2 where the amount of interest, calculated in accordance with this policy, is less than £30 on the basis that the costs associated with paying that interest are disproportionate to the amount involved;
- 2.3 where we come to a different arrangement, in writing, with the client or third party for whom the money is held—where we do so, we will provide sufficient information to enable the client or third party to give informed consent (see ‘Contracting out’ at section 9 below);

3 Client account and when interest is paid

- 3.1 Client money is held in our general client account. This is an account in which amounts for different matters and clients are pooled
- 3.2 Interests on funds will be calculated from the 22nd day after receipt of cleared funds.
- 3.3 Interest is paid if we hold £25,000 or more for longer than 22 consecutive days.
- 3.4 Clients have the right to make alternative arrangements for the holding of their funds during the course of a transaction.
- 3.5 Where the client makes alternative arrangements for the holding of their funds the firm reserves the right to charge at our usual fee earner rates for any work carried out or third party costs incurred in implementing the client’s requests.

4 Amount of interest and when it is paid from

- 4.1 We will normally pay interest once the matter has concluded.
- 4.2 We will pay interest on money held in our general client account on the following basis:
 - 4.2.1 interest will be calculated daily on the balance held for each individual matter, and compounded on a six monthly basis;
 - 4.2.2 from 18th October 2023 the amount of interest will be 1.8% gross per year. Prior to that the rate payable was 0.25% from 20 March 2023 to 17th October 2023. Before 20th March 2023 our policy was that interest was not paid.
- 4.3 Where we hold money for more than one client or third party, we will divide the interest in the same proportions.

4.4 When interest is paid from

4.4.1 Interest will be calculated from the 22nd day after the date the monies are treated by us as cleared funds by our bank.

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

Payment Method	When are monies treated as cleared funds
Cheque	Seven working days after the money has been credited into our client account by our bank (Please note this is not the same date the cheque is received in our offices)
Debit or credit card	Date of actual receipt of funds into our client account
Bank transfer	The following working day

4.4.3 We will apply the same time periods when calculating the date that monies are received by the client or third party for whom the money is held.

4.5 Best available rate

4.5.1 We are required by the Solicitors Regulation Authority (SRA) to ensure client money is available on demand, unless we agree an alternative arrangement in writing with the client or third party for whom the money is held. We therefore hold client money in instant access accounts, unless we have agreed an alternative arrangement.

4.5.2 We do not pay the full rate of interest we earn on general client funds as this is an enhanced rate the firm receives by holding large levels of aggregated client funds. This means the interest rate paid on client money held in our general client account may not be as high as could be achieved if the client or third party placed the money on deposit themselves.

5 Tax liability

Interest on money held in our general client account will be paid before deduction of tax (paid gross). It will be the recipient's responsibility to declare interest received to HMRC.

6 Monies held on more than one matter

Where we hold money on more than one matter for a client or third party, interest will be calculated separately for each individual instruction, unless it is fair to aggregate the interest.

7 Special cases

7.1 If we hold money jointly with a client, we will agree with the client how the interest will be allocated.

7.2 If we hold money jointly with another firm, we will agree with the other firm how interest will be allocated.

8 Unpresented cheques

Where we pay money by cheque to a client or third party who delays in paying the cheque into their bank, we will not pay additional interest.

9 Contracting out

9.1 We may, by written agreement with the client or third party for whom the money is held, contract out of the terms of this interest policy.

9.2 When agreeing to contract out, we will:

9.2.1 act fairly and in the best interests of any relevant client; and

9.2.2 provide sufficient information to enable the client or third party for whom the money is held to give informed consent.

10 Monitoring and review

10.1 The firm's Compliance Officer for Finance and Administration (COFA) is responsible for this policy.

10.2 The COFA will monitor compliance with this policy and will review this policy regularly—at least annually.

Sprake & Kingsley LLP

Dated: 9 November 2023