

INTEREST POLICY
(Barratt Goff & Tomlison Ltd)

Introduction & Objective

This policy sets out how Barratts Solicitors (the trading name of Barratt Goff & Tomlinson Ltd) applies interest in relation to money that we hold on behalf of clients, in accordance with regulatory requirements. It is our policy to pay clients' interest on client held money in accordance with Rule 7 of the SRA Accounts Rules.

The objective of this policy is to achieve a fair outcome for both the client and Barratts Solicitors. In accordance with Rule 7 we will account to you for a fair sum of interest on client money held on your behalf, while recognising that most client held money must be immediately available unless clear instructions are received to the contrary.

Operation of this policy

Client monies must be kept safe and available for the purpose for which they are provided and kept separate from funds belonging to the firm (Barratts Solicitors). When we receive money from or on behalf of a client, it will normally / ordinarily be paid into a General Client Account (see below) with our bank.

There are two types of client account:

- (1) General Client Account** - All client monies received (including money on account from a client and payment of damages from a Defendant) will normally / ordinarily be held in a General Client Account. This is an account in which monies for different clients and matters are pooled. It is an instant access bank account to facilitate transactions and to ensure immediate access to funds. This means it is unlikely you will receive as much interest on money held in our General Client Account as might be obtained should you hold and invest the funds yourself.

- (2) Designated Client Account** - On occasions we may hold client monies in a Designated Client Account. This is an account set up specifically for an individual client and will include a reference to your identity in its name. We may set up a Designated Client Account if we receive specific instructions from you requesting this or if there are specific contractual requirements to do so, such as for our Deputyship clients.

We will only transfer funds to a Designated Client Account if specifically requested by a client and only if, in the opinion of our accounts department, it is reasonable and equitable for us to do so (including, but not limited to, factors like: the length of time funds are intended to be held by us; the administrative and time costs associated with operating and maintaining a Designated Account etc).

Application of interest for client funds held

General Client Account

Money held in a General Client Account (or money under our control which should have been held in a general Client Account but was not) – we will account to you for interest when it is fair and reasonable for us to do so in all the circumstances having regard to the principles and practices as detailed below:

1. The rate of interest paid to clients on money held in the General Client Account will be:
 - a. calculated with reference to the rate(s) received by us from our bank (Natwest bank plc) at the time in question for the sum held on your behalf (which is significantly different to, for example, the Bank of England base rate).
 - b. reviewed regularly (generally after changes to the Bank of England base rate taking into account the reasonable cost / time incurred in managing the General Client Account).
 - c. lower than both the Bank of England base rate and the rate that could be obtained by placing the money in a private investment account.

2. Due to regulatory requirements and administrative costs involved we will not pay interest in any of the following situations:
 - a. If the interest sum calculated is £75 or less (as a de-minimis amount).
 - b. On money held by us for payment of professional disbursements (such as Counsel and/or other professionals like experts etc.) and our costs.
 - c. On money held for the Legal Aid Agency.
 - d. On an advance from us into our General Client Account to fund a payment on your behalf in excess of funds already held for you in that account.
 - e. If there is an agreement to contract out of the provisions of this policy.

3. We reserve the right to set off any interest due to you against any amounts due to us.

4. We will retain interest paid to us by the bank on the aggregate of all client money held in the General Client Account.

Designated Client Account

Money held in a Designated Client Account - we will account to you for all the interest earned on that account (net of any tax deducted at source) calculated with reference to the rate(s) received by us from our bank on the Designated Client Account in question.

The rate of interest on designated client accounts may be less than the rate of interest on our general client account.

Calculation of interest payable

We will normally calculate and pay interest (if any) on completion of any client instruction / return of monies to a client and any interest will be added to the balance due to the client. However, there may be instances where it might be more appropriate to account for interest at intervals throughout the matter.

Interest will be calculated on a daily basis on cleared funds (see below for the firm's policy on when different payment types can become cleared funds) and will only be paid on amounts held overnight from the day the funds become cleared for interest purposes:

1. Cheques or banker's drafts will only be treated as cleared funds on the tenth working day after the date on which the cheque / draft was banked by us (to allow for the risk the cheque or banker's draft might bounce).
2. Monies received by direct transfer or same day payments (e.g. Faster Payments) will be treated as cleared funds on the day after receipt.
3. Monies received by BACS will be treated as cleared funds on the on the day after receipt.

4. Monies received by CHAPS will be treated as cleared funds on the date of receipt.
5. We do not have a card payment system and so we are unable to receive payments by way of credit or debit card payment.

The applicable interest rate is likely to change from time to time, as explained in this policy.

Please ask the partner responsible for your matter if you wish to know the prevailing rate(s) of interest payable by our bank (Natwest Bank plc) on the client account in question.

Unless otherwise agreed, where we are conducting more than one matter for you, balances will not be aggregated for calculation purposes.

Interest is paid without any deduction of tax and, where relevant, must be disclosed by you to HM Revenue & Customs on self-assessment (individuals) or Corporation Tax (companies) returns.

We also reserve the right to charge negative interest if the Bank of England Base Rate were to fall below 0.01%.

Limitation of Liability

In accordance with Law Society guidance, if the bank in which Barratts Solicitors holds funds should fail, we reserve the right to disclose to the Financial Services Compensation Scheme (FSCS) the names and other details of clients whose money is held there in order for those clients to claim compensation up to the applicable limit, currently £85,000.

We will not be liable to you or any third party for any loss or damage suffered as a result of any act omission, fraud, delay, negligence, insolvency or default of any bank, financial institution, clearing or payments system nor that of the directors, officers, employees, agents or representatives of any of the foregoing.

Nothing in this policy excludes our liability below the minimum level under the Solicitors Regulation Authority Indemnity Rules.

Review

This policy will be reviewed from time to time to ensure that it continues to deliver a fair outcome to clients and / or to ensure the policy objective is met.