
BERRY SMITH INTEREST POLICY

March 2024

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1. INTRODUCTION

As part of carrying out your instructions we may be required to hold money in a client account. We have an obligation, in accordance with the Solicitor Regulation Authority Accounts Rules, to account to clients or third parties for a fair sum of interest on any client money held by us on their behalf.

This policy explains the guidelines for when interest will be paid.

2. WHEN AND HOW DO WE PAY INTEREST?

We will not pay interest:

- on money held to pay our professional fees;
- on money held to pay a professional disbursement;
- on money that we have paid into a client account as an advance from the firm to fund a payment on your behalf in excess of funds already held for you in that account;
- if we have agreed with you to contract out of our obligation to pay interest;
- on money held for fewer than 3 clear days; or
- if the amount of interest payable, calculated in accordance with this policy, is less than £50;

We will pay interest on all other monies held on client account, including any monies we should have held on client account but failed to do so.

Interest will be calculated and paid in accordance with this policy. The amount of interest paid will take into account:

- the amount held;
- how long we held cleared funds;
- the requirement to provide instant access to funds held in client account;
- the rate of interest payable on the amount held in an instant access account at the bank where we have our client account; and
- the practice of the bank where we have our client account on how often interest is compounded (if at all).

3. TYPES OF CLIENT ACCOUNT

3.1 Client account monies can be held in two different ways:

- 3.1.1 in a Separate Designated Client Account (SDCA) - we open a separate bank or building society account for a specific client matter; or
- 3.1.2 in our General Client Account - this is where we hold monies for clients or trusts that are not held in an SDCA.
- 3.2 How we calculate interest under this policy depends on which type of account is used. It is therefore important that we use the correct type of account.
- 3.3 **Interest on monies held in separate designated client account**
 - 3.3.1 We will set up a SDCA in the following cases:-
 - 3.3.1.1 where we reasonably expect to hold monies for more than 14 days which amount to £200,000 or more on behalf of a client or third party;
 - 3.3.1.2 where we reasonably expect to hold monies for more than 3 days which amount to £1,000,000 or more on behalf of a client or third party;
 - 3.3.1.3 when we hold money as or on behalf of trustees under a trust.
 - 3.3.1.4 If any other case where we decide it is appropriate to establish a SDCA;
 - 3.3.1.5 in circumstances other than set out above where we believe it is fair to do so.
 - 3.3.2 These arrangements set out in 4.3.1 above are not a rigid rule and we will give our clients the opportunity to request that we make different arrangements.
 - 3.3.3 Unless we are instructed to the contrary, we will pay all of the interest received on monies deposited in an SDCA to recipient to whom we ultimately pay the monies on deposit. Where the monies on deposit are divided between more than one recipient, we will divide the interest in the same proportions.
 - 3.3.4 Interest will be paid before deduction of tax. It will be the recipient's responsibility to declare interest received to HMRC.
- 3.4 **Interest on monies held in our General Client Account**

3.4.1 Any money not held in a SDCA will be held in our General Client Account.

3.4.2 We will pay interest at 1% below the base rate of HSBC Bank plc, from time to time.

3.4.3 Interest will be paid before deduction of tax. It will be the recipient's responsibility to declare interest received to HMRC.

4. BEST AVAILABLE RATE

We are required by the Solicitors Regulation Authority to hold client monies solely in instant access accounts. This means that the interest rate paid on monies in an SDCA or our General Client Account may not be as high as could be achieved by a client or third party placing the amount of money on deposit themselves. Please contact us if you wish to make alternative arrangements.

5. INTEREST PERIOD

Interest will be calculated over the whole period that we hold the monies, starting from the date the monies are treated by us as cleared funds. Unless we are notified by our bank to the contrary, we will treat monies as cleared funds in accordance with the table shown below:

Method of Payment	When are monies treated as cleared funds
Cheque	3 working days after the cheque has been paid into our client account
Debit or Credit Card	Date of actual receipt into the account
Direct Transfer	The following working day

6. MONIES HELD ON MORE THAN ONE MATTER

Where we hold monies on more than one matter for a recipient, interest will be calculated separately for each individual instruction - unless it is fair and reasonable to aggregate the interest.

7. PAYMENT DATES

Interest will be paid after the conclusion of the relevant matter.

8. SPECIAL CASES

This policy does not apply when we act as liquidator, trustee in bankruptcy, Court of Protection deputy or the trustee of occupational pension scheme. We will comply with the appropriate statutory rules and any other relevant provisions of the SRA Accounts Rules regarding payment of interest.

If we hold money jointly with a client, the interest earned will belong to the client, unless we agree otherwise. If we hold money jointly with another firm, we will agree with the other firm how interest will be allocated.

9. CONTRACTING OUT

We may, by written agreement with our client and/or another third-party recipient, contract out of the terms of this interest policy. We will only contract out when doing so provides a fair outcome. This will depend on all the circumstances, e.g the amounts involved, for tax reasons/ religious beliefs. When agreeing to contract out, we will act fairly towards our client and provide sufficient information to enable that client to give informed consent.