Policy

Interest Paid to Clients
Notification to clients of Mills & Reeve LLP’s policy on the payment of interest in accordance with SRA Accounts Rules 2019, rule 7

The over-riding objective of this policy is to achieve what we believe is a fair outcome for our client and the Firm.

If we hold money on your behalf in a separate designated client account (ie an account relating specifically to you and which includes in its title a reference to your identity), we will account to you for all the interest earned on that account (net of any tax deducted at source) and the only provisions of this policy which will apply, apart from this paragraph, are paragraphs 1.5 to 1.8 below.

The main purpose of the SRA Accounts Rules 2019 is to keep client money safe and available for the purpose for which it is provided. We are also required in most circumstances to hold client money for instant access, even at the sacrifice of interest. That is why our policy for payment of interest on money in general client account (ie in any client account other than a separate designated client account) is based on rates available on an instant access account. This means that you may be unlikely to receive as much interest on money held in general client account as might have been obtained had you held and invested the money yourself.

If we hold money in a general client account on your behalf, or if money under our control should have been held on your behalf in a client account but was not, then we will account to you for interest when it is fair and reasonable to do so in all the circumstances having regard to the following principles and practices.

1. **Operation of the policy**

1.1 Interest will be compounded monthly.

1.2 Interest will normally be calculated and paid once your matter has been concluded, but in some cases it may be more appropriate to account for interest at intervals throughout the matter.

1.3 If the sum calculated is less than £20 in total for the full period during which we hold your money in client account, or if upon file closure there is less than £5 due, then no payment of interest will be made due to the administrative cost of doing so.

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

1.5 Interest is paid to us on the aggregate of all client money held in the general client account and, subject to any interest paid to you and other clients, is for our benefit.

1.6 We are not required to pay interest on money held:
1.6.1 if there is an agreement to contract out of the provisions of this policy.

1.6.2 for payment of a professional disbursement once counsel or other professional has requested a delay in settlement.

1.6.3 for the Legal Services Commission.

1.6.4 being 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.

1.7 In accordance with the Solicitors Regulation Authority guidance, if the bank in which we hold funds should fail we reserve the right to disclose to the Financial Services Compensation Scheme the names and other appropriate details of all clients whose money is or may be held there in order to assist those of our clients who may qualify to claim compensation up to the applicable limit.

1.8 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. We will not pay interest to you where for any reason we are prevented by law from doing so and in such circumstances will have no liability for non payment. Nothing in this policy excludes our liability below the minimum level under the SRA Indemnity Rules.

1.9 This policy will be reviewed from time to time to ensure the over-riding objectives are met.

2 Calculation of interest payable:

2.1 We will review periodically, and at least when the Bank of England base rate changes, the rate of interest on branch-operated, instant access accounts generally available to all customers at the banks where general client account money is kept. In this policy the term “review date” refers to the date on which we undertake such a review.

2.2 On each review date we will set any new applicable rates of interest to apply from that date which are comparable to rates as a whole at banks where we hold client money. Our lowest applicable rate will be at least as great as the highest rate determined by us under paragraph 2.1 above to apply from time to time to balances of the same amount as the client money which we hold for your matter.

2.3 Interest will be calculated on the principal sum held and paid by reference to the applicable rates over the period for which we hold cleared funds.

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

With effect from 11 August 2023 when the Bank of England base rate was 5.25%, our applicable rates are:

- £0 to £100,000 2.25%
- £100,001 to £1,000,000 2.25%
- Over £1,000,000 2.25%

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