

Client Interest Policy

2015

StepienLake



1. If we hold money in a separate designated client account on your behalf, we will account to you for all the interest earned on that account.
2. If we hold money in a general client account on your behalf then we will account to you for a sum in lieu of interest calculated as below.
3. We will not account to you for any interest in the following situations:
 - 3.1 if the amount calculated is £20 or less;
 - 3.2 on money held for the payment of a professional disbursement, once counsel etc has requested a delay in settlement;
 - 3.3 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;
 - 3.4 if there is an agreement to contract out of the provisions of this policy;
4. If we hold sums of money intermittently on your behalf, in our general client account, during the course of acting, and the sum in lieu of interest calculated for any single period is £20 or less, we will account to you if the total interest exceeds £20.
5. If money is held for a continuous period, and for part of that period it is held in a separate designated client account, we will account to you for a sum in lieu of interest for the rest of the period when the money was held in a general client account regardless of whether it is less than £20.
6. We will calculate and pay interest once your matter has been concluded unless otherwise requested.
7. If money is held for a fixed term over a long period of time e.g. rent deposit, interest will be accounted quarterly or as agreed with you or other third parties.
8. In calculating interest we will apply a rate that we believe reflects the market rate of interest paid on an instant access current account offered by our bank, Royal Bank of Scotland Plc over the period when interest is due.
9. We will review the interest rates quarterly and also whenever the Bank of England changes its Bank Rate.
10. For funds which are to be held over a fixed period we will always enter negotiations with our bank (RBS) to ensure we obtain the best interest rate from any new deposit products.
11. In determining the period over which interest is to be calculated, we will look at the following: the period between the date when the relevant funds received by us clear our account and, if we send the funds electronically, the date when the funds are sent or, if we send the funds by cheque, five days after a cheque is raised.
12. Where money is held in general client account, any interest paid to you will be paid without any deduction for income tax (unless you are resident overseas – see 13). As such it is your responsibility to inform HMRC of amounts interest received from us and the implications of this will depend upon your own financial circumstances. Where interest is held on a separate designated deposit account interest is usually paid net of tax (unless you have signed a declaration confirming your entitlement to receive bank interest gross).
13. Under the European Savings Directive regulations 2003/48/EC we are required to inform HMRC of payments of interest to relevant payees and residual entities in prescribed territories. Where you reside outside the UK and EC, we are required to deduct income tax at the current basic rate and account for this interest to HMRC directly and pay you the net amount.

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Interest Rates for funds held on client account

£1 – 150,000	0.30%
£500,000 – 1,000,000	0.35%
£1,000,001 – 1,500,000	0.40%
£1,500,001 – 5,000,000	0.45%
In excess of £5,000,001	0.50%

Rates may vary with client agreement