

Client Account Interest Rate and Financial Compensation Policy

DEC 2025 v 4

- Key points – this Policy seeks to pay interest to Clients where it is fair and reasonable.
- Interest will only be paid to on cleared funds and where interest exceeds £35
- Interest will be paid currently at 0.50% under £50,000
- Interest will be paid currently at a minimum of 0.98% over £50,000
It is at the firm's discretion to increase this rate should the interest rate increase or money is held for a longer period than expected in order to deal with due to complication on the matter.
- If the bank in which we hold funds fail compensation of up to £120,000 can be claimed.

Client Account Interest Rate and Financial Compensation Policy

1. Background and reason for Policy

The Solicitors Accounts Rules 2019 and the SRA Standards and Regulations 2019 require our Firm to have a Policy that is fair and reasonable for both the Client and the Firm in respect of interest that is payable on client monies held by the Firm. The Solicitors Act 1974 permits Solicitors Firms to retain any interest earned on Client account held in a Client account over and above that which is required to be paid in accordance with the Solicitors Accounts Rules.

Where money is held in Client account interest must be accounted to the Client when it is fair and reasonable to do so in all the circumstances. Solicitors' firms must have a written Policy on the payment of interest and this Policy is the current Policy of East Devon Law LLP.

2. The Terms of the Policy.

Our Bank

When we receive monies on behalf of a Client it would be paid into a general Client account that we hold with Arbuthnot Latham. This general Client Bank Account will hold all Client account monies held by the Firm on behalf of its Clients. These funds are held on the basis that they are instantly accessible in order to facilitate a transaction or payment for a Client or in respect of a Client matter. Our general Client account monies are held with Arbuthnot Latham in an instant access deposit account. Clients are unlikely to receive as much interest as they might have obtained had they held and invested the money themselves.

Cleared Funds

Interest will only be paid on cleared funds. Routinely the Bank takes around 5 working days to clear cheques that we receive including business account cheques. Interest is not at any time payable on uncleared funds.

Rate of Interest Applicable

The rate of interest paid to Clients on money held in the general Client account will relate to the Arbuthnot Latham rate on deposit accounts. The rate of interest to be paid to Client money as at the 1st April 2025 and until further notice as above in the key notes.

Where Interest is not Payable by East Devon Law to Clients.

We will not account to a Client for any interest in the following situations: -

- If the amount of interest calculated is £35 or less.
- Monies are held for the payment of professional disbursement if the person to whom the money is owed has requested a delay in settlement.
- An advance from us into our general Client account to fund the payment on your behalf in excess of funds already held for you in that account.
- No payment of interest will be made to you if the sum of money held is less than £1,000 or if the money has been held for a short period.

When Interest is Paid.

Notwithstanding the above, if we hold money for you in our general Client account then we will account to you for a sum in lieu of interest. We will only account to you if the total interest on the funds that we have held intermittently on your behalf in our general Client account exceeds £35. The Firm takes the view that any amount below £35 is reasonable retained by the Firm to cover the administrative costs of dealing with Client funds. Interest is paid by Arbutnot Latham to the Firm on the aggregate of all Client money held in our general Client account and, subject to any interest paid to Clients as above, is for the benefit of the Firm and levels of interest received are taken into account when setting our charging rates.

Holding Significant Sums of Money for a Client.

If it is apparent that we will hold a significant sum of money (in excess of £50,000) for a period of at least one month or more then we can either retain the monies in our general Client account to pay to you a rate of interest that is a minimum of 0.98% or you can open your own Executors account and we will transfer the money to that account. We will require evidence that the account is named as an Executor account and not just in the sole name of an Executor. The account documents wording should state that it is an Executor account, or that all Executor's names appear on the account document.

Calculation and Timing for Interest Payments

We will calculate and pay interest monthly and then once your matter has been concluded.

We will review interest rates quarterly (an electronic reminder is set in the diary) and apply the rate that we believe reflects the market rate of interest paid on an instance access offered by Arbutnot Latham Bank for Client Accounts over the period when interest is due. We will track Arbutnot Latham standard rate to cover the firm's administration costs to run the client account. We will update this Policy quarterly with the appropriate rate of interest.

When a payment of interest is due to a Client we will consider the period between the date when relevant funds were received by us (and cleared) in our account and the date when the funds are spent. We wish to pay interest to Clients where it is fair and reasonable to do so and this Policy seeks to achieve that objective.

This Policy

A copy of this Policy will be displayed in the Services we provide – Our fees are on our website and clients will be provided with a copy of our interest rate policy.

3. Financial Services Compensation Scheme.

If the Banks in which the Firm 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 £120,000. The Firm will not be liable for any excess over the current FSCS limit. 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 payment system nor that of the Directors, Offices, Employees, Agents or representatives of any of the foregoing. Currently all client account funds for East Devon Law LLP are held with HSBC UK

4. If you wish to make a Complaint about Interest

- a) If you believe that interest is due and has not been paid, or that the amount of interest paid to you is insufficient then you should ask for the matter to be reviewed by the Complaints Officer to:
- b) The Practice Manager, East Devon Law LLP, Barton Chambers, The Old Dairy, Cadhay, Ottery St Mary, Devon EX11 1QT
- c) By telephone: 01404 515427
- d) By email: advice@eastdevonlaw.co.uk

If you do not receive a satisfactory final response from the firm, then you may complain to the Legal Ombudsman who details can be given upon request. The Legal Ombudsman's website is www.legalombudsman.org.uk/. Tel 0300 555 0333; enquiries@legalombudsman.org.uk ; Lega Ombudsman, PO Box 6806, Wolverhampton, WV1 9WJ