

INTEREST POLICY

Sage Solicitors have an Interest Policy of paying a sum in lieu of interest to clients where we hold client money in a general client account on their behalf in the course of providing legal services at a fair and reasonable rate.

Client money can be held in a separate designated client account (SDCA) in our general client account. A SDCA is an account for money relating to a specific client, trust or third party. Our general client account is an account in which we hold money relating to multiple clients or third parties.

Any client money not held in a SDCA will be held in our general client account, unless:

- a. doing so would conflict with our obligations as a trustee of a trust, donee of a power of attorney, Court of Protection deputy, trustee of an occupational pension scheme, etc;
- b. the client money represents payments received from the Legal Aid Agency for our costs; or
- c. we agree an alternative arrangement in writing with the client or third party for whom the money is held.

Circumstances in which interest will not be paid

We will not account to you for interest in the following circumstances:

- where the amount of monthly interest, is less than £100, on the basis that the costs associated with paying that interest are disproportionate to the amount involved. The firm take the view that any amount below £100 is reasonably retained to cover the administrative costs in dealing with the funds;
- on money held for the payment of professional disbursements, once counsel etc has requested a delay in settlement;
- on money we are instructed to hold outside a client account in a manner that does not attract interest, eg cash held in our safe;
- where we have requested to return funds to you, and you have not co-operated with this request.
- where we come to a different arrangement, in writing, with the client or third party for whom the money is held. Where we do so, we will provide sufficient information to enable the client or third party for whom the money is held to give informed consent.

Rate of Interest

We are required by the Solicitors Regulation Authority (SRA) to ensure client money is available on demand immediately, unless we agree an alternative arrangement in writing with the client or third party for whom the money is held. We therefore hold client money in instant access accounts only, unless we have agreed an alternative arrangement.

This means the interest rate paid on client money held in an SDCA or in our general client account may not be as high as could be achieved if the client or third party for whom the money is held placed the money on deposit themselves. This is taken into consideration when we set our rate of interest.

We will pay interest on money held in our general client account at the rate of 0.03% on all client balances held. The interest rate is likely to change from time to time.

Interest period

Interest will be calculated over the whole period 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	5 working days after the money has been paid into our client account
Debit or credit card	Date of actual receipt into the account
Direct transfer	The following working day

We will apply the same time periods when calculating the date that monies are received by the client or third party for whom the money is held.

Tax liability

Interest on money held in our general client account or in a separate designated deposit account will be paid before deduction of tax. It will be the recipient's responsibility to declare interest received to HMRC.

Monies held on more than one matter

Where we hold money on more than one matter for a client or third party, interest will be calculated separately for each individual instruction—unless it is fair to aggregate the interest.

Interest payment dates

Interest will be paid at the conclusion of the matter.

Special cases

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

Unpresented cheques

Where we pay money by cheque to a client or third party who delays in paying the cheque into their bank, we will pay additional interest only where it is fair in all the circumstances to do so. We reserve the right to charge for the additional work involved.

Contracting out

We may, by written agreement with the client or third party for whom the money is held, contract out of the terms of this interest policy.

When agreeing to contract out, we will:

- act fairly and in the best interests of any relevant client; and
- provide sufficient information to enable the client or third party for whom the money is held to give informed consent.