

Harding Evans Interest Policy ⁱ

Purpose

As part of carrying out your instructions to us, we may need to hold your money in our client account. In holding client money, we have an obligation to pay interest on that money at a fair and reasonable rate and are required to put in place an interest policy; this policy sets out the guidelines for when interest will be paid and is summarised below.

Application of Interest on funds held

We aim to account to you for interest at a reasonable rate of interest, but as the holding of your funds is incidental to the carrying out of your legal instructions, the rate is unlikely to be as high as the rate you may be able to obtain when depositing the money we hold on your behalf yourself.

In most cases, we must ensure that money held on client account is immediately available and therefore may require an instant access account or a notice account that allows us to make an immediate withdrawal at the sacrifice of interest.

All of this is taken into consideration when we set our interest rate.

We align our interest rates paid on both monies held on general client account and separate designated deposit account to the rates paid on an instant access general deposit account by Natwest. This rate is likely to change from time to time.

Where amounts are held outside of a general client account or separate designated deposit account, the rate of interest and date that interest is credited will depend on the relevant institution where the funds are held, and as such fall outside the requirements of this policy. The relevant interest information can be obtained at your request.

Where your money is held on our general client account, or in a separate designated deposit account, any interest paid to you is paid without any deduction for income tax. As such it is your responsibility to inform HM Revenue & Customs of amounts of interest received from us, and the implications of this will depend upon your own financial circumstances.

Interest will be calculated from the time the funds become cleared for interest purposes. On cheques or banker's drafts this will be 4 days after the cheque or draft has been deposited with our bank. For amounts received by debit or credit card, interest will start to accrue from the date of the actual receipt, usually 4 days after the transaction has been authorised. For direct transfers or same day payments the funds become cleared on the day after receipt. Interest will be calculated on a daily basis and calculated on amounts held overnight from the day the funds become cleared for interest purposes.

Interest will not be paid if the total amount calculated for the period that cleared funds are held is:

- a) Less than £50.
- b) On monies held for fewer than 7 days
- c) For payment of a professional disbursement once counsel or other professional has requested a delay in settlement.
- d) For the Legal Aid Agency.
- e) 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.

We also reserve the right to charge negative interest if the Bank of England base rate were to fall below 0.01%. We would absorb any cost less than £40, however any charge above this would be re-charged onto you.

Interest will be calculated at the end of the matter and we will credit the client ledger at that date.

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

Review

This policy will be reviewed from time to time to ensure that it continues to deliver a fair outcome to clients.

ⁱ January 2023