

## Interest policy (London branch)

### 1. BACKGROUND

In accordance with the SRA Accounts Rules, it is Forsters' policy to account to its clients for a sum in lieu of interest on a fair and reasonable basis.

This policy has been in effect since 1 April 2023.

### 2. SCOPE

This policy applies to matters for clients opened via Forsters' London branch only.

### 3. INTEREST PAYABLE

3.1 The rate of interest paid will be at the rates paid by our bank, C Hoare & Co, on either the general client account or the instant access deposit account, whichever is the greater. Note: this rate may not be as high as the rate which a client might be able to achieve if a client were to invest the monies themselves.

3.2 Should the interest rates result in negative interest, Forsters' policy is to pay no interest. Forsters will not pass the result of negative interest to its clients.

3.3 Monies will be held on a client's behalf in a general client account and Forsters will not account for interest in the following circumstances:

(a) if the amount of interest calculated is £50 or less; or

(b) if there is an agreement to contract out of the provisions of this policy. Please refer to page 2 of this policy.

3.4 If Forsters hold money in a separate designated client account on a client's behalf, it will account to the client for the actual interest earned on that account.

3.5 Interest will be calculated and credited to the client's account on a six-monthly basis or on completion of the matter.

- 3.6 If sums of monies are held in relation to separate matters for a client, then each sum will usually be treated separately. Therefore, Forsters will apply the fair and reasonable test to the individual sums without aggregation.
- 3.7 In cases where interest is applied to a matters that have overdue outstanding bill, Forsters reserves the right to apply the interest amount to the bill to reduce its debt owed.
- 3.8 Where a client's money is held on our general client account, or in a separate designated deposit account, any interest paid to the client is paid without the deduction of income tax. As such it is the client's responsibility to inform HM Revenue & Customs of amount of interest received from us, and the implications of this will depend upon the client's own financial circumstances.
- 3.9 Should a client choose to opt out of Forsters' interest policy, the client must ensure they provide Forsters with their instructions and wishes at the outset of the matter. In such cases, Forsters will set the firm's interest rate to zero and no monetary value of interest will be applied.
- 3.10 Forsters can upon receiving written instructions from a client, donate interest to a charity of the client's choice, however this can only be agreed at the conclusion of a matter and by the party legally entitled to the applied interest.
- 3.11 Interest is paid on cleared funds only.

**Last updated:** 30 April 2026