Client Money Handling Procedures Policy

Myddelton & Major LLP is regulated by the Royal Institution of Chartered Surveyors (RICS), complies with the *RICS Rules of Conduct for Firms* and has procedures in place to ensure full compliance with the mandatory requirements for the handling of Client Money. These obligations extend to all staff and Partners working on behalf of the Firm.

Client Money is defined as money that a Firm holds or receives, on behalf of another person, and may be received in the form of cash, draft, cheque or electronic transfer; AND is not immediately due and payable on demand to the RICS-regulated firm for its own account.

It is held in accordance with the RICS professional statement *Client Money Handling, 1st edition October 2019*. For the purposes of the regulations "Client" means any person, firm, trust, body corporate or other organisation that is a client of Myddelton & Major LLP.

All client accounting activities are supervised by the Head of Accounts, reporting to the Managing Partner who is a Chartered Surveyor.

Where we hold client money, we can confirm that:-

- All client money is held in a client money account over which the Firm has exclusive control. These accounts are held with Lloyds Bank, Salisbury (a bank authorised by the Bank of England and the Financial Conduct Authority).

- Client accounts are held in the name of Myddelton & Major LLP and include the word 'client' in the account name. Discrete client money accounts will include an identifier (i.e. the client or property name) in the account name, to easily distinguish it from other accounts. Each client's money will only be used for that client's activities and interests.

- The client account will only hold sums received from, or due to, the client or relating to their property.

- In the event sums are withdrawn from the account in error, these will be replaced as soon as the error is discovered.

- All client monies are held in accounts where funds are immediately available, unless otherwise agreed in writing with the client.

- We have appropriate systems, procedures and controls to ensure payments into and transfers or withdrawals from a client account are in accordance with instructions agreed with the client and comply with relevant UK Anti Money Laundering obligations. These procedures clearly identify and distinguish between client money and the Firm's money.

- We keep records and accounts that show all dealings with client money and which ensure transparency that all client money held by the Firm is held in a client money account; this includes regular reconciliations.

- Clients will be made aware where commission on payments made to contractors is charged; clients may request full details of the total commissions transferred from the client bank accounts at any time.

Myddelton & Major LLP is a member of the RICS Client Money Protection Scheme for Surveying Services and the RICS Client Money Protection Scheme for Property Agents which has been approved by Government under The Client Money Protection Schemes for Property Agents (Approval and Designation of Schemes) Regulations 2018. This policy and the Firm's membership certificate are displayed on our website www.myddeltonmajor.co.uk

Please note that fees paid in advance for surveying services (but not Property Agent services in England) are not covered by the Client Money Protection Scheme.

For the avoidance of doubt, monies held in a bank account to which the client is signatory do not fall within the definition of Client Money.

Client Money Accounting

- All client money is managed through our client accounting team based in Salisbury and are dealt with entirely separately from Myddelton & Major's own money.

- All client money is either held in a general or discrete client account, as appropriate.

- Clients are advised as to whether the client bank account in which their money is held earns interest, and if it does who receives the benefit of that interest.

- The firm operates a payment authorisation process designed to safeguard client money. A Principal may approve client money payments independently. Payments initiated or approved by any other authorised member of staff require dual authorisation before execution.

- The firm's general client accounts are non-interest-bearing, with the exception of accounts used to hold tenancy deposits or sinking funds, where interest is payable by the bank. Any interest earned on tenancy deposit holdings or sinking funds is credited in full to the relevant tenancy or sinking fund account at the frequency received from the bank, which is currently on a monthly basis. All discrete client accounts are interest-bearing. Interest earned on these accounts is credited in full to the relevant client account on a monthly basis. The firm does not retain any interest earned on client money. All interest received is allocated to the relevant client.

- Cash and cheques are banked as soon as practically possible, usually within three working days of being received.

- Bank accounts are reconciled on a monthly basis. Client money account reconciliations should include a full list of:-

  • dated unpresented cheques
  • dated outstanding deposits
  • details of any other reconciling items and
  • for general client money account reconciliations, client ledger balances and the total of the balances.

  Reconciliations performed would be reviewed by a principal. Any errors identified are rectified immediately.

- All supplier invoices are approved by the property manager before being sent to the Client Accounts team for payment. Invoices over £2,500 require the property manager and a Partner to approve.

- Two stage verification being electronic and verbal, of new payee details is carried out prior to making any payments.

- Payments to clients are made in accordance with the Property Management Agreement in place with that client.

- Any bank charges incurred by the general client accounts are debited against the Myddelton & Major LLP office account unless otherwise advised. Bank charges are not levied against discrete client bank accounts unless we have agreement from the client in writing to do so.

- Unidentified funds is client money where the beneficiary is unknown or cannot be traced, preventing payment to the client. Unidentified funds will never be transferred to the firm's office account. The firm accounts team will take prompt action to attempt to identify the owner of any unidentified client money received, which will be reviewed monthly. In the event that the firm cannot identify the owner of the unidentified funds, after 3 years the firm will pay the funds from the client account to a Registered Charity.

- Information will be provided to clients about their monies held by Myddelton & Major LLP.

To raise a question about this policy or the procedures, please send an email to accounts@myddeltonmajor.co.uk and it will be passed to the Managing Partner, Philip Holford MRICS.