

## Chapter 13

# Claims management: client money



13.7 Money due and payable to the firm

- 13.7.1
- R
- Money is not *client money* when it is or becomes properly due and payable to the *firm* for its own account.
- 13.7.2
- G
- (1) The circumstances in which *money* may be or become due and payable to the *firm* for its own account could include:

(a) when fees and/or third party disbursements have become due and payable to the *firm* for its own account under the agreement between the *customer* and the *firm*; and

(b) when *money* recovered for a *customer* or a sum in respect of damages, compensation or settlement of a *claim* is paid into a *client bank account* and the *firm* has agreed with the *client* that a proportion of the sum is to be paid to the *firm* for fees or in respect of liabilities the *firm* has incurred on behalf of the *customer*.

(2) The circumstances in which *money* is due and payable will depend on the contractual arrangement between the *firm* and the *client*.
- 13.7.3
- G
- Firms are reminded that when entering into or varying contractual arrangements with *customers* regarding circumstances in which *money* becomes properly due and payable to the *firm* for its own account, *firms* should comply with any relevant obligations to *customers* including the *client's best interests rule* and requirements under the *Unfair Terms Regulations* and the Consumer Rights Act 2015.