

Chapter 11

Debt management client money chapter



11.7 Selecting an approved bank at
which to hold client money

- 11.7.1 **G** A CASS *debt management firm* owes a duty of care as a trustee to its clients in relation to *client money* and has to exercise that duty of care in deciding where to hold *client money*.
- 11.7.2 **R** Before a CASS *large debt management firm* opens a *client bank account* and as often as is appropriate on a continuing basis (such frequency being no less than once in each financial year) it must take reasonable steps to establish that it is appropriate for the *firm* to hold *client money* at the *approved bank* concerned.
- 11.7.3 **R** A CASS *large debt management firm* must consider the risks associated with holding all *client money* with one *approved bank* and should consider whether it would be appropriate to hold *client money* in *client bank accounts* at a number of different *approved banks*.
- 11.7.4 **G** In complying with ■ CASS 11.7.3 R a CASS *large debt management firm* should consider as appropriate, together with any other relevant matters:
- (1) the amount of *client money* held by the *firm*;
 - (2) the amount of *client money* the firm anticipates holding at the *approved bank*; and
 - (3) the credit worthiness of the *approved bank*.
- 11.7.5 **G** A CASS *small debt management firm* can demonstrate compliance with ■ CASS 11.7.1 G by checking that the *person* it proposes to hold *client money* with is an *approved bank* and that nothing has come to the *firm's* attention to cause it to believe that such *person* is not an appropriate place at which to hold *client money*.
- 11.7.6 **R** A CASS *large debt management firm* must make a record of the grounds upon which it satisfies itself as to the appropriateness of its selection of an *approved bank*. The *firm* must make the record on the date it makes the selection and must keep it from the date of such selection until five years after the *firm* ceases to use the *approved bank* to hold *client money*.