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# PROCEDURES FOR HANDLING CLIENT MONEY

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Winkworth

# OVERVIEW

Client monies means money which is held by a property agent in the course of residential lettings or property management as set out in s.54-56 of the Housing and Planning Act 2016.

The Winkworth office will hold Client Money Protection at all times and the scheme used by the individual office is published on their specific website.

Winkworth will handle all client monies within agreed internal guidelines. In accordance with the Act, these client monies will be held in a ring fenced client bank account held by a bank authorised by the Financial Conduct Authority. The agent will usually hold a single account which contains all of the client funds at any one point.

The Winkworth agent may also hold other client bank accounts which may hold deposits (which do not relate to an individual licence or Assured Shorthold Tenancy), deposits which are being protected via one of the approved Insured Tenancy Deposit Providers and occasionally they may hold a ring fenced account which holds tax deducted on behalf of Landlords which is paid to HMRC on a quarterly basis.

Any ring fenced accounts held by Winkworth at any one time have immediate access and client money is available to the agent without undue delay.

Only certain trusted staff members; although usually appointed client accountants, bookkeepers or Principles, Partner and Directors of the agency will have access to the client bank account. These named people will oversee the bank account and ensure that monies are handled and processed in accordance with the written procedure and in line with legislation.

The Principles, Partners or Directors of the agency will also ensure that certain tasks undertaken in connection to client accounting are segregated to ensure that there are separate checks carried out by separate personnel for each client accounting process; banking, arrears management, deposit protection, payments from the client bank account and reconciliation.

Each Winkworth office has a client accounting system in place; usually industry approved software, which manages and records the financial transactions made by Applicants, Tenants and where applicable Landlords, together with payments paid out of the ring fenced client account.

It will reflect the money transactions coming into the agency on a daily basis and will provide detailed information regarding each of these transactions.

It will also reflect the breakdown of payments made out of the client account, normally comprising of payments to Landlords, Tenants, Applicants and Contractors together with any fees paid to the agent as agreed with the Landlord.

The system operated by the office, will at all times, be able to confirm who any balance in the client bank account is attributable to, ensuring that individual Landlord, Tenant, Applicant and Contractors ledgers are operated and treated as individual 'accounts' within the one single client bank account.

In accordance with all of our terms and conditions, interest will not be paid to any Applicant, Tenant, Landlord or Contractor.

# PROCEDURES FOR HANDLING CLIENT MONIES

When an Applicant makes an application to rent a property they will pay a holding deposit equating to not more than 1 weeks' rent\*. This money will be held in accordance with the Tenants Fees Act 2019. Where an application is successful, these monies will be, on the agreement of the Applicant, set against the 1st months' rent.

In the event that the application is not successful, in accordance with our Application to Rent and Holding Deposit agreements, monies may be refunded to the Applicant or retained by the agent.

During a successful tenancy, where the Winkworth agent has been appointed to act in a Management or Rent Collection capacity, the agent will ask the Tenant to make payments by standing order into the ring fenced client bank account. Occasionally, payments may be made by different methods and the agent will ensure that these funds are processed through the client bank account in a timely manner.

Money paid as rent by Tenants will be processed at least weekly by the Winkworth office. Money due to Landlords will be paid in accordance with our Landlord Terms of Business; within 10 working days of the funds clearing into the client bank account.

In the majority of occasions, any money paid out of the client bank account will be by electronic transfer however occasionally other methods may be used.

From time to time and with the agreement of the individual Landlords, the Winkworth office may withhold a float of monies either as a static balance to account for any agreed maintenance or as a one off amount to pay for an individual invoice.

Landlords may also be required to make a payment for larger maintenance / repairs works in advance of the works commencing and in the event of this happening, the monies paid to the agent will be held in the client bank account and noted against the individual Landlord ledger.

When money has been withheld by an agent from a Landlords ledger for the purposes of payment for maintenance etc. the contractor will be paid, from the client bank account, when the work has been completed and in line with the individual Terms of Business agreed between each contractor and the Winkworth agent.

Each Winkworth office will ensure that it reconciles their client bank account through which rent is processed at least once per month and where deposits are held in a separate account at least once every two months.

Reconciliation is an accounting process used to compare two sets of records to ensure the figures are in agreement and are accurate. The Winkworth agent will be using software to calculate what is due to who and when, which is one set of records, together with an actual client bank account which is the other set of records.

Any monies which are received into the client bank account which cannot be immediately attributable to any individual person, will be held in a separate 'suspense' account until it can be identified. It will then be treated in the normal manner.

Any money which is held on dormant ledgers will be held for a minimum of six years since the last contact with the relevant owner of the money. After this period, the Winkworth agent will create a written audit trail of any decision to process and dispose of the money.

\*applicable to Assured Shorthold Tenancies and Licences only – where different tenures are held a greater amount may be requested.

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