



## Client Money Handling Procedures

This document outlines Pygott & Crone Lettings Limited's procedure for handling client money and ensures compliance with The Property Ombudsman Code of Practice and The Client Money Protection Scheme for Property Agents 2018.

- *The Client Money Protection Schemes for Property Agents (Requirement to Belong to a Scheme etc.) Regulations 2018*  
<https://www.legislation.gov.uk/ukdsi/2018/9780111169155/contents>

Pygott & Crone Lettings Limited (hereafter "Pygott & Crone") is a member of ARLA Propertymark. Their Conduct and Membership rules can be read in full by following the link here

- *ARLA Propertymark Conduct and Membership rules*  
<https://www.propertymark.co.uk/professional-standards/rules.html>

ARLA members must publish their client money handling procedures on their website, as well as making copies available to customers upon request.

Pygott & Crone adheres to the Client Money Rules of Conduct, using the following procedures:

- All Client Money is held in a Client Money Account with NatWest.
- Money is paid directly into the Client Money Account.
- Client Money Accounts details are found within our Terms of Business which are designated as such and are easily distinguished from any other account.
- We have confirmed in writing with the bank holding the Client Money Account that the bank acknowledges that monies in the Client Money Account must not be combined with, or transferred to, any other account maintained by the Firm, and the bank shall not be entitled to exercise any right of set off or counterclaim against the money in that Client Money Account in respect of any sum owed to it in respect of any other account of the firm.
- Records and accounts are retained which show all dealings with Client Money and demonstrate that all Client Money held by the Company is held in a Client Money Account.
- Pygott & Crone publishes its procedures for handling Client Money on our website
- Pygott & Crone provides copies of our procedures for handling Client Money to any person who may reasonably require a copy, free of charge.
- Records are retained which provide a history of all dealings with Client Money.
- Client Money is repaid without delay if there is no longer any requirement to retain that money.
- Client Money is repaid to the client upon request
- Pygott & Crone holds appropriate Professional Indemnity insurance cover

## **General Controls**

Pygott & Crone, its accounts team and Auditors ensure that;

- An appropriately qualified individual oversees the client accounting function
- Pygott & Crone employs competent and knowledgeable staff who are responsible for processing clients' money and are familiar with Client Accounting rules
- Any employees have clear segregation of duties and responsibilities and that a Principal or appropriately qualified individual oversees the client accounting function.
- Pygott & Crone Accounting systems and client data are securely controlled and protected
- Pygott & Crone IT and Computer systems are adequately protected for access, firewalls, back-ups and disaster recovery
- Pygott & Crone provides adequate cover for holiday and long-term absence
- Principals cannot override controls surrounding the accounting system
- All areas of the business apply the same level of controls in relation to the client accounting function.

## **Client Bank Accounts**

Pygott & Crone hold clients' money in one main ring-fenced client account, which is separate from all other monies. Client money is available on demand. The bank account is correctly titled to include the name of Pygott & Crone Lettings Ltd and the word "client" to distinguish the account from an office or any other account. Written consent will be provided where interest has been retained by the Agent.

## **Client Accounting Systems and Controls**

- Accounting records and systems are appropriate to the nature and volumes of client account transactions.
- Systems provide details of all money received into and paid from all client accounts and show a running balance of all client money held in that account
- Systems identify all receipts and payments to the client to which they relate
- Client systems show cash balances held on behalf of clients at all times
- Accounting records are completed promptly
- Current balances and period reports are available upon demand
- All ledgers include the Client name and reference
- Overdrawn balances on client ledgers are prevented by systems controls
- Adequate controls are in place over unidentified client money to ensure that such funds are kept securely.
- In the event Pygott & Crone is paid surplus client funds, the client will be located and reimbursed as soon as possible. Funds held for more than six years will be donated to a registered charity.

- A list of client bank account details will be maintained
- Daily reconciliations are performed
- Further reconciliations are completed at least once every month where clients' money is held in a general client account.
- Any unresolved differences or adjustments are fully investigated and explained.
- Any errors identified in the reconciliation process are promptly rectified.
- Reconciliations are reviewed and signed off by appropriate senior staff.
- Propertymark rules dictate that an independent auditor signs off on the accounts annually.
- Client accounting records, including copies of reconciliations, are securely kept for at least six years plus the current year.

## **Controls over the payment of Client Money**

Pygott & Crone ensures that;

- Checks are made to ensure that sufficient funds are held on behalf of the relevant client before payments are made
- Adequate authorisation procedures are in place for payments made by electronic methods.
- All payment requests have supporting evidence and that documentation has been authorised in advance by a Director or a Senior Accounts Person.
- Pygott & Crone does not accept any payments by cash.
- Effective controls are in place over the setting up of new supplier accounts on the system