

# Client Money Handling Procedure

**Company:** Real Big Estates Limited trading as Wright Marshall & Petty Real

**Date:** February 2026

## 1. Introduction and Policy Statement

Real Big Estates Limited trading as Wright Marshall & Petty Real (hereafter referred to as "the Company") is committed to ensuring the utmost security and transparency in the handling of all client money. This Client Money Handling Procedure outlines our strict adherence to the legal requirements set forth by the Estate Agents Act 1979, the Estate Agents (Accounts) Regulations 1981, and the Client Money Protection Schemes for Property Agents (Requirement to Belong to a Scheme etc.) Regulations 2019.

The purpose of this document is to provide a clear, comprehensive framework for all staff members, directors, and partners regarding the receipt, holding, and disbursement of client funds. It ensures that client money is safeguarded against misappropriation, fraud, or the insolvency of the Company, and that landlords, tenants, vendors, and purchasers can trust that their financial assets are protected at all times.

## 2. Definition of Client Money

Under the Estate Agents Act 1979 and subsequent regulations, "client money" is strictly defined as any money received or held by the Company in the course of our estate agency or property management work to which we are not beneficially entitled.

Client money includes, but is not limited to:

- Tenant deposits (prior to being registered with an approved Tenancy Deposit Protection scheme)
- Rent payments collected on behalf of landlords
- Holding deposits paid by prospective tenants
- Maintenance floats or funds provided by landlords for property repairs
- Pre-contract deposits or contract deposits related to property sales
- Service charges and ground rents (where applicable under management agreements)

Client money does not include money held in an account from which a client can separately make withdrawals, nor does it include money received in respect of properties wholly owned by a director or partner of the Company.

## **3. Statutory Trust and Protection**

### **3.1 Money Held on Trust**

In accordance with Section 13 of the Estate Agents Act 1979, all client money received by the Company in England and Wales is held on trust for the person who is entitled to call for it to be paid over to them or credited to them. If money is received by the Company as a stakeholder, it is held on trust for the person who may become entitled to it on the occurrence of the event against which the money is held.

### **3.2 Client Money Protection (CMP) Scheme**

As mandated by the Client Money Protection Schemes for Property Agents (Requirement to Belong to a Scheme etc.) Regulations 2019, the Company is a registered member of an approved Client Money Protection (CMP) scheme. This membership ensures that in the unlikely event of the Company's insolvency or misappropriation of funds, landlords and tenants are compensated.

The Company strictly adheres to the transparency requirements regarding our CMP membership:

- The CMP membership certificate is displayed prominently in every office where we deal face-to-face with the public.
- An electronic version of the CMP certificate is displayed on our official website.
- A copy of the certificate will be provided free of charge to any person who reasonably requests it.

## **4. Client Bank Accounts**

### **4.1 Designated Accounts**

All client money is held in designated Client Bank Accounts. These accounts are entirely separate from the Company's office, trading, or business accounts.

### **4.2 Account Requirements**

In compliance with Section 14 of the Estate Agents Act 1979 and the Estate Agents (Accounts) Regulations 1981, our Client Bank Accounts meet the following criteria:

- The accounts are held with an authorised institution (a bank or building society authorised by the Financial Conduct Authority).
- The title of the account clearly includes the word "Client" and the legal name of the Company (Real Big Estates Limited).
- The Company holds written confirmation from the bank stating that all money held in the account is client money, and that the bank is not entitled to combine the account with any other account or exercise any right of set-off or counterclaim against money in that account in respect of any sum owed to it on any other accounts of the Company.

## **5. Handling of Client Money**

### **5.1 Payments into the Client Account**

All client money received by the Company, whether by electronic transfer, cheque, bank draft, or cash, is paid into the designated Client Bank Account without delay. Specifically, all receipts of client money must be banked within a maximum of two working days from the day of receipt.

The only other funds permitted to be paid into the Client Bank Account are:

- The minimum sum required to open or maintain the account.
- Money required to restore any sum paid out in contravention of the rules.
- A cheque or bank draft that includes client money as well as other money (which must be split appropriately once cleared).

### **5.2 Payments out of the Client Account**

Withdrawals, transfers, or payments from the Client Bank Account are strictly controlled and only permitted in the following circumstances:

- Payment to the person entitled to the money (e.g., transferring rent to a landlord or returning a deposit to a tenant).
- Payment of any remuneration for, or in reimbursement of money expended in, carrying out estate agency work to which the Company is contractually entitled, provided the client has been notified or invoiced and no objection has been raised.
- Money being paid directly into another Client Bank Account or an authorised Tenancy Deposit Scheme.
- To transfer out money that was paid into the account but does not belong to a client (e.g., clearing the non-client portion of a mixed cheque).

Under no circumstances will a payment be made on behalf of an individual client that exceeds the total amount held on behalf of that client.

### **5.3 Signatories and Authorisation**

To ensure financial security, the Company maintains a strict policy regarding who is authorised to make payments from the Client Bank Account. An up-to-date list of designated personnel authorised to sign cheques or approve electronic transfers is maintained, detailing any limits or restrictions on their authority.

## 6. Accounting Records and Reconciliation

### 6.1 Record Keeping

The Company maintains properly detailed accounting records and bookkeeping systems that accurately record all client money received, held, or paid out. These records include:

- The amounts, dates, names, property addresses, and reference numbers to identify individual transactions.
- A client ledger showing the balance of monies held for each individual client.
- A cash book showing all transactions in the Client Bank Account.

### 6.2 Reconciliation

To ensure the integrity of our client accounts, regular reconciliations are performed. At least once every two calendar months, the balance on the client cash book is reconciled with the balance in the Client Bank Account (using bank statements) and with the total of each client's balance in the client ledger.

### 6.3 Preservation of Records

All accounting records, including ledgers, cash books, bank statements, and reconciliation documents, are preserved securely for a minimum of six years from the end of the accounting period to which they relate.

## 7. Interest on Client Money

The handling of interest earned on client money is governed by Section 15 of the Estate Agents Act 1979 and Regulation 7 of the Estate Agents (Accounts) Regulations 1981.

- **General Rule:** The Company is not liable to account to any client for interest received on money held generally in a pooled Client Bank Account, unless a specific written arrangement exists.
- **Written Arrangements:** Where the Company enters a written arrangement (e.g., via terms of business or a tenancy agreement) that allows the Company to retain interest earned on money held on a client's behalf, this will be clearly communicated.
- **Statutory Thresholds:** In cases where the Company holds a sum exceeding £500 for a client, and the interest that could have been earned if the money were kept in a separate deposit account is at least £10, the Company will account to the client for that interest, unless a written agreement to the contrary is in place.

## 8. Annual Audit

In compliance with statutory requirements and industry best practices, the Company's client accounts are subject to an annual audit by a qualified, independent accountant.

- The auditor will examine the accounts and records to verify compliance with the Estate Agents Act 1979 and the relevant accounts regulations.
- An Accountant's Report is produced annually and submitted to our Client Money Protection scheme provider as required to maintain our membership.
- The latest auditor's report is kept on file and will be produced on demand to a duly authorised officer of an enforcement authority.

## **9. Compliance and Review**

All staff members involved in the receipt, processing, or management of client money must read, understand, and strictly adhere to this Client Money Handling Procedure. Failure to comply with these procedures may result in disciplinary action and potential legal consequences.

This policy is reviewed annually by the Directors of Real Big Estates Limited to ensure it remains compliant with all current UK legislation and industry best practices.

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