Client Money Handling Procedure - David Coleman Limited

Policy Name:	Client Money Handling Procedure	Creation Date:	July 2026
Revised By:		Signed off by:	David Coleman
Reviewed			

Purpose
This procedure is to ensure that all client money and insurance monies received, held, administered and paid by us are managed safely, transparently and in accordance with all applicable legal, regulatory and professional requirements.

We are an Appointed Representative of a Principal Firm which is authorised and regulated by the Financial Conduct Authority (FCA) for the purpose of carrying on insurance distribution activities and is also regulated by the Royal Institution of Chartered Surveyors (RICS) for our property management activities.

For insurance distribution activities, we operate under risk transfer agreements between ourselves, insurers and our Principal Firm. Where such agreements apply, insurance premiums and other insurance monies are deemed to have been received by the insurer upon receipt by us and are therefore not treated as client money for the purposes of the FCA Client Assets Sourcebook (CASS), subject to the terms of the relevant agreements.

This procedure is designed to:
- protect client funds;
- safeguard insurance monies;
- minimise the risk of financial loss;
- maintain accurate accounting records;
- ensure compliance with applicable legislation and regulatory requirements; and
- maintain confidence in our financial management.

Scope
This procedure applies to all staff involved in the receipt, handling, processing, and disbursement of client money within David Coleman Limited.

Definition of Client Money
Client Money is money of any currency (whether cash, cheque, draft, or electronic transfer) that is:
- held or received by us on behalf of another person (for example rent or service charge or insurance payments), or
- funds not immediately due and payable to us (for example invoices to us paid when work has not yet been completed)

How and where is Client Money held?
We hold client money separately from our own money and in accordance with the RICS professional statement Client Money Handling, effective from 1 January 2020.

We hold client money in general clients' bank accounts or designated discrete accounts over which we have exclusive control. All client accounts are easily identifiable and the funds immediately available.

Client money is held with an appropriate banking institution who is regulated by the Prudential Regulatory Authority (PRA), the Bank of England and the Financial Conduct Authority (FCA).

We obtain confirmation of the bank operating conditions. As an RICS-regulated firm, we are registered with the RICS Client Money Protection Scheme.

Service charge and other property management client monies are held in accordance with Section 42 of the Landlord and Tenant Act 1987, relevant lease provisions, client agreements, and our obligations as managing agent.

Where insurance premiums are received under risk transfer arrangements, such funds are handled in accordance with the relevant insurer agreements and the requirements of our Principal.

Record Keeping

Records of all payments and receipts relating to a client are recorded in a separate ledger on our management system to ensure segregation of funds and a running balance for each client.

All records are retained for at least 6 years.

Access to Funds

Access to client money is restricted to authorised individuals only.

The Firm maintains controls to ensure that:

- only appropriately authorised personnel can access client accounts;
- banking access permissions are reviewed periodically;
- passwords and authentication details are kept secure;
- payment authorities are appropriately controlled; and
- access is removed promptly when individuals leave the Firm or no longer require access.

Where practical, segregation of duties is maintained so that the individual responsible for processing transactions is not solely responsible for approving and releasing payments.

Unidentified funds

Should we receive any funds that are unable to be identified, we will do our best to understand which client they relate to and upon investigation, reimburse the owner of the client money as soon as possible.

If it is not possible to return the payment and all avenues of investigation have been exhausted, we will hold on to it for three years, at which point we will donate to a registered charity of our choice. As part of this, we will ensure an indemnity to reimburse the funds should a beneficiary subsequently be identified.

Timescales for payment into a client account
All cash and cheques received by post are logged and banked on the day of receipt, where possible, and allocated to the appropriate client money account. Payments by BACS, CHAPS, or standing order must be recorded upon receipt.

All unidentified funds are reviewed as soon as possible and at which time they will be allocated or returned

Controls on payments from a client account
A withdrawal from a client account can only be made after a specific authority has been approved by a signatory in accordance with the bank mandate and the firm's procedures and systems.

All payment requests must be accompanied by supporting evidence that has been checked and authorised. Segregation of duties, where possible, in the client accounting function is in place to prevent data
tampering within the payment process.

Reconciliation of accounts
Bank accounts are reconciled monthly, using a three-way reconciliation between the bank, general ledger and individual client ledgers, as required by the RICS.

Any discrepancies identified will be investigated promptly, documented, corrected without unnecessary delay, and escalated to senior management where appropriate. Where relevant, material issues will be reported to our Principal and relevant regulatory bodies.

Information provided to clients about monies held on their account
We provide clients with appropriate information regarding monies held on their behalf. Reporting requirements are agreed with the client at the outset and are documented in our Terms of Business or management agreement with the client.

Client queries regarding funds held will be handled promptly and transparently. We will maintain records of information provided to clients.

Service Charge Only:

How interest and bank charges are handled
All Discrete Client Bank Accounts are interest-bearing, instant access accounts and we whilst cover transactional banking and account maintenance charges associated with the operation of such account(s), a nominal charge of £5.00 per month is re-charged to each individual client account where appropriate.

All interest gained on these accounts is passed on to the relevant discrete client account, David Coleman & Company do not any retain interest on client funds

Direct Debits
To obtain discounts/best rates from utility companies, Direct Debits may be used as the payment method