



Donating your client's unclaimed funds to Support Through Court

In 2014, the Solicitors Regulation Authority (SRA) increased the limit of unclaimed funds from £50 to £500 which can be paid to charity without SRA permission. Just a £50 donation to Support Through Court can help provide a trained volunteer to support up to two people through the court system and make a huge impact on their lives.

What are dormant funds?

Often after mergers, acquisitions or for a variety of other reasons, a client account may have a sum of money in it that has never been claimed. This may be because there are no instructions about how to deal with the funds, or because the rightful owner cannot be traced. Despite attempts to return the money it has not been accepted, for example, a cheque has remained uncashed for several years.

Is permission required from the SRA to donate these to charity?

SRA rules state that firms must return balances on the client account “promptly” as soon as there is no reason to retain the funds.

Where the rightful owner cannot be traced, rules 5.1 c) of the SRA Accounts Rules permit balances **under £500** to be paid to charity without SRA permission, providing certain safeguards are met - this includes taking and recording adequate steps to identify and return the funds to the rightful owner.

Amounts **over £500** can also be paid to charity, providing SRA permission is granted and the charity is prepared to take out indemnity insurance. Support Through Court is happy to do this.

The benefit to Support Through Court and your firm

Unclaimed client account balances may not be used for any other purpose and have become an administrative burden to Finance Managers who must analyse and explain the existence of these client balances to auditors annually – donating them to Support Through Court will clear the funds and make a huge impact to the lives of individuals going through the courts without legal representation.

Every year we help thousands of vulnerable people navigate complicated court systems and processes. Since cuts to legal aid in 2013, demand for our service has grown significantly as more people are left with no option other than to represent themselves if they wish to access justice. By donating your clients' unclaimed funds, you will enable people to gain support at times of great stress and anxiety. Often our clients are in situations that could result in them losing their home, not being able to see their children or going bankrupt.

Moreover, our volunteers' support has a positive impact for both sides of the court room. When unrepresented litigants are supported by our volunteers they are able to speak more confidently, are better informed about court procedures and often calmer in extremely stressful situations; which often helps reduce the time spent in court.

We will also make sure to recognise any donation of over £1000 on our website, in our annual report and through our thank-you events.



The process required to comply with SRA rules:

- 1) Make reasonable attempts to establish the identity of the money's owner, including use of a genealogical research service.
- 2) Make adequate attempts to ascertain the proper destination of the money and to return it to the rightful owner, unless the reasonable costs of doing so are likely to be excessive in relation to the amount held
- 3) Pay the funds to charity
- 4) Record the above steps taken and keep all relevant documentation (such as the attempted correspondence and receipts from the charity). Records of attempts to find the fund holder must be kept for a minimum of six years. A central register is also required to be kept.

Additionally, it will be for the firm to be satisfied that the steps taken are:

- a) Appropriate to the unique circumstances of each such residual balance;
- b) Sufficient to satisfy the requirements of rule 5.1.

Useful resources:

For guidance on completing the application form:

- Solicitors Regulation Authority – <http://www.sra.org.uk/guidance>
- Professional Ethics Guidance Team contact:

E:Mail professional.ethics@sra.org.uk

Address: Solicitors Regulation Authority, Professional Ethics, The Cube, 199 Wharfside St, Birmingham, B1 1RN DX 720293

Tel: 0370 606 2577

For letter tracing and forwarding:

- The Department for Work and Pensions provides a service:

www.gov.uk/government/publications/pensions-and-insurance-tracing-and-letter-forwarding-service

- Companies House <http://direct.companieshouse.gov.uk/> is useful for establishing the status of companies, details of administrators, registered office details and the names of current and ex-directors including their home address.