Client Money and Financial Procedures Policy

November 2024

History of changes to this document		
Location of change	**Description of change**	**When**
Entire Document	New document created	11/2024

Policy Governance:

Overall Responsibility	Hazel Westwood – Operations Director
Deputy Responsibility	Emma Rippin – Finance Manager

Policy Statement:

In conjunction with Momentum Broker Solutions (MBS), Hazel Westwood – Operations Director has designated as most suitable for the day-to-day management of MBS' Client Money and Financial Procedures Policy.

Steve Walton - Quality and Compliance Director is responsible for regularly reviewing regulatory and legislative guidance and interrelated policy statements for rule changes and requirements. This will ensure that MBS' systems and controls in relation to this policy incorporates such amendments and that these are notified to all relevant persons as may be appropriate.

Steve Walton - Quality and Compliance Director is responsible for ensuring that up-to-date copies of our Client Money and Financial Procedures Policy is readily accessible from MBS' compliance records and available for all staff. This policy is to be available for reference and to provide guidance to any relevant employee of MBS who may require access to such information.

For the avoidance of doubt the application of this policy applies to MBS' Appointed Representatives (AR) as is required and defined by the Financial Services Markets Act 2000 (FSMA) and Financial Conduct Authority (FCA) for the purpose of a person carrying out regulated activities.

In this context, MBS is the authorised firm referred to as the 'Principal' and MBS takes full responsibility for ensuring that the AR complies with this policy and FCA rules as appropriate.

Policy Controls:

Period from: November 2024
Version: 1.0
Last Review: November 2024
Next Review: November 2025

Overview:

The overall responsibility for all client / insurer money and assets is that of Hazel Westwood – Operations Director, who is supported as deputy by Emma Rippin – Finance Manager.

The overall responsibility for all Office finances is that of Hazel Westwood – Operations Director, who is supported as deputed by Emma Rippin – Finance Manager.

Client Money Segregation:

In order that we maintain adequate protection for our client / insurer money whilst in our possession we must follow the following procedures.

Segregating client money in the Non-Statutory Trust account:

All funds received from clients, including premiums, commissions and fees should at all times be kept within the Momentum Broker Solutions Non-Statutory Trust Client Account.

Client / Insurer bank account(s) details:

Bank Name:	Lloyds Bank Plc
Account No:	66601560
Account Name:	Momentum Broker Solutions Limited
Type of account:	Client

Bank Name:	Lloyds Bank Plc
Account No:	66100668
Account Name:	Momentum Broker Solutions Limited
Type of account:	Office

Bank Name:	Lloyds Bank Plc
Account No:	86688083
Account Name:	Momentum Broker Solutions Limited
Type of account:	Client - Euro

The relevant exchange of letters with the bank has been completed and copies are located with the MBS Compliance team.

For the MBS Non-Statutory Trust Account, the original Trust Deed is located with the MBS Compliance team.

Client Bank Review:

On a regular basis, Emma Rippin – Finance Manager will be responsible for ensuring that the bank chosen remains authorised and regulated by the appropriate authorities and that the company's funds with the bank do not represent a significant portion of the bank's assets and are not exposed to unnecessary risk.

Receiving, recording, and banking client money:

In all cases client monies should be paid into Momentum Broker Solutions Non-Statutory Trust Client Bank Account not later than the day following the date received.

Funds may be received by a number of methods: -

1. Cheque received
2. Credit/Debit card payments
3. Payment direct into the account by BACS / CHAPS
4. Premium Finance

A daily banking sheet should contain details of all amounts received and should reconcile to the amounts banked each day.

Cheques received:

All cheques received at Momentum Broker Solutions are to be forwarded to the accounts department.

On receipt of cheques, the accounts team will input the payee's name, amount, cheque no, etc onto daily banking records spreadsheet.

On completion the accounts team will record the transaction within our broker operating system, posting details of the payment, referencing the account code and debit note.

The MBS account handlers will use our internal broker operating system to raise accounts and debits when required.

Credit / Debit card receipts.

Card payments can be received currently through online payment facilities.

We currently have 0 machine(s).

The client does not have to be in situ for payment to be taken. Payment can be taken via a telephone call.

Details required to authorise payment:

Client reference number

Amount

Name as described upon the card

16 figure Card No.

Expiry date

3 figure no on magnetic strip

Upon receipt the finance team should reconcile the receipts to the client ledger as with cheques receipts.

BACS/CHAPS payments

If a client wishes to pay direct into the bank, we should ensure they are given the bank details of the client account above.

Bank statements should be downloaded for the previous day, which will itemise all BACS/CHAPS received during the day.

The Finance Team should post and allocate these onto Back-office system and reconcile the banking to the statement.

Premium Finance Schemes

We use the services of third-party finance providers for the provision of premium finance.

The premium finance facility is potentially available for use by all of our end customers and is subject relevant suitability criteria.

All completed applications are sent to the relevant third-party finance provider for assessment and acceptance.

Insurer payments

Once received each statement should be looked at in two stages:-

Stage 1 – on receipt all policies where payment from the client has been fully received and allocated, and the amounts match with the amounts on back office should be paid. All credits and commissions due from the insurer which again match to the system should be taken in this first run. Mark the amounts paid on the insurer statement and send BACS payment to insurer with a copy of the remittance.

During this first run please note the date at which the insurer requires the final payment, note all queries, and policies awaiting funds.

If necessary, contact the insurer contact by email preferably regarding any of the queries.

Stage 2 – Prior to the due date revisit the statement, making payment of any further policies fully paid by the client and/or premium finance, and any amounts amended by the account handler. Small adjustments to commissions may be made to clear smaller discrepancies. A maximum of £10 may be adjusted. Any amounts over this figure should be referred to Emma Rippin.

Please note on the insurer statement all further discrepancies and policies awaiting funds.

Mixed Remittances

If a combined payment is received (insurance and non-insurance monies), these should be paid into the client account.

Following completion of the client money calculation, the company's realisable own funds are transferred across to the office account.

Client refunds

Cheque request to be sent to Finance Dept

Bank reconciliation

Daily

Finance Team to check each account balance using the bank information ensuring all accounts are in credit.

Client Money Calculation

At least every 25 business days, a client money calculation is completed to ensure the client account has adequate funds.

A calculation is completed to confirm the company's realisable funds from commissions and fees that have been paid as mixed remittance into the client account.

Following completion of the client money calculation, the company's realisable own funds are transferred across to the office account.

This calculation is carried out by Emma Rippin – Finance Manager and is overseen by Hazel Westwood – Operations Director.

In essence the total for insurer payments due from the filtered insurer statement report and other liabilities is compared to the sum of the client and deposit bank accounts.

If the funds within the bank accounts are surplus to the requirements of the filtered insurer statements etc, the balance is by definition our funds from paid commissions and fees and is subsequently transferred across to the office account. In contrast if there is a deficit within the client accounts, the difference is transferred from the office account to the client accounts.

The calculation must be performed at least every 25 business days.

Signatories

The client / insurer bank account(s) has/have the following signatories.

Hazel Westwood

Emma Rippin

All cheques require the signatures of both signatories.

Internet Banking

Where Internet Banking payments are undertaken, passwords etc are only held by Hazel Westwood – Operations Director, or Emma Rippin – Finance Manager and all internet banking transactions are undertaken by them.

Payments Policy

The company payments policy is the responsibility of Hazel Westwood – Operations Director, or Emma Rippin – Finance Manager, as deputy.

All purchases must be preapproved, with payments made from the MBS office account.

Statutory and regulatory payments are the responsibility of Hazel Westwood – Operations Director, or Emma Rippin – Finance Manager, as deputy.

These will be paid in accordance with the company procedure and timescales.

Audit Arrangements

Responsibility for arranging the annual client money audit is that of Hazel Westwood – Operations Director, or Emma Rippin – Finance Manager as deputy.

The annual client money audit will be arranged within 120 days of the MBS Accounting Date.

The annual client money audit will be undertaken by Daines Accountants, Unit 2, Charnwood Edge Business Park, Syston Road, Cossington, Leicestershire, LE7 4UZ.

Hazel Westwood – Operations Director, or Emma Rippin – Finance Manager as deputy is responsible for ensuring that the auditor has the necessary skill and experience to carry out such duties and this will be reviewed on a regular basis.

The annual audit of the company financial accounts will be arranged by Hazel Westwood – Operations Director, or Emma Rippin – Finance Manager, as deputy.

The audit of company financial accounts will be arranged within 9 months of the MBS Accounting Date.

The audit of company financial accounts will be undertaken by Daines Accountants, Unit 2, Charnwood Edge Business Park, Syston Road, Cossington, Leicestershire, LE7 4UZ.

Hazel Westwood – Operations Director, or Emma Rippin – Finance Manager as deputy is responsible for ensuring that the auditor has the necessary skill and experience to carry out such duties and this will be reviewed on a regular basis.

Petty cash

All office petty cash is held within the accounts team.

This will be reconciled by the accounts team every month.

Receipts must be obtained for all purchases.

Expenses

All business expenses incurred can be submitted through our internal Breathe HR system, or on a paper expenses form, accompanied by receipts, for formal review and sign off by the MBS management team.

Signed off and authorised expenses will be marked as approved within the system and will typically be paid within 1 month.

Commission Rebates / Discounts.

Any requests by our Appointed Representatives for rebates or discounts must be submitted to the MBS broking desk (with an explanation of why they are being offered) for approval prior to them being offered or given.

Staff Cases.

All staff cases will be processed by another independent member of staff. Where this is not possible, all cases must be reviewed by a member of the broking leadership team.

Further Information.

Any questions regarding these procedures should be referred to Hazel Westwood – Operations Director, or Emma Rippon – Finance Manager in their absence.