Bright Amber

Client Money Handling Procedure

1. Purpose

This procedure sets out how Bright Amber Property Management Ltd ("Bright Amber") receives, holds, accounts for and pays out client money, in compliance with the Money Shield Scheme Rules and the Property Redress Scheme. It applies to both directors and any staff who handle client funds. A copy is available to any client on request, free of charge, and to our reporting accountant before each annual audit.

2. What counts as client money

Client money is any money we hold on behalf of a landlord or tenant that we are not beneficially entitled to. This includes:

- Rent collected on behalf of landlords
- Tenant deposits not protected in a custodial scheme
- Fees or disbursements received before they are earned or paid on
- Any other money held for a client in the course of letting or property management

It does not include money for properties wholly owned by a director, or money already passed to a custodial tenancy deposit scheme.

Serviced accommodation bookings are usually let under a licence rather than an assured shorthold tenancy, so any deposit or damage bond taken does not qualify for statutory tenancy deposit protection. These deposits remain client money for as long as they are held, and stay in the client account on the relevant client's ledger for the full length of the stay, released only in line with the booking terms.

3. The client account

All client money is held in a dedicated client bank account, separate from Bright Amber's business account. The account title includes the word "Client" and Bright Amber's legal name. We hold written confirmation from the bank that:

- All money in the account is client money
- The bank has no right to combine this account with any other Bright Amber account, or to set off against it any debt Bright Amber owes

No personal or office transactions are run through the client account.

4. Receiving money in

Only the following may be paid into the client account: client money, the minimum balance needed to keep the account open, and any amount needed to restore money wrongly paid out.

All client money received is banked into the client account within 2 working days of receipt. Every receipt is recorded against the correct client and property, showing the amount, date, payer, property address and purpose.

We do not accept cash for rent, deposits, fees or any other client money. All client money is received by bank transfer from an account in the name of the paying tenant, guarantor or landlord. Payments from a third party are accepted only where the payer's identity and relationship to the client have been verified and recorded, and approved by a Director. Refunds are made only to the account the funds were received from.

5. Paying money out

Money is paid out of the client account only for the following reasons: paying a landlord their rent due, paying contractors or third parties on a client's behalf, paying Bright Amber's fees once lawfully due, refunding a client, or correcting a banking error.

No payment is made that would take an individual client's balance below zero. Where a payment is for Bright Amber's own fees, the client has been notified in writing (via the management agreement, invoice or statement) of the amount and purpose beforehand.

Payments are made by bank transfer wherever possible. Cheques or bank drafts may be used where appropriate. Cash is used only in exceptional cases, where adequate staff safety and financial security measures can be taken, and only against a signed receipt recorded on the client ledger, in accordance with Money Shield Scheme Rule 6.4.

6. Authorisation and signatories

Both directors are authorised signatories on the client account. Each payment requires authorisation from a director, and online payments are only released after the supporting invoice, statement or instruction has been checked against the client ledger. A current signatory list, including specimen signatures, is held on file and lodged with the bank.

7. Reconciliation

The client account is reconciled at least once every two calendar months. Reconciliation compares three figures: the bank statement balance, the client cash book balance, and the total of all individual client balances on the client ledger. Any discrepancy is investigated and corrected immediately.

Because Bright Amber has two directors and no other staff, the director who did not prepare a given reconciliation checks and signs it off before it is filed, so that preparation and review are never done by the same person for the same period. Reconciliation records are kept on file and made available at audit or inspection.

8. Interest

Our terms of business set out whether Bright Amber or the client is entitled to interest earned on client money. Where no arrangement is in place, any interest earned belongs to the client.

9. Old or unclaimed balances

If a credit balance in the client account cannot be matched to a client after reasonable efforts to trace them, it is moved to a designated client suspense ledger rather than treated as Bright Amber's money. It remains subject to the same reconciliation and record-keeping rules and is dealt with in line with Money Shield's rules on dormant balances, including the six-year rule before any charitable donation is considered.

10. Records

Bright Amber keeps a client cash book or ledger column for every client, showing all money received, held and paid out, with dates, amounts, property references and purpose. Records, including reconciliations and bank statements, are kept for 6 years from the end of the relevant accounting period, or from when the client balance reaches nil, whichever is later.

11. Annual audit

Bright Amber submits either a Money Shield Accountant's Report or an approved HealthCheck each year, within 6 months of the end of its accounting period. This procedure, and all supporting records, are made available to the reporting accountant and to Money Shield on request.

12. Protection for clients

Bright Amber is a member of Money Shield, the client money protection scheme, and the Property Redress Scheme. Details of both, including how to make a claim or complaint, are published on our website and available on request.

Version 2
Last reviewed: August 2026
Next review: August 2027