Client Money Handling Procedure

For eXp UK Agents
CMP Scheme: Client Money Protect
Membership Number: CMP014608

---

1. Introduction

eXp UK is committed to handling client money responsibly, securely, and in full compliance with all legal and regulatory requirements.

This Client Money Handling Procedure explains how client funds are managed, protected, and accounted for during the lettings process.

This procedure applies to all eXp UK agents and is published in accordance with the Client Money Protection Schemes for Property Agents Regulations 2019.

---

2. What Is Client Money?

For the purposes of this procedure, **client money** means any money received from or on behalf of a landlord or tenant which is not owed to eXp UK for its own fees.

This includes (but is not limited to):

- Holding deposits
- First month's rent
- Tenancy deposits
- Any other pre-tenancy funds collected before the tenancy begins

---

3. How Client Money Is Held at eXp UK

3.1 Two Dedicated Client Accounts

All pre-tenancy funds are paid into one of eXp UK's ring-fenced client money accounts:

1. **Pre-Tenancy Rent Account (Transactional Client Account)**
    - Used exclusively for holding first month's rent and any other pre-tenancy payments.
    - Funds remain in this account until transferred to the landlord or authorised agent.
2. **Deposit Client Account**
    - Used exclusively for holding tenancy deposits that are registered with an authorised deposit protection scheme.
    - eXp UK registers deposits with the **MyDeposits Insured Scheme** unless an exception is approved.

Both accounts are:

- Held with an FCA-regulated bank
- Ring-fenced from company money
- Protected from bank set-off
- Reconciled regularly
- Held in accordance with Client Money Protect scheme rules

---

4. Collection of Pre-Tenancy Funds

4.1 Use of Goodlord

All holding deposits, first month's rent, and tenancy deposits are collected via **Goodlord**, eXp UK's approved pre-tenancy platform.

This ensures:

- Payments are securely collected
- Full audit trails are maintained
- Compliance with the Tenant Fees Act 2019

4.2 Timescales for Banking Funds

All client money is paid directly into the appropriate eXp UK client account, and any funds mistakenly paid to the agent must be transferred into the correct eXp client account within three business days.

---

5. Tenancy Deposits

5.1 Deposit Registration

Unless an agent has received explicit written authorisation to manage their own tenancy deposits, **eXp UK is responsible for registering all tenancy deposits** with:

MyDeposits Insured Scheme
(Approved under the Housing Act 2004)

5.2 Deposit Release

At the end of the tenancy:

- The agent manages the negotiation process
- eXp UK releases deposit funds in accordance with the MyDeposits rules and authorised instructions
- Any disputes are handled via MyDeposits' adjudication process

---

6. Payments Out of Client Accounts

Client money may be released only when:

- Rent or pre-tenancy funds are due to the landlord
- A holding deposit needs to be refunded
- The release of a deposit has been approved by all parties
- Funds are required to comply with legal obligations
- The client provides written authority

eXp UK does not deduct fees from client money unless contractually authorised.

---

7. Audit, Reconciliation & Record-Keeping

In line with best practice and Client Money Protect requirements:

- All client accounts are **reconciled regularly**
- Detailed client money records are kept for **a minimum of six years**
- All receipts and payments are recorded and traceable to an individual landlord or tenant
- eXp UK undertakes periodic internal reviews and external checks when required

---

8. Client Money Protection (CMP)

eXp UK is a member of **Client Money Protect**, an approved scheme under the Client Money Protection Schemes for Property Agents Regulations 2019.

Scheme Name: Client Money Protect
Membership Number: CMP014608
Certificate: Displayed on this website
CMP Scheme Rules: Available on request

This means that, in the unlikely event eXp UK were unable to return client money, landlords and tenants may be eligible for compensation through the scheme.

---

9. Agents Handling Client Money (During Tenancies)

9.1 eXp UK's Role Ends at the Start of the Tenancy

After a tenancy has begun, managing rent collection, property management money, or any other client funds is the responsibility of the individual agent.

eXp UK's CMP policy does not cover client money handled by agents during a tenancy.

9.2 Agents Must Not Handle Client Money Without Approval

Any agent who wishes to:

- Collect rent during the tenancy
- Hold deposits independently
- Manage contractor float accounts
- Handle any other ongoing client funds

must first:

1. Apply to eXp UK for approval
2. Provide evidence of:
    - Their own Client Money Protection membership
    - Appropriate client accounting systems
    - A compliant client account set-up
3. Ensure full legal compliance at all times

Without such approval, agents **must not** handle client money.

---

10. Unclaimed Client Money

If client money remains unclaimed after reasonable efforts to contact the client, it will be handled in accordance with legal requirements and CMP scheme rules.

---

11. Keeping Clients Informed

All clients are informed:

- That their funds are held in a protected client account
- Which CMP scheme protects them
- Which deposit protection scheme is used
- How and when funds will be transferred or refunded

Copies of this procedure are available on request, free of charge.

---

12. Complaints About Client Money Handling

Any concerns relating to the handling of client money can be raised through:

1. The relevant eXp UK agent
2. eXp UK's central support team
3. Client Money Protect (for compensation-related queries)
4. The agent's redress scheme (Property Redress Scheme or The Property Ombudsman)

---

13. Review of This Procedure

This procedure is reviewed annually, and updated where required to ensure ongoing compliance with:

- Client Money Protection legislation
- CMP scheme rules
- Industry best practice

- eXp UK’s internal processes