

# PAYMENT AUTHORISATIONS

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## WHAT WE NEED FOR CHAPS AND BACS PAYMENTS

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1. The account details in writing, from a person who controls that account or someone who works at that company. Details in an email are ok, as are pdfs/notes on letterhead and details in replies to requisitions. A copy of a bank statement is ideal as we can also check the account name.
2. Written confirmation from you that the account details have been verified verbally with the account holder or, if it's a company, someone appropriate who works there. Mentioning it in the covering email or doing a file note is great.
3. If the account details are from a law firm then we need a clear Lawyer Checker. If there's a notice on the search result, or an `infrequent` result, then we need to understand that before we can approve it. We can also cross check account details using Lender Exchange and that's been really helpful a couple of times recently. Supporting information about the law firm from the SRA/Law Society website, and Companies House, is also welcome if it's not a firm we deal with regularly.

4. If the account details are for an individual or individuals, then we need a clear Consumer Checker. If it's not clear (and minor discrepancies are fine) then we need to follow up on that. Sometimes the Consumer Checker search fails, and there are two or three common reasons for that. If so then we need to follow it up with the client to try and understand why.

If we're just returning a small amount to the client (less than £100, give or take) then we don't need a Consumer Checker.

## WHAT WE LOOK AT WHEN WE'RE AUTHOURISING AN ELECTRONIC PAYMENT

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We check that the payment makes sense on a basic level...we might come back and ask for a bit more information to understand that.

Sometimes we send payments to the same clients regularly. If so we don't need to redo the checks every time, just periodically to keep the details fresh.

Occasionally the bank will kick back when we try and send the electronic payment after it's been authorised, and will bring up an error/warning message about the account name. If so then we can't ignore this and we'll probably need to follow up and ask you to obtain more information.

The banking system doesn't tell us what the exact problem is so we won't know if it's a big error or a tiny discrepancy. The warning is there to help us avoid mistakes and fraud.

- Whether there's money in client account to satisfy the payment (well, most of the time we don't). That's the responsibility of the person dealing with the file. We're happy if you want to confirm that though.
- Whether it's the correct amount. We won't check completion statements or calculations, for the same reason.
- Whether the right payment reference is included on the request.
- Whether the money is going to the right place. The person dealing with the file needs to be comfy that the payment is appropriate. For example, if we're returning money to joint clients and the account details given to us are just in one name, then we also need authority from the other client in writing that we can make the payment. Another important consideration is to make sure that we're complying with the Solicitors Accounts Rules – we're not allowed to make a client's position easier by sending money out to a third party on their behalf, for example. If it's not to do with the main reason for our instruction then that's classed as conducting banking activities for them and it will get us in trouble.

To give an example there if we're acting on a property sale, it's completely fine for us to pay off a mortgage, pay for indemnity policies, pay a final ground rent payment, all those sorts of things. We can't then send some or all of the proceeds to someone else though, because that's an unrelated payment that the client needs to make. The fact that it's convenient for the client isn't a valid reason for us to do it any more.

Overall we have to look at each payment separately and there might be something that doesn't feel right that we'd like to follow up on. If you have any concerns then please get some input from your head of department before sending the payment request. That normally helps minimise any delays in sending money out.

We try and deal with any payment requests as quickly as we possibly can. There are a few procedural steps involved and it's not always possible for us to get the money out immediately

- up to three individuals are needed to authorise payments on the system.

For UK same day payments we'll try and provide as much time for you as we can. You can send them over any time, but for them to go the same day **it really needs to be before 5pm**. We can't give you a guarantee that it'll go but we'll do our best.

For payments going abroad there's a bit more involved. They frequently involve a currency change and some of the time that involves setting a rate for the conversion from sterling. There are two potential mechanisms – long story short, the sooner the better because the bank cutoff to set the rate can be as early as 10.30am (and we'd need time to organise it before then). Payments can be made after that but the rate won't be clear. We might need to come back to you for more information.

Overall with foreign payments, as it's a contract we're signing up to, the more certainty involved the better so we don't end up committing to something we shouldn't.

## OTHER PAYMENTS OUT

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We want to minimise the amounts of cheques that we send out. Banks are increasingly worried about fraud and most of the time now, we get a follow up email from our bank asking us to reply urgently to confirm that our cheque is genuine (and to provide details so they know that we're genuine). It's time consuming. In addition, we don't have control over the client or the recipient cashing them and they often don't get presented for payment for weeks or months. Sometimes they need cancelling. This is also a pain for Accounts. On top of that, the physical process here for sending them is longwinded and overall, it takes much longer and costs the firm more than sending a payment electronically.

We know that some organisations need cheques still and that's fine. If you can though, please avoid them.

- If you're not sure about something, come and ask us – we'll make the time to look at it with you.
- If something's not quite right and we ask for some extra information, it helps massively if you can resend everything in one go.
- If someone isn't in the office and you forward a request to someone else internally, please let the original person know.
- If you have multiple payment requests, it's better to put them all in one email (maybe in zip files if there's loads) rather than in individual emails.
- Sometimes we're in a meeting or on the phone and we can't look at payment requests immediately.



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