

CLIENT MONEY FLOWCHART

Use this flowchart to help you understand what client money is and how to check you are protecting it.

When using this flowchart it is important to be aware that there are other rules and guidance within the FSA handbook that may be relevant to your situation. In the event of any conflict between the flowchart and the Handbook, the Handbook takes precedence.

Are you holding customers' money?

Do customers pay for their insurance by:

- making a cheque payable to your firm;
- authorising a direct debit or standing order from their account to your firm;
- making a BACS payment directly to your account;
- giving you cash;
- a credit or debit card payment;
- or some other form of payment to your firm?

Do the insurers you deal with refund premiums to your firm for onwards payment to your customers who have cancelled policies? *

Do the insurers you deal with pay claims money to your firm for onwards payment to your customers? *

No

You are not holding customers' money.

Yes

If yes, you must arrange protection

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* This is often done by netting off refunds and claims on invoices or insurers statements

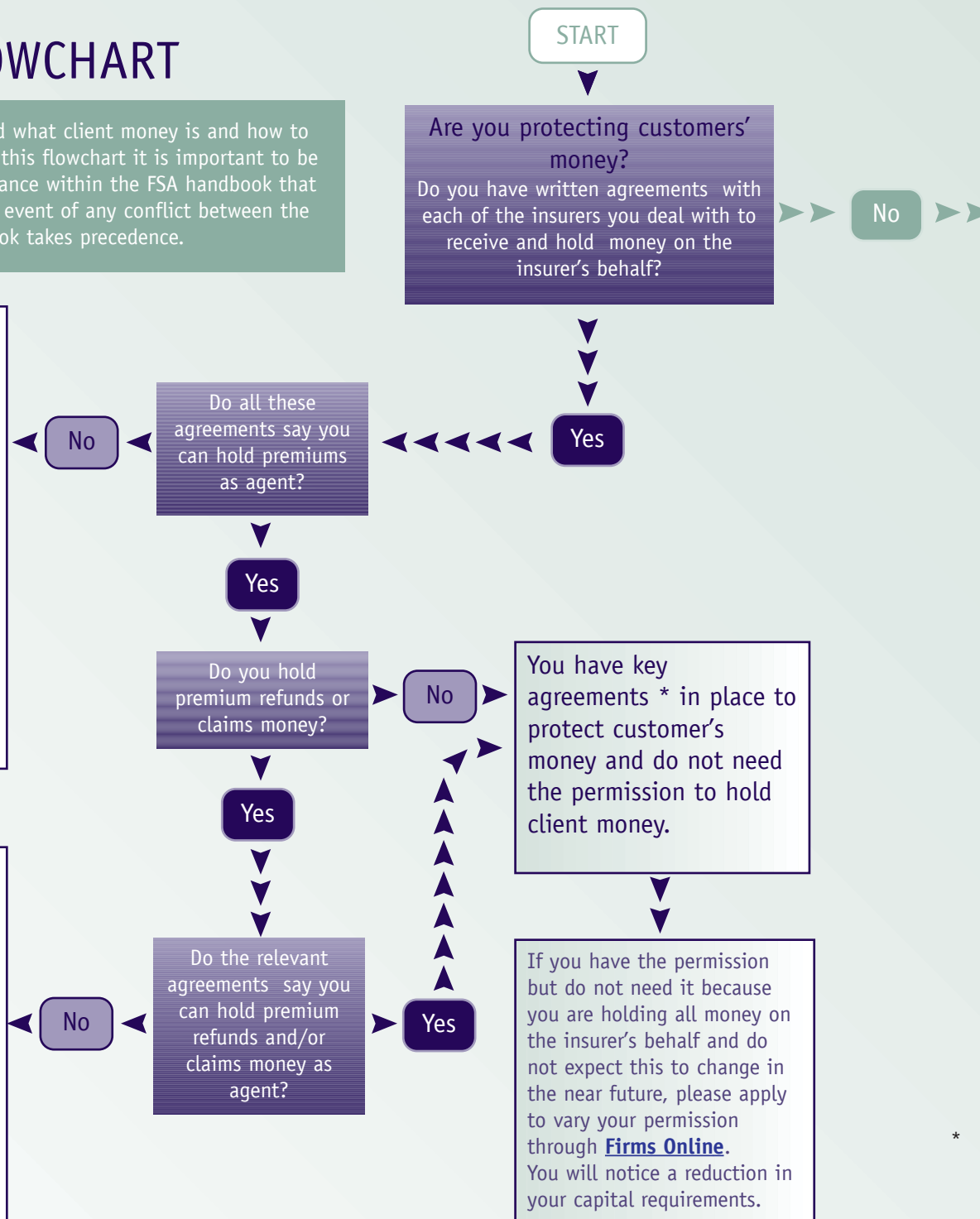
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CUSTOMERS' MONEY IS AT RISK!
Your agreement should specify premiums are held as agent. Contact your insurer immediately and arrange a new written agreement. If you can get the insurer's temporary written agreement to hold premiums - do. Otherwise your customers will have to pay the insurers directly until the new written agreement is in place.

Or you can protect the money by keeping it in a client money account and complying with the client money rules.
See the [Guide](#)

CUSTOMERS' MONEY IS AT RISK!
If an insurer is refunding premiums and claims money through your firm your agreement must specify premium refunds and claims money are held as agent. Contact your insurer immediately and arrange a new written agreement. If you can get the insurer's temporary written agreement to hold premium refunds and claims money - do. Otherwise the insurers would have to pay customers directly until the new written agreement is in place.



CUSTOMERS' MONEY IS AT RISK!

You must protect customers' money. There are two options:

- by keeping it in a client trust account separate from your own funds and complying with the client money rules (see the [Guide](#));
- or arrange for an insurer to accept the risk of you holding customers' money.

If you cannot arrange for an insurer to protect customers' money, you need to have permission to hold client money. You can apply for permission [online](#). Having permission to hold client money affects your capital requirements - it will increase.

* Check customer insurance policy terms are in line with these agreements and that you tell customers you hold their money as the insurer's agent.