Client Money Handling Procedure

Client Money Protection: UKALA · Membership: 23037

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Introduction

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

This procedure explains how client funds are managed, protected, and accounted for during the lettings process. It applies to all eXp UK agents and is published in accordance with the Client Money Protection Schemes for Property Agents Regulations 2019.

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What Is Client Money?

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

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How Client Money Is Held

All pre-tenancy funds are paid into one of two dedicated, ring-fenced client money accounts, both held with an FCA-regulated bank, protected from bank set-off, and reconciled regularly in accordance with UKALA Client Money Protection scheme rules:

ACCOUNT ONE

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.

ACCOUNT TWO

Deposit Client Account

Used exclusively for holding tenancy deposits registered with an authorised deposit protection scheme. eXp UK registers deposits with the MyDeposits Insured Scheme unless an exception is approved.

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Collection & Banking of Funds

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, and compliance with the Tenant Fees Act 2019.

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

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Tenancy Deposits

Unless an agent has received explicit written authorisation to manage their own tenancy deposits, eXp UK is responsible for registering all deposits with the MyDeposits Insured Scheme (approved under the Housing Act 2004).

At the end of the tenancy, the agent manages the negotiation process. eXp UK releases funds in accordance with MyDeposits rules and authorised instructions, and any disputes are handled via MyDeposits' adjudication process.

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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.

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Audit, Reconciliation & Record-Keeping

In line with best practice and UKALA Client Money Protection 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

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Client Money Protection (CMP)

eXp UK is a member of UKALA (UK Association of Letting Agents), an approved Client Money Protection scheme under the Client Money Protection Schemes for Property Agents Regulations 2019.

SCHEME NAME	UKALA Client Money Protection
MEMBERSHIP NUMBER	23037
CERTIFICATE	Displayed on this website
SCHEME RULES	Available on request

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

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Agents Handling Client Money During Tenancies

After a tenancy has begun, managing rent collection 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.

Any agent wishing to collect rent, hold deposits independently, or handle any other ongoing client funds must first apply to eXp UK for approval, provide evidence of their own CMP membership and a compliant client account set-up, and ensure full legal compliance at all times.

Without such approval, agents must not handle client money.

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Keeping Clients Informed & Complaints

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, and how and when funds will be transferred or refunded.

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

Any concerns about client money handling can be raised with the relevant eXp UK agent, eXp UK's central support team, UKALA, or the agent's redress scheme (Property Redress Scheme or The Property Ombudsman).

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Review of This Procedure

This procedure is reviewed annually and updated where required to ensure ongoing compliance with Client Money Protection legislation, UKALA scheme rules, industry best practice, and eXp UK's internal processes.