



Estate Agents Act 1979

1979 CHAPTER 38

Clients' money and accounts

14 Keeping of client accounts

- (1) Subject to such provision as may be made by accounts regulations, every person who receives clients' money in the course of estate agency work shall, without delay, pay the money into a client account maintained by him or by a person in whose employment he is.
- (2) In this Act a " client account" means a current or deposit account which—
 - (a) is with an institution authorised for the purposes of this section, and
 - (b) is in the name of a person who is or has been engaged in estate agency work ; and
 - (c) contains in its title the word " client".
- (3) The Secretary of State may make provision by regulations (in this section referred to as " accounts regulations ") as to the opening and keeping of client accounts, the keeping of accounts and records relating to clients' money and the auditing of those accounts; and such regulations shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (4) As to the opening and keeping of client accounts, accounts regulations may in particular specify—
 - (a) the institutions which are authorised for the purposes of this section;
 - (b) any persons or classes of persons to whom, or any circumstances in which, the obligation imposed by subsection (1) above does not apply ;
 - (c) any circumstances in which money other than clients' money may be paid into a client account; and
 - (d) the occasions on which, and the persons to whom, money held in a client account may be paid out.
- (5) As to the auditing of accounts relating to clients' money, accounts regulations may in particular make provision—

Status: This is the original version (as it was originally enacted).

- (a) requiring such accounts to be drawn up in respect of specified accounting periods and to be audited by a qualified auditor within a specified time after the end of each such period ;
 - (b) requiring the auditor to report whether in his opinion the requirements of this Act and of the accounts regulations have been complied with or have been substantially complied with;
 - (c) as to the matters to which such a report is to relate and the circumstances in which a report of substantial compliance may be given ; and
 - (d) requiring a person who maintains a client account to produce on demand to a duly authorised officer of an enforcement authority the latest auditor's report.
- (6) Subject to subsection (7) below, "qualified auditor" in subsection (5)(a) above means—
- (a) a person who is a member of one or more bodies of accountants established in the United Kingdom and for the time being recognised by the Secretary of State for the purposes of section 161(1)(a) of the Companies Act 1948 or, in Northern Ireland, recognised by the Department of Commerce for Northern Ireland for the purposes of section 155(1)(a) of the Companies Act (Northern Ireland) 1960 ; or
 - (b) a person who is for the time being authorised by the Secretary of State under section 161(1)(6) of the Companies Act 1948 or, in Northern Ireland, by the Department of Commerce for Northern Ireland under section 155(1)(b) of the Companies Act (Northern Ireland) 1960; or
 - (c) in the case of a client account maintained by a company, a person who is qualified to audit the accounts of the company by virtue of section 13(1) of the Companies Act 1967 (unqualified auditors of former exempt private companies); or
 - (d) a Scottish firm of which all the members are qualified auditors within paragraphs (a) to (c) above.
- (7) A person is not a qualified auditor for the purposes of subsection (5)(a) above if, in the case of a client account maintained by a company, he is disqualified from auditing the accounts of the company by subsection (2), subsection (3) or subsection (4) of either section 161 of the Companies Act 1948 or section 155 of the Companies Act (Northern Ireland) 1960.
- (8) A person who—
- (a) contravenes any provision of this Act or of accounts regulations as to the manner in which clients' money is to be dealt with or accounts and records relating to such money are to be kept, or
 - (b) fails to produce an auditor's report when required to do so by accounts regulations,
- shall be liable on summary conviction to a fine not exceeding £500.