

Government proposals on client account interest – Resolution response

The MoJ has proposed that firms would be required to use certain types of client account. 75% of the total interest generated on pooled client accounts, and 50% of the interest generated on individual client accounts would be sent to the government.

[Resolution's position](#) is that Government should be funding the justice system and realistically investing in family and other legal aid to increase access to justice.

We encouraged Resolution members to respond to the consultation on a firm-by-firm basis; but we were unable to provide a full response to this consultation as we were not in a position to meaningfully consult members within the consultation period.

We know that some of our members work in firms which make money on client account interest and use and rely on that to subsidise the family legal aid and other legal aid parts of their practice. Our Legal Aid Committee is strongly opposed to the proposed scheme given that reliance; and the need to more urgently address the sustainability of the legal aid system. The proposals do not seem to align with the statement from the Minister for Courts and Legal Services last year that “We are determined to nurse this critical sector back to health, rebuilding a legal aid system that is sustainable, effective and efficient, and that helps people to address their legal problems as quickly and as early as possible. A system that enables our excellent legal aid profession to do what it does best, in the words of the MoJ’s consultation on civil legal aid in 2025, “providing high quality support and advice for the people who need it most.”

Whilst we are unclear how much income a scheme could generate, we see nothing in the consultation to suggest that any proportion at all of any money raised would be invested into legal aid or put towards paying for a much needed increase in family legal aid rates (to begin to offset any negative impacts for legal aid providers and their clients). We are concerned and disappointed that at this stage, the Government do not propose designating any such scheme’s income for specific access to justice projects, as is the case in some other jurisdictions.