

Client Care Policy



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Associated regulations and policies

<i>Code of Professional Ethics</i>
<i>Disciplinary Regulations</i>
<i>Licensing Regulations</i>
<i>Professional Indemnity Insurance (PII) policy</i>
<i>Continuity of Practice policy</i>
<i>Investigation of Complaints policy</i>
<i>Licence Exemption Policy</i>
<i>Practice Assurance Standards</i>
<i>Provision of Business Regulations 2009</i>

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1. Introduction

- 1.1 Good client care is central to the provision of a high-quality professional service. AAT requires every *member* providing *accountancy services* or *bookkeeping services* to do so in a manner which treats clients fairly and safeguards their interests in accordance with the *Provision of Services Regulations 2009*.

2. Scope and applicability

- 2.1 All *members* who are engaged in *public practice* and hold an AAT *licence* must meet the requirements of this *Client Care policy*.
- 2.2 A failure to follow the requirements of the policy may result in investigation of *misconduct* and action being taken as considered appropriate. This may include formal action in line with [AAT's Disciplinary Regulations](#).

3. Purpose and objectives

- 3.1 It is in the public interest that AAT ensures *licence* holders are providing complying with the requirements of the *Provision of Services Regulations 2009*. The requirements to assist members in fulfilling their client care responsibilities are outlined in this policy.

4. Terms and definitions

- 4.1 The words and phrases set out in the following table only have the meanings set opposite them for the purpose of our regulations and policies as published by AAT from time to time in force.

Words	Meaning
<i>client care</i>	The arrangements required of those holding a <i>licence</i> for ensuring proper standards of <i>client care</i> and service as detailed in AAT's <i>Client Care Policy</i> .
<i>firm</i>	A sole practitioner who is a <i>member</i> , or a partnership, or a body corporate or a limited liability partnership comprised in whole or in part of members, the business of whom or of which includes the provision of <i>accountancy services</i> .
<i>licence</i>	A practising <i>licence</i> granted to members to allow them to provide accountancy services and/or

	bookkeeping services to the public under the <i>Licensing Regulations</i> .
<i>lien</i>	lien is a legal right against assets that are usually used as collateral to satisfy a debt.
<i>member</i>	A person admitted to the membership of AAT in accordance with the provisions of the <i>AAT Regulations</i> (where the context so permits), this term includes associate members, full members, and fellow members, whether past or present.
<i>misconduct</i>	A <i>member</i> committing any act or omission that falls short of the standards reasonably expected of them, including but not limited to those matters listed in the <i>Code of Professional Ethics</i> , which brings, or is likely to bring, discredit to the member, the accountancy profession, or AAT.
<i>practice assurance monitoring</i>	AAT's quality assurance arrangements to assess if <i>members</i> holding a <i>licence</i> are meeting the expected requirements of the practice assurance standards, Money Laundering Regulations, and the <i>Code of Professional Ethics</i> .
<i>Principal</i>	A <i>member</i> who is a sole practitioner or who is a partner in a <i>firm</i> which is a partnership or who is a director of a <i>firm</i> which is a body corporate or who is a member in a limited liability partnership.
<i>professional indemnity insurance (PII)</i>	A policy of liability insurance against claims of professional negligence which meets the minimum standards required by AAT as articulated in the <i>Professional Indemnity Insurance policy</i> .
<i>public practice</i>	A <i>member</i> is engaged in <i>public practice</i> when they provide, or are holding themselves out to provide accountancy services, including <i>bookkeeping services</i> , to the public for remuneration, whether in the capacity of sole practitioner, a partner in a partnership, a member in a limited liability partnership, or a director of a body corporate.

5. Policy detail

Letters of engagement

- 5.1 A *member* must provide a letter of engagement to all clients before any professional work is undertaken by the member. That letter must include the following information as a minimum.
- a) The nature of the assignment, the scope of the work to be undertaken and, the format and nature of any report which is to be delivered.
 - b) The timing of the engagement, which is the date the work is expected to start (and whether any such date is contingent on the provision by the client or others of information), the duration of the work and the dates on which reports are to be made.
 - c) Whether the assignment is monthly, annual, or not recurring and whether the engagement will continue unless specifically terminated by the client.
 - d) The client's responsibilities, for example, as to the production of information such as records and books and their format and timing. The client should be advised that, for example, in relation to tax compliance work the member will be acting only as an agent for the client and that the client is responsible for providing accurate information.
 - e) A statement that the responsibility for the detection of irregularities and fraud rests with the client's management and that this would normally be outside the scope of the engagement. Nevertheless, the engagement letter should make it clear that the client is obliged to provide full information to the *member*.
 - f) Any liability disclaimers in relation to acting on information supplied by the client or complying with legislation.
 - g) The basis, frequency, and rate of charge for services rendered together with the treatment of expenses incurred in connection with the assignment. The member should provide an estimate of their fees including details of hourly charging rates in the absence of a fixed fee being agreed. Any taxes payable in addition to the agreed fee or hourly charging rate should also be specified.
 - h) The ownership of books and records created in the engagement and whether the *member* will exercise a lien over such items if fees remain unpaid or are disputed. The firm's policy on retention, destruction and return of records should, if appropriate, be specified.
 - i) The action that will be taken should a fee remain unpaid after presentation of the invoice, including the charging of interest and at what rate, the cessation of work and details of any other actions that will be taken to recover unpaid fees, for example, debt collection agencies, small claims court.

- j) The usage of the *member's* work by the client for a third party with suitable liability disclaimers.
 - k) The fact that the *member's* AAT *licence* does not authorise them to conduct any aspect of investment work.
 - l) The *member's* obligations under the Money Laundering Regulations including due diligence, risk assessments, record keeping and suspicious activity reporting.
 - m) Whether the *member* is registered with the Information Commissioner under the *Data Protection Act 2018* and details of the responsibilities and legal obligations the member has in respect of processing their data securely in accordance with the *General Data Protection Regulations* (GDPR).
 - n) How the *member* will deal with clients' money and how they will account to the client for any commission or other benefits received for introductions to other professionals or suppliers, including whether fees will be reduced by amounts received in this connection and/or whether the member will retain the commission or benefit in accordance with the *Code of Professional Ethics*.
 - o) How the *member* will deal with complaints about any aspect of the engagement including details of the *Principal* within the practice responsible for complaints management, and the fact that unresolved complaints can be referred to AAT.
 - p) Confirmation there is a continuity arrangement in place for an alternate to deal with matters in the event of the member's permanent incapacity or illness, who will have access to the client's information held in order to make initial contact with them and agree the work to be undertaken during incapacity (also making clear the client can choose to appoint another firm / accountant at that stage if they wish).
- 5.2 AAT has template letters of engagement which meet these requirements and can be tailored to meet a firm's needs.
- 5.3 The engagement letter agreed with each client should be reviewed regularly. Where new services are to be undertaken on behalf of a client, or any terms are required to be changed, the member shall issue a new engagement letter and amend terms with the client.
- 5.4 The *member* should retain evidence of the terms that have been agreed by way of an engagement letter, including any amended terms, and member must on request, make available to the AAT or AAT representatives, copies of their engagement letter.
- 5.5 A member who is authorised by the Financial Conduct Authority (FCA) to conduct investment work should refer to the FCA Handbook for appropriate wording to include in the letter of engagement.

Complaints

- 5.6 A *member* must ensure their firm has an adequate complaint process in place to handle client complaints and advise clients how to make a complaint. It should include procedures that ensure as a minimum:
- a) complaints are acknowledged promptly, in writing, setting out the firm's understanding of what the complaint being made is.
 - b) complaints are investigated by the firm, unless it can be demonstrated that the complaint is already being investigated by a professional body; the complaint is already the subject of dispute resolution; or the complaint is minor or vexatious.
 - c) the complaint is investigated by an individual of sufficient experience, and someone who was not involved in the issue leading to the complaint where viable.
 - d) any corrective action considered appropriate is taken promptly. e) the client is aware that a complaint may be escalated to AAT if the matter is not resolved locally.
- 5.7 On receiving a complaint, and throughout the process of investigating a complaint, a *member* should establish whether its professional indemnity insurance provider needs to be informed of the complaint.

Professional indemnity insurance (PII)

- 5.8 A *member* must at all times hold valid professional indemnity insurance in accordance with AAT's *Professional Indemnity Insurance policy* and make the name and contact details of their professional indemnity insurer, and the territorial coverage of the insurance available to any clients or their legal representatives on request.

Client disengagement

- 5.9 When either a *member* or a client chooses to end an engagement, the *member* must confirm this with a client disengagement letter, unless there is good reason not to do so.
- 5.10 The letter should confirm the terms of the disengagement, including:
- a) any outstanding work that will be undertaken before conclusion of the engagement including details of any impending deadlines and the action required
 - b) any outstanding work that will not be undertaken before conclusion of the engagement
 - c) as a matter of good professional practice, and to reinforce public confidence in the profession, a *member* who has disengaged from a client matter should, with the consent of the client, correspond on request with any new

accountant the client has instructed. AAT has a checklist available which meets the minimum disengagement requirements to include, but any client disengagement letter can be tailored to meet the client or firm's needs.

Lien

- 5.11 *A member* seeking to exercise a *lien* should be aware that it is a complex matter and should determine whether it is ethically appropriate before doing at as a minimum:
- a) the documents over which a lien is held belong to the client and not third-party
 - b) the *member* has acquired the documents as a result of the engagement
 - c) the *member* has undertaken work in respect of those documents
 - d) an invoice has been raised in respect of work undertaken on those documents
 - e) those fees have not been paid in full, and the client is aware of the outstanding fees.
- 5.12 *A member* must not exercise a right of *lien* unless they have made reference to the fact that they may do so in their letter of engagement, and this is supported by a document retention policy.
- 5.13 *A member* choosing to exercise a right of *lien* must seek legal advice prior to doing so to ensure that such a right exists and is not superseded by statutory or other obligations.

Monitoring and compliance

- 5.14 *A member* must submit a *licence* annual declaration each year, in the format and by the means prescribed by AAT, confirming they are adhering to AAT's *Client Care policy* and the *Provision of Services Regulations 2009*, and that have adequate engagement and disengagement procedures in place in accordance with the provisions of this policy.
- 5.15 *A member* must, on request, make available to AAT (or our representatives) any information made under this policy. Any failure by a member to cooperate with AAT's practice assurance monitoring arrangements may lead to action in accordance with the *Disciplinary Regulations* and/or *Licensing Regulations*.

AAT
30 Churchill Place
London E14 5RE

aat.org.uk

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