



AUTHOR / KEY CONTACT

# Negative Interest Rates – Will it Affect You?



Kurt Lee  
Partner

✉ [kurt.lee@la-law.com](mailto:kurt.lee@la-law.com)  
☎ 01202 702630

The Bank of England recently asked UK banks and building societies to report on their ability to deal with the Bank of England base rate turning negative.

It is very unlikely to actually happen but if it did, could individuals face having to pay the bank a fee for lodging their funds with them?

Again, this is most unlikely to occur but, as specialist private client solicitors, we very strongly advise people not to withdraw substantial funds and stuff it under the mattress!

Having a cash reserve is always important, but keeping large sums on deposit, particularly over the Financial Services Compensation Scheme (FSCS) thresholds (£85,000 per eligible person, per financial institution, or up to £170,000 for joint accounts) can itself be a risk.

Getting the right investment advice is as important as getting the right legal advice and it's important to ensure that your capital is put to 'work', especially in this prolonged era of low interest rates which looks unlikely to change any time soon.

If the Bank of England base rate were to turn negative, it will become even more important to get proper investment advice and our expert private client solicitors always strongly recommend that people seek the advice of an Independent Financial Advisor.

Our [tax, trusts, wills and probate lawyers](#) work with a number of IFA's and Wealth Managers and would be happy to point you in the right direction. Please email [online.enquiries@la-law.com](mailto:online.enquiries@la-law.com) or call 01202 702612.