

Guide to balance of funds

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A brighter way

At Octopus we accept a variety of sources of funds in purchase transactions. As part of our 'know your customer' requirements we are required to ensure that we can sufficiently evidence where these funds have originated from. Below is an outline of the items we may require in differing circumstances, though it should be noted that this list is not exhaustive and further items may be requested.

Low-risk client e.g. UK client and funds

Source of funds	Items that may be required
Savings	<ul style="list-style-type: none">● An understanding of what the client does for a living and earns in order to accumulate the savings.● Bank statement from within the last 3 months to show they hold the funds.
Inheritance	<ul style="list-style-type: none">● Confirmation that the funds came from an inheritance.● Evidence of the funds received from the solicitor acting and, if not from within the last 3 months, evidence they still hold the funds.
Sale of property	<ul style="list-style-type: none">● Confirmation funds were from the sale of a property and the property sold.● Bank statement from within the last 3 months should be provided to show the client holds the funds.● If the funds are still with solicitors, then their confirmation of such and how much they hold is also sufficient.
Refinance of a property	<ul style="list-style-type: none">● Confirmation funds were from the refinance of a property and the property they refinanced.● Bank statement from within the last 3 months should be provided to show the client holds the funds.● If the funds are still with solicitors, then their confirmation of such and how much they hold is also sufficient.
Loan from a third-party company	<ul style="list-style-type: none">● Copy of the loan agreement.● Understanding of client's plans to redeem the loan.● Understanding and evidence of how the third party raised the funds.● Deed of Subordination/Intercreditor Deed from the company.● Full KYC (proof of ID) on the company and the signing parties.● Board minutes from the company providing the loan.
Loan from a third-party individual	<ul style="list-style-type: none">● Copy of the loan agreement.● Understanding of client's plans to redeem the loan.● Understanding and evidence of how the third party raised the funds.● Deed of Subordination/Intercreditor Deed from the third-party individual.● Full KYC (proof of ID) on the individual.● Independent legal advice will be required and certificate provided.
Gifted monies from a third party	<ul style="list-style-type: none">● Understanding and evidence of how the gifted monies were generated by the third party.● Full solicitor certified KYC (proof of ID) for the third party.● Deed of gift letter witnessed by solicitor and independent legal advice certificate provided.● Bank statement from the client showing gifted monies in their account.

Higher-risk client e.g. foreign nationals

Source of funds	Items that may be required
Savings	<ul style="list-style-type: none">• An understanding of what the client does for a living and earns in order to accumulate the savings.• At least 3 months bank statements to show the accrual of funds and the current balance.• Payslips may also be required to verify the income.
Inheritance	<ul style="list-style-type: none">• Confirmation the funds came from an inheritance.• Copy of the will.• Evidence of funds received from the solicitor acting and, if not from within the last 3 months, evidence they still hold the funds.
Sale of property	<ul style="list-style-type: none">• Completion certificate from the solicitor acting for the sale, showing money the client is due.• Bank statement showing receipt of funds.• If the above is over 3 months ago, then another bank statement from within the last 3 months should be provided to show the client still holds the funds.• If the funds are still with solicitors, then their confirmation of such and how much they hold is also sufficient.
Refinance of a property	<ul style="list-style-type: none">• Completion certificate or mortgage offer from the lender on the refinance, showing money the client is due.• Bank statement showing receipt of funds.• If the above is over 3 months ago, then another bank statement from within the last 3 months should be provided to show the client still holds the funds.• If the funds are still with solicitors, then their confirmation of such and how much they hold is also sufficient.
Loan from a third-party company	<ul style="list-style-type: none">• Copy of the loan agreement.• Understanding of client's plans to redeem the loan.• Understanding and evidence of how the third party raised the funds.• Deed of Subordination/Intercreditor Deed from the company.• Full KYC (proof of ID) on the company and the signing parties.• Board minutes from the company providing the loan.
Loan from a third-party individual	<ul style="list-style-type: none">• Copy of the loan agreement.• Understanding of client's plans to redeem the loan.• Understanding and evidence of how the third party raised the funds.• Deed of Subordination/Intercreditor Deed from the third party individual.• Full KYC (proof of ID) on the individual.• Independent legal advice will be required and certificate provided.
Gifted monies from a third party	<ul style="list-style-type: none">• Understanding and evidence of how the gifted monies were generated by the third party.• Full solicitor certified KYC (proof of ID) for the third party.• Deed of gift letter witnessed by solicitor and independent legal advice certificate provided.• Bank statement from client showing gifted monies in their account.



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