

TPMA for class actions · Paying compensation awards

Shieldpay is an escrow, paying agent and Third-Party Managed Account (TPMA) service provider, authorised and regulated by the FCA as a Payment Institution.

Third-Party Managed Accounts

Third-Party Managed Accounts (TPMAs) can be used to better manage the flow of funds between parties, providing visibility and enabling fast payments.

Why Shieldpay?

Shieldpay provides law firms a solution to overcome the problem of paying out compensation awards to claimants. Our TPMAs mitigate against the risks involved with holding client money and streamline the process to securely manage the disbursement of funds.



Verified payees – Shieldpay conducts robust CDD checks on every claimant to verify their identity, prevent illegal activity and reduce the risk of fraud before making the payment.



Risk mitigation – By making digital bank transfers and using qualifying CDD checks, there is certainty the eligible claimant will receive their awarded compensation.



Reduced administrative burden – Using Shieldpay minimises the workload of the law firm to disburse funds, requiring less internal resource to manage payments and the associated client service and regulatory reporting.



Enhanced client service - With greater security and ease of payment, the solution helps build trust and delivers compensation awards quickly which can improve the relationship between firm and claimant.



Global reach - In order to meet the growing need to service international claimants, Shieldpay is able to seamlessly make payments to jurisdictions across the world.

How it works

A typical workflow looks like this:

- 1. Project is set up:** Once the class action has settled, the law firm informs Shieldpay of the total value of the claim, the number of eligible claimants and the timelines for payment.
- 2. Information requests:** In order to settle the claim, Shieldpay asks every claimant involved to provide documentation, including bank account information and statement, to conduct due diligence checks.
- 3. Compensation paid into TPMA:** The law firm pays the total awarded compensation into the TPMA account.
- 4. Due diligence checks:** Before paying any claimant their compensation, Shieldpay conducts CDD checks to verify their identity and prevent fraud.
- 5. Money is paid out:** Once the claimant is verified, the law firm approves payment and the funds flow out of the TPMA to their provided bank account.
- 6. Project closes:** With all monies paid out of the account, the project closes.

How safe are monies held with Shieldpay?

All client funds are held in segregated, safeguarded and insolvency protected Client Monies Accounts in line with regulatory requirements.

How is the service priced?

Shieldpay's TPMA service is an annual contracted service comprising a monthly license fee and transactional fees.

Get in touch with Mark Mullins to find out more · mmullins@shieldpay.com