



Probate & Estate Administration

While we all understand the importance of making a Will, do we appreciate the post-death process that families have to go through? If they don't do it often, administering an estate is something many people know very little about.

The purpose of this month's newsletter is to shed some light on what's involved.

To deal with someone's estate, what is commonly known as a grant of probate might need to be applied for. This is a legal document giving the executors the necessary authority to deal with the deceased's affairs.

Once the grant of probate has been obtained, the assets can then be collected and distributed according to the Will. The process involves identifying the deceased's estate, obtaining values at the date of death, filling in relevant tax and probate forms and paying off debts, expenses and inheritance tax where applicable.

While a relatively straightforward process in many cases, there are legal aspects to consider and it may become complex, cumbersome and time-consuming. For this reason many people choose to get professional help.

There is a wide variety of providers but they offer different levels of knowledge, service and associated costs. In June 2010 the consumer group Which? surveyed the cost of administering a £270,000 estate. The fees varied from £4,759 to £13,395, a staggering difference of over £8,600!

Banks typically charge a percentage of the estate value while the Law Society guidelines provide for percentage-based calculations in addition to hourly rates.

Percentage-based fees are inherently unfair as they bear no resemblance to the amount of work

involved. For example, the same effort is required to close a bank account regardless of how much money is in the account!

Also watch out for providers who tie people to their estate administration service by being appointed as executors in their Wills. If family or friends are appointed as executors they can always choose to get professional help at the time it is needed and once the full circumstances are known.

The OFT confirms there is no legal requirement to appoint a professional executor such as a solicitor or bank in a Will and that they can be very difficult to dislodge once appointed. They also advise consumers to shop around and suggest people are paying an extra £40m a year in executor services unnecessarily.

To ensure the right level of knowledge and qualifications, always use someone who is a member of the Society of Trust & Estate Practitioner (STEP). Not all solicitors are STEP members.

Our probate and estate administration work is only carried out by STEP-qualified people and a cap is placed on the fees which are calculated based on the work involved. No aspect is based on a percentage of the estate value. This transparent and accountable approach is underpinned by a passion to provide excellent service to our clients.

We hope you find this useful, but please do not hesitate to contact us for further information.

EstatePlanningMatters

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Member of The Institute of Professional Willwriters and The Society of Trust and Estate Practitioners

This firm complies with the IPW Code of Practice