



Ease the burden of losing a loved one

By Rob Griffin

Nothing prepares you for the shock of bereavement, and the task of sorting out a loved one's personal affairs only adds to the stress. The legal hurdles and administration involved can seem overwhelming.

Sadly, this is a situation thousands of people face every year. According to the Office for National Statistics, 190,600 people lost their spouse in 2014, a figure that equates to two in five deaths (38%). Almost 70% of recently bereaved people admitted they were unprepared for the death of their partner, either financially or practically, according to the Losing A Partner report from Dying Matters and Royal London.

However, the reassuring news is that the process doesn't need to be complicated, according to Sharon Eyre, associate solicitor at Howes Percival. "People don't appreciate that it can take time to get everything sorted, especially if you don't know

much about someone's financial life or liabilities," she says.

For example, it may take time to find certain assets – or creditors. "It's certainly not unusual for the whole process to take anything from three to 12 months, so people shouldn't panic if it takes longer than expected," she adds.

One of the biggest mistakes people make is sticking their heads in the sand and not responding to letters from organisations or government departments.

"The key is to communicate with everybody," says Ms Eyre. "Let them know you are dealing with the estate and will keep them informed. As long as you are speaking to everybody, you'll find that most providers are helpful."

Step one: Essential admin

The three priorities in the first few days after someone dies are obtaining a medical certificate from a doctor, registering the death and then using the documents you're given to arrange the funeral.

The medical certificate is free and can be issued straightaway, unless a coroner's inquest needs to be held. You will then need to make an appointment to register the death.





Funeral costs

Funerals can be very expensive and what's more, the costs are rising all the time, according to SunLife's most recent Cost of Dying report.

The average cost of a basic funeral was £3,693 in 2015 – up 2.9% on the previous year. London remains the most expensive place to die. The average funeral there costs £5,068, a whopping 37.2% higher than the UK average. Northern Ireland is the cheapest region at £3,203.

You may be able to report the death to most government departments in one hit

This will be with your local Register Office in England and Wales, the Registrar of Births, Deaths and Marriages in Scotland or the District Registration Office in Northern Ireland. Official copies of the death certificate cost between £4 and £10. You may save yourself more stress and hassle further down the line by requesting several copies of the death certificate.

Step two: Speak to government bodies

Depending on where you live, it may be possible to access the 'Tell Us Once' service that enables you to report the death to most government departments in one hit.

This free service will notify HM Revenue & Customs to deal with any tax issues, the Department for Work and Pensions to cancel benefits, such as income support, and the Passport Office to cancel the deceased's passport. The Driver and Vehicle Licensing Agency will be contacted to cancel their driving licence and the local council to remove the person from the electoral register as well as to cancel any benefits they received.

To use this service, you'll need the deceased person's date of birth, national insurance number, driving licence number and passport number. You'll also need details of any benefits and local council services they were receiving, such as a Blue Badge parking permit.

You will be asked for details of any public sector or armed forces pension schemes they had, as well as the name, address and contact details of the person who will be looking after their estate, known as the executor of the will.

However, the Tell Us Once service is not available nationwide (visit Gov.uk/after-a-death/organisations-you-need-to-contact-and-tell-us-once, for more information), so if it isn't available in your area, you will need to contact each government department yourself. Draw up a list and keep a record of your conversations, as well as the names of those you spoke to and what you were told.

Step three: Get organised

Over the ensuing months you'll deal with a lot of organisations, answering questions and making decisions, so it pays to be on top of the task from the start. Use a spreadsheet to keep track of everything.

A key job will be finding out if there is a will and establishing who is acting as the executor of the estate, says Ms Eyre. "At the point of death, executors have legal responsibility and hold on trust the assets and liabilities," she says. "They can request bank statements and account information and make contact with interested parties."

A will is a record of the last wishes of a person who has died that details who will be responsible for carrying these out and outlines who they want to inherit their estate. If there is no will, the estate will be distributed according to the laws of intestacy.

Depending on the value of the deceased person's estate, the executor may have to apply for what is known as a grant of probate, particularly if the deceased has assets,



What you can do while you are still alive

You can make life much easier for your loved ones when you die by ensuring your financial affairs are in order. Your will should be kept up to date and revisited at least every five years, or sooner if your circumstances change significantly.

Keeping detailed financial records, including records of any investments and pensions you have, will ease the pressure on the person managing your estate, says Danny Cox, a chartered financial planner at Hargreaves Lansdown. “As well as an up-to-date will, you should have an asset register,” he says. “This just needs to be a list of accounts and investments – who they are with and the account numbers – that can be held with your will.”

You should also discuss your wishes with those closest to you, advises Claire Henry, chief executive at the Dying Matters Coalition. “Talking more openly about dying and planning ahead, including discussing our funeral wishes, can help ensure our wishes are met and spare our loved ones from having to deal with the consequences if we haven’t got our affairs in order,” she says.

such as cash and property, worth more than £5,000 solely in their name.

“This is a legal document that allows you to transfer shares to beneficiaries, sell property and cash bank accounts to settle debts,” says Ms Eyre. “It’s the most important document you will need in managing all the administration.”

However, before you can apply for probate, you will need to value the deceased person’s estate and potentially pay some inheritance tax (see step five).

Step four: Gather information

The hardest job will be locating all the various assets: you’ll need to find everything from bank accounts and loyalty cards to second properties, investments and pensions, warns Danny Cox, a chartered financial planner at Hargreaves Lansdown.

“The starting point is to go through bank accounts, because inflows and outflows will normally give you good clues as to where assets may be held,” he says.

The Unclaimed Asset Register and the Pension Tracing Service can help you track down policies and investments.

It’s worth finding out if the deceased used an accountant or independent financial adviser, as they are likely to know what assets may have been held.

Other key organisations and providers to consider contacting include insurance companies – the deceased may well have buildings, home and contents, car, phone and travel cover – as well as utility firms such as gas and energy companies, telephone firms and broadband providers.

Step five: Valuing the estate

Before applying for probate, you’ll need to value the person’s estate, which may include assets such as

property, pensions, savings and collectibles. Anything that looks like it might be worth more than £500 should be professionally valued.

You’ll need to factor in the value of any gifts the person may have given in the seven years before they died and take into account how much debt they had, including mortgage, loan and credit card debt.

Further information – including the forms required – can be obtained by ringing the HMRC probate and inheritance tax helpline on 0300 123 1072. The fee for an estate valued at £5,000 or more is £215.

Inheritance tax may have to be paid if the estate is valued at more than £325,000. Of course, the estate is exempt from IHT when a surviving spouse or civil partner inherits it.

The tricky element for the executor is that if inheritance tax is owed, some of it must be paid before probate is granted. (All inheritance tax must be paid by the end of the sixth month after the deceased died.)

Step six: Contact all relevant organisations

Once you’ve compiled an exhaustive list of insurance policies, investments, credit cards and utility providers, you’ll need to let each of them know what has happened. It’s best to phone so you can find out exactly what they require straightaway.

This needs to be done as soon as possible, according to Rachel Springall, a financial expert at Moneyfacts. “People need to get in touch with the insurers, banks and building societies of their loved one to go through any immediate commitments,” she says.

UK banks are well versed in dealing with such situations. HSBC, for example, has a bereavement support team that will be able to confirm the steps required and the documents it will need to see.

Letters will then need to be sent, advises Ms Eyre. “When we act for people, we send a copy of the death certificate and a letter giving notice of the death to stop letters being sent to the deceased’s property and to ask for a date of death value of the assets,” she says. “You won’t be able to touch any of the money, but the provider will write to you with details of anything owing or outstanding.”

If the person who died has debts, you need to speak to the creditors with a view to repaying them from the estate. However, if there isn’t enough in the estate, the creditors won’t be able to recover it from anyone else, such as the deceased’s relatives. However, any joint assets could be brought back into the estate to settle liabilities.

Don’t forget to deal with contracts your loved one may be signed up to, a mobile phone contract, for example. Providers will still charge for services used before the cancellation, so you are likely to get a final bill that needs to be paid. You may also find that if the contract is for a fixed term, it may carry on against the deceased’s estate. However, in many cases, providers will waive early termination fees if the account holder dies, so it is worth contacting them directly. ●