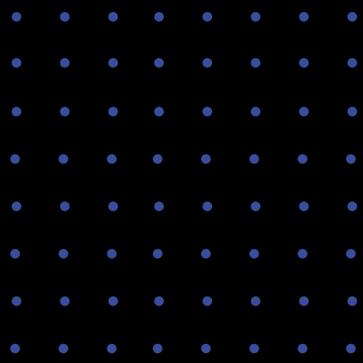


Wills and financial planning – it's time to talk

A report by Ampla Finance



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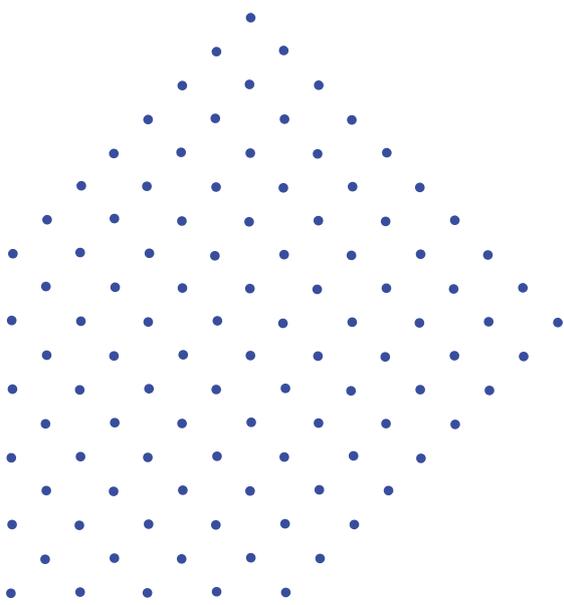
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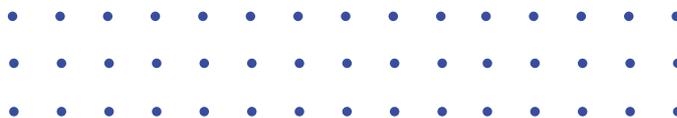
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Introduction

In light of recent delays to the UK probate process and the long-awaited transition to a digital system prompted by the COVID-19 pandemic, we at Ampla Finance hoped to expand the national conversation around the tricky topic of probate and inheritance through surveying UK citizens on their own attitudes to, experience of, and knowledge of the process.

Historically a taboo topic, have recent years changed the British attitude to talking about finances and death?

To this end, we conducted a survey through YouGov canvassing a nationally representative sample of 2,165 UK adults. Differences between ages, regional locations and family situations proved illuminating, but across the board a running theme was a startling lack of conversation around these important financial issues.

We hope this report proves useful in encouraging readers to tackle the hard conversations ahead of the difficult situation where probate is necessary.

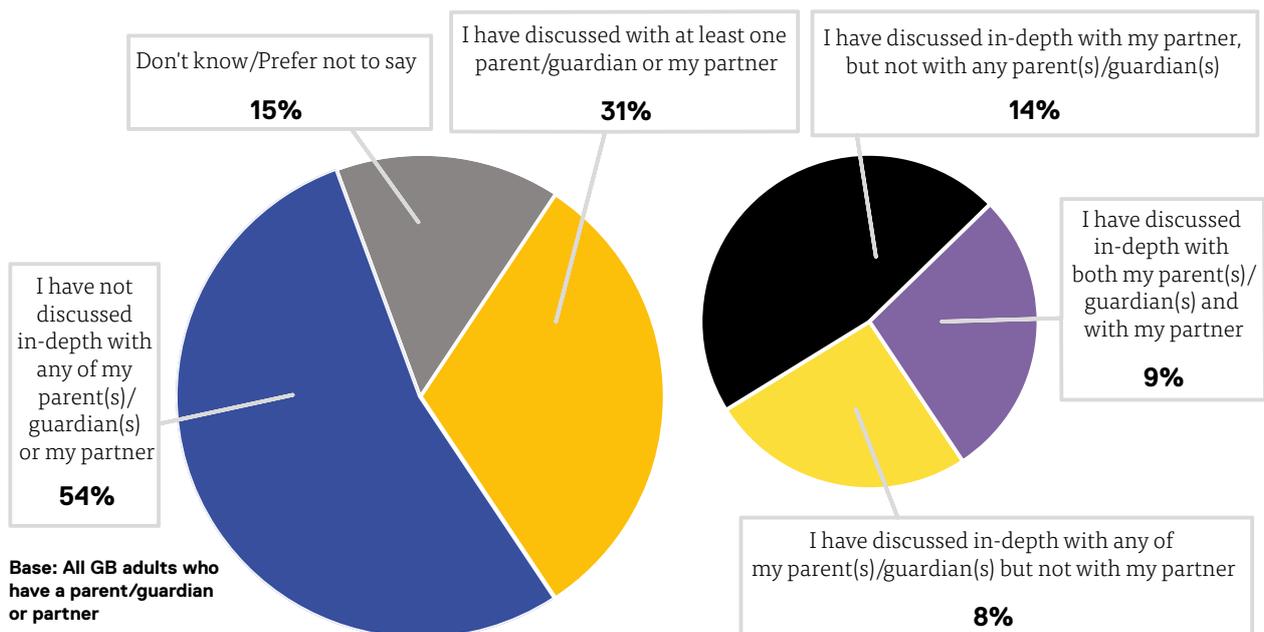
¹ Survey conducted over the 24-25th February 2021. Further information on YouGov methodology can be found at: <https://yougov.co.uk/about/panel-methodology>

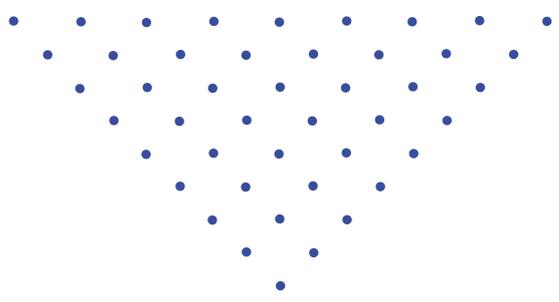
Hard talks: are Brits discussing the serious issues?

Nobody enjoys talking about death, least of all with a loved one, but the reality is that the most effective way to ensure that the practicalities following a death don't become a significant source of stress at a time of grief is to sit down with loved-ones and talk through financial matters.

Our survey asked 2,165 UK adults whether they have discussed funeral arrangements with their parent(s)/guardian(s) and/or partner(s), and whether they have discussed the future financial arrangements following their passing – for example, if they have written a will, nominated an executor, or have particular wishes regarding the division of assets.

Have you discussed in-depth with any parent(s)/guardian(s) or partners, their funeral arrangements?

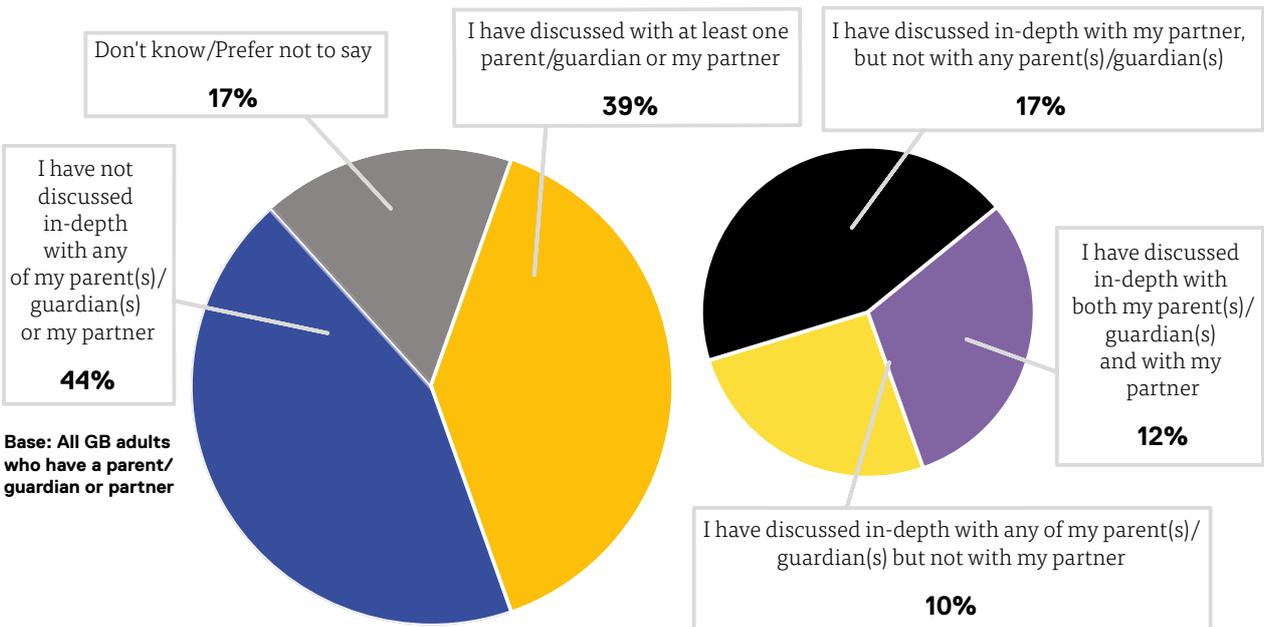




Startlingly, 54% of respondents had not discussed details of their funeral arrangements with either parents/guardians or a partner, and 44% had not conferred on important financial matters. In addition, only a fraction of respondents had discussed funeral and financial arrangements with both parents/guardians and their partners – 9% and 10% respectively. For such an important topic, these numbers are worryingly low. Indeed, amongst retirees – the group widely considered most likely to have discussed these important topics – only half (53%) had discussed financial arrangements with their partner.

This is in sharp contrast to how comfortable people claim to feel about having these conversations. Across the UK sample, 55% of respondents reported being ‘fairly’ or ‘very’ comfortable having a conversation with loved ones on financial matters following a death. Retirees reported being most comfortable with conversations around this topic, as 30% stated that they would feel ‘very comfortable’ having this conversation, the highest proportion from any age group. The fact that almost half of UK adults have not had these important talks with relations highlights the need for better education around the complexities and importance of the probate process. For many, inheritance is a welcome financial support, for some it is a lifeline, and they can face huge delays in receiving any bequeathments if they don’t have enough knowledge of their loved ones’ finances and wishes to progress probate.

Have you discussed in-depth with any parent(s)/guardian(s) or partners, the financial arrangements following a death?



Base: All GB adults who have a parent/guardian or partner

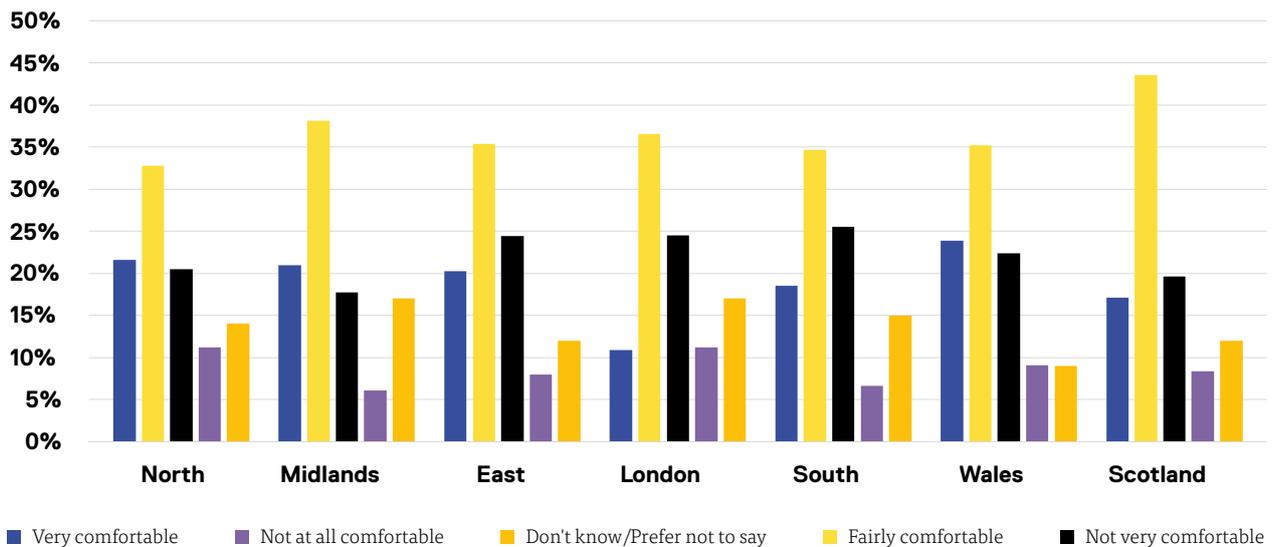
Regional breakdown

Examining different attitudes to having these conversations across the UK, London proved the region least likely to have broached the subject, with 51% of adults having not discussed funeral arrangements and 47% having similarly not discussed the financial matters.

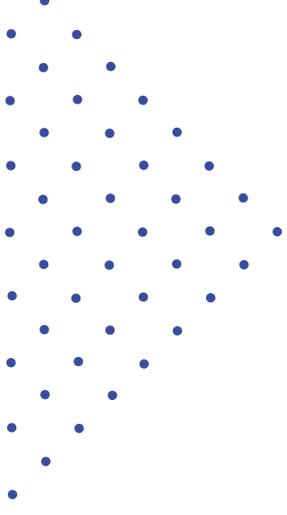
In comparison, the Midlands proved the region most open to these conversations, with the lowest number of respondents reporting that they have not had these two important discussions (40% and 38%, respectively). The data suggests this is due to personal feeling around the topics, London demonstrating the highest number of respondents feeling uncomfortable having these conversations (36%) and the Midlands showing the lowest (24%).

This is backed by the data on how comfortable respondents felt having these conversations with loved ones, where the North, Midlands and Wales proved most likely to be 'very comfortable' discussing these topics, whilst London and the South showed the highest number of respondents who were 'not very' or 'not at all comfortable' about having a detailed conversation around future financial arrangements in the event of their passing.

How comfortable, if at all, do you feel with having a detailed conversation with any parent(s)/guardian(s) or partner about their future financial arrangements in the event of their passing?



Base: All GB adults who have a parent/ guardian or partner



Demographic perspective

When comparing the number of individuals that discussed funeral or financial arrangements following a death with parents or partners, an interesting split becomes evident around respondents' marital status.

55% of those 'living as married' – namely in the same household – had not discussed financial arrangements with either parents/guardians or their partners, above the national average of 47%. However, for those actually married or in civil partnerships, this decreased to 35%, below the national average by an even greater factor.

Similar trends can be seen around conversations on funeral arrangements, where 62% of 'living as married' respondents have not tackled this topic with parents/guardians, compared to only 45% of those married. Married respondents were also more likely (24%) to feel very comfortable discussing financial matters after a death with partners/parents than those living as married (15%).

This suggests that the act of formalising a relationship in law encourages individuals to broach topics of finance and practicalities following death with not just their partners, but with parents too.

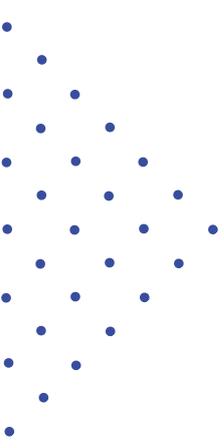
Similarly, almost twice as many respondents have discussed funeral or arrangements with a partner (13%) than with parents/guardians (7%), despite the fact that children are often keenly involved in the probate process and, in most cases, will be faced with a parent/guardian passing before any partners.

COVID-19

Given the widespread impact of the pandemic across all strands of society, we were interested in analysing how attitudes to probate and inheritance had changed following the tumult of 2020. However, our data shows that only 12% of respondents were encouraged to review their will following the pandemic. In addition, of those encouraged to review their will last year, only 19% had discussed financial matters with both parents and partners, and almost a third (32%) had not discussed with any parents or partners.

As the pandemic continues to disrupt society, various reports have shown that many UK citizens are struggling with reduced income, job uncertainty or growing personal debts².

²LV.com, <https://www.lv.com/about-us/press/covid-outbreak-leaves-1-in-3-worrying-about-finances>



In these circumstances, an inheritance may be a necessity to stay afloat, not a luxury, and if individuals are not reviewing their wills or encouraging their immediate family to do the same, we could potentially see a wave of probate delays and disputed wills in the near future.

Broaching the topic of a loved one passing can be both sensitive and painful, so it's understandable how many individuals avoid conversations around the practicalities when a family member passes away. From writing wills to arranging financial details for probate, these discussions are however essential; broaching the hard topic while you can may reduce stress when it does become necessary to engage with the probate process.



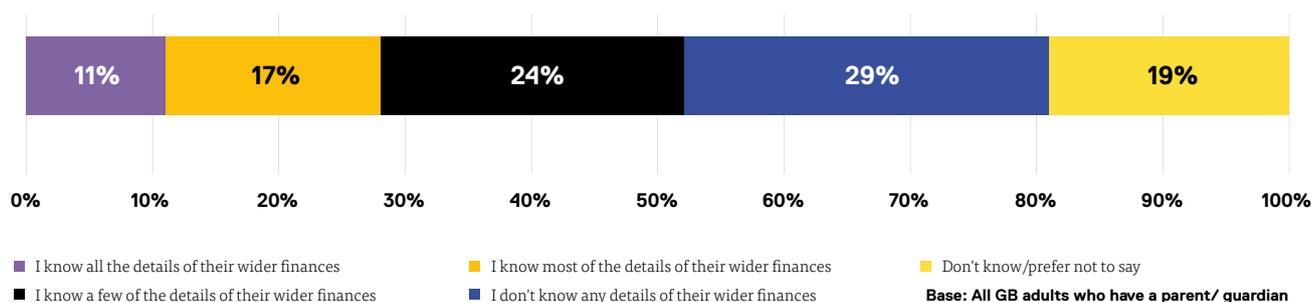
Family dynamics: do you know enough about your loved ones' finances?

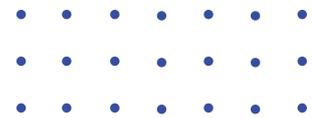
Having ascertained that Brits are seemingly reluctant to have the important conversations with loved ones around finances and arrangements in the event of a death, our goal was then to establish how conversant individuals were with the probate process. However, in keeping with the previous analysis, results showed that very few UK citizens knew enough about their parents' finances to be able to tackle the probate process, should the worst happen.

When undertaking the probate process or instructing a solicitor to begin it on your behalf, a list of the deceased's bank accounts must be provided, if not included in the will. Our results showed that this might prove quite a problem for the average UK citizen: only 24% of respondents knew every bank their parents have accounts with and 18% didn't know any banks that their parents use at all.

In addition, almost half (48%) of UK adults would not be able to find any of their parents' banking passwords that they would need for the probate process.

In the event any parent(s)/guardian(s) were to pass away, would you be able to find details of their wider finances?





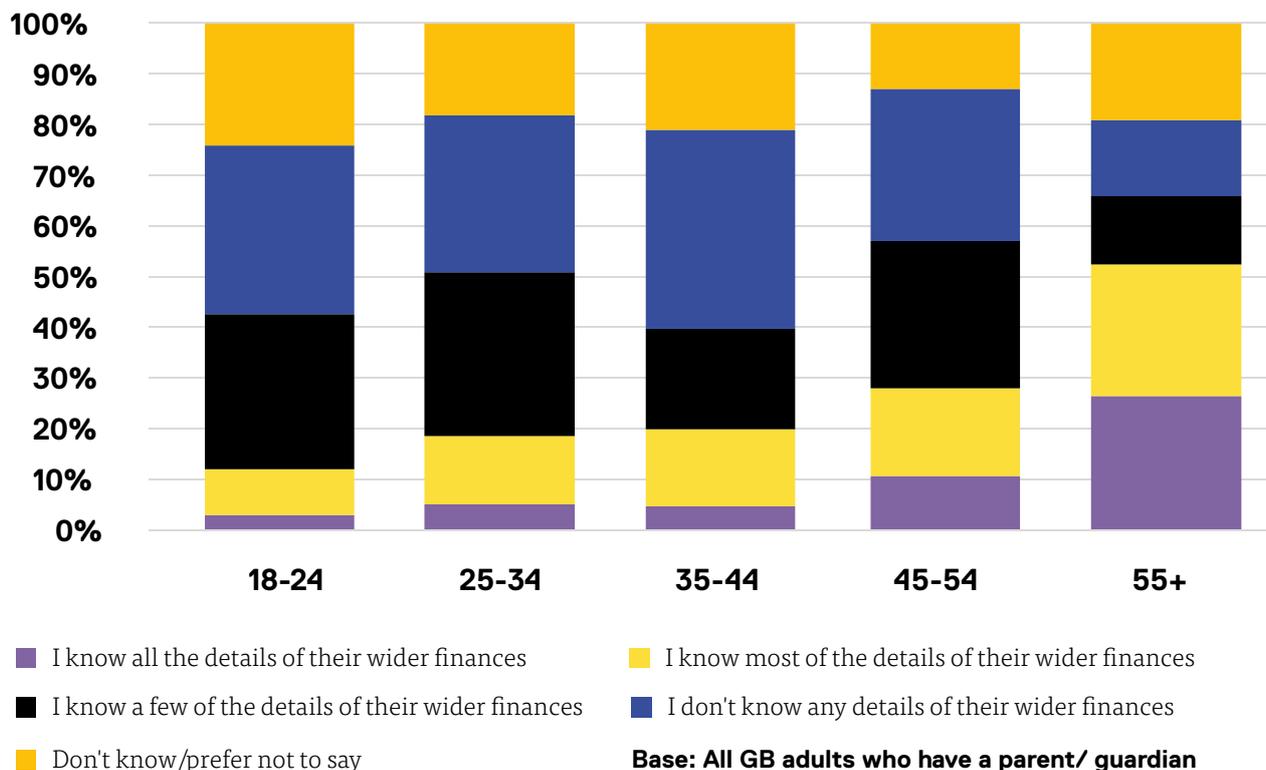
Bank accounts aren't the only financial information that is needed for probate. Almost everyone accumulates wider finances along the course of their life – from pensions, to loans, debts, insurance policies or stocks and shares. Probate can be delayed significantly if full details of these finances aren't easily available to an executor, and individuals relying on an inheritance to clear debt or manage household finances can ill afford this delay.

Despite this, only 11% of respondents knew all details of their parents' wider finances, and over twice that (29%) weren't in possession of any details whatsoever.

Demographic perspective

Clear trends emerge when this data is analysed further. Firstly, the survey results indicated that women were more aware of their parents' finances, being more likely than men to know every bank account their parents have, more likely to know at least one, more likely to be able to find the passwords and more likely to know most of the details of their parents' wider finances.

In the event any parents/guardians were to pass away, would you be able to find details of their wider finances?



Retirees are most likely to know their parents' banking passwords and wider finances, with 42% reporting that they would be able to find any passwords and 29% confident that they knew all in regards to wider finances.

Interestingly, respondents aged 35-44 years old had the highest likelihood of not knowing any of their parents' wider finances (39%), ten per cent higher than the UK average and higher than the 18-24 age group, who were the least likely age to know all details of their parents' wider finances (3%). The youngest age bracket was therefore more likely to know one or more, but not all, of their parents' wider finances – perhaps a sign of increasing financial literacy at a younger age amongst younger generations.

Increasing financial awareness among the younger ages is also visible elsewhere in the data, with 20% of the 18-24 age group having knowledge of all their parents' bank accounts, compared to only 15% of the 25-34 and 35-44 age groups.

This does not however detract from the mounting evidence that the taboo topic of wills and finance is leaving Brits without a decent grounding in the details they will need to undertake the probate process. Even those with some knowledge of parents' finances were usually unaware of the more granular detail: only 36% of those who know or could find their parents' bank accounts also knew all details of their equally important wider finances.

COVID-19

The pandemic has shone a spotlight on personal finances, but our results highlighted that a high proportion of UK adults continue to show a lack of knowledge around family finances, and potentially a lack of understanding around how complex probate can be.

Only 26% of the respondents who stated that they had reviewed their will or funeral arrangements in light of the pandemic knew every bank that their parents banked with, and almost half (49%) would not be able to find parents' bank passwords in the event that they were needed for probate. This suggests that even amongst the most proactive UK citizens when it comes to probate and the practicalities around a death, the necessary knowledge of family finances is often lacking.

Understanding the probate process

So, if our results show that most UK adults are not having important discussions around financial matters in the event of a death, and most aren't aware of their family's financial details in the unfortunate event that they will need to go through probate, how much of the general probate process does the average UK citizen know?

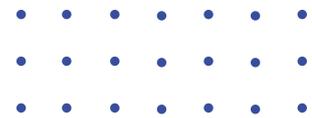
We asked our survey respondents whether they felt that they had enough understanding of the process to undertake it, if they had to, along with whether they expected to undertake probate themselves when necessary, or instruct a solicitor. Here the figures diverged: only 11% of respondents felt they had enough understanding of probate to complete the process but, despite this lack of knowledge around probate, only 14% of UK adults planned to appoint a solicitor.

This reluctance to engage an expert professional is interesting. (While it is chiefly aimed at examining the divorce process, our previous report on [‘Divorce – how can we improve the process?’](#) may prove useful for family lawyers keen to learn more about clients' expectations and considerations when instructing a family law professional.)

A lack of understanding was not limited to just the younger demographics who might consider probate an issue for far in the future, only 26% of retirees felt they knew enough to undertake the process, and just as many plan to execute it themselves as appoint a solicitor (18%).

We also asked our sample for the average time they thought it takes to receive an inheritance, and the date by which inheritance tax must be paid, by law, on any estate.

Only 14% of respondents chose the correct answer, that IHT must be paid within six months of the date of death, however more (15%) thought that it must be paid within a year of the date of death, suggesting that these individuals may be caught out by expecting to have twice as long to resolve the estate than is really the case.



Which one of the following best describes the point at which you think you are legally required to pay inheritance tax?

| | | | | | | |
|---------------------------|-----------------------------|--------------------------------------|---|-------------------------------------|---------------|------------|
| Immediately after a death | Before the will can be read | Before the probate process can begin | Within six months of the month of death | Within a year of the month of death | None of these | Don't know |
|---------------------------|-----------------------------|--------------------------------------|---|-------------------------------------|---------------|------------|

Our respondents answered:

| | | | | | | |
|----|----|----|-----|-----|----|-----|
| 1% | 1% | 6% | 14% | 15% | 7% | 56% |
|----|----|----|-----|-----|----|-----|

Following the unfortunate event of a loved one passing, inheritance tax on any estate must be paid by the end of the sixth month after the individual died.

Given the complexities of some estates, ascertaining the value of the estate and the amount of inheritance tax that needs to be paid can be a time-consuming process. Furthermore, inheritance tax must be paid before any monies in the estate can be accessed, so individuals can't rely on an inheritance itself to pay the tax.

On average, approximately how long do you think it takes after the event of a death before you can access any inheritance left to you?

| | | | | | | |
|-------------|-------------------------------------|--------------------------------------|-------------------------------------|-----------------------|------------|-------------------|
| Up to 1 day | Longer than 1 day, up to six months | Longer than six months, up to 1 year | Longer than 1 year, up to 18 months | Longer than 18 months | Don't know | Prefer not to say |
|-------------|-------------------------------------|--------------------------------------|-------------------------------------|-----------------------|------------|-------------------|

Our respondents answered:

| | | | | | | |
|----|-----|-----|----|----|-----|----|
| 1% | 24% | 18% | 6% | 2% | 43% | 5% |
|----|-----|-----|----|----|-----|----|

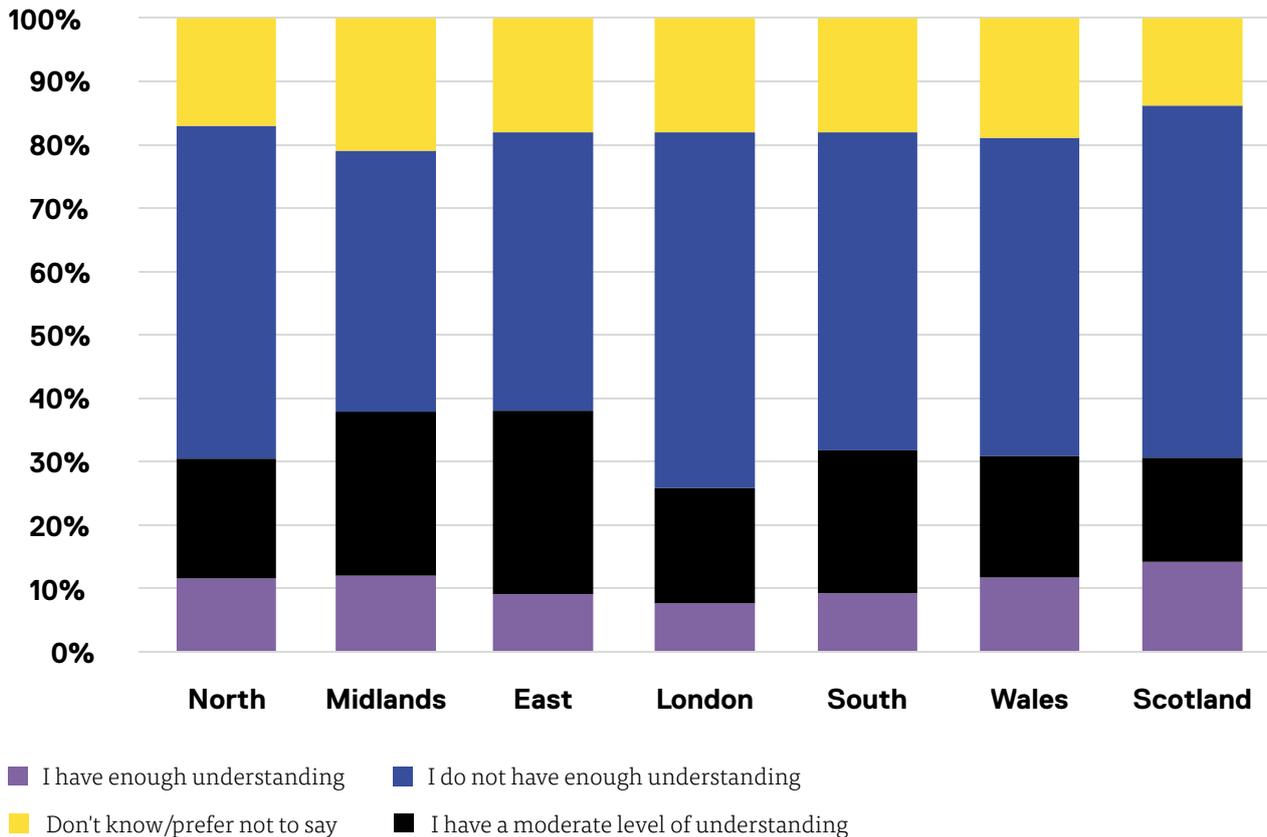
On average, a Grant of Probate takes 3-6 months to be issued after application and, including time needed for estate administration, the entire process can take approximately 9-12 months³.

However, this is only an average figure and complex estates, featuring various assets, liabilities and properties can take far longer. Multiple reports throughout 2020 also highlighted pandemic-induced delays in the probate system, further extending the process.

³ Co-op Legal Services, <https://www.co-oplegalservices.co.uk/media-centre/articles-may-aug-2017/how-long-does-probate-take-if-there-is-a-will/#:~:text=On%20average%20this%20takes%20between,the%20administration%20of%20the%20Estate>

Regional comparison

To what extent would you say you have enough understanding of the probate process, so that you could manage it yourself if needed?



A low understanding of the probate process was common across all regions of the UK. Londoners were the least likely to say that they had enough understanding of the probate process (8%) and Scots were the most likely (14%). Whereas the South of England often mirrored London throughout much of our results, in this instance respondents from this area were more likely to have a 'moderate level' of understanding and significantly less likely to report that they did not have enough understanding of probate.

However, despite that London and the East of England reported the least adults with enough understanding of the probate process, they both also demonstrated the greatest awareness of when IHT must be paid (with 17% & 18% choosing the correct answer). Across the UK, Scotland was the area most likely to appoint a solicitor to undertake probate (22%), however it must be noted that the Scottish system of confirmation differs from the English law

system of probate, potentially explaining this difference.

While these regional disparities prove illuminating, the key takeaway is the lack of understanding around the probate process and inheritance tax across the UK, which does not sit well alongside the small proportion of UK adults who expect to undertake probate though instructing an expert family lawyer.

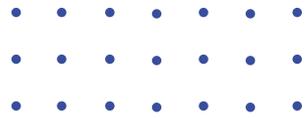
Increasing education around the probate process may go some way to resolving this danger, thereby both increasing understanding of the process for those who want to undertake it alone and highlighting the value of an expert family lawyer for those who were previously unaware of the complexities involved.

COVID-19

But how does this lack of understanding around the probate process compare against the number of individuals encouraged to review their wills or funeral arrangements in light of the pandemic?

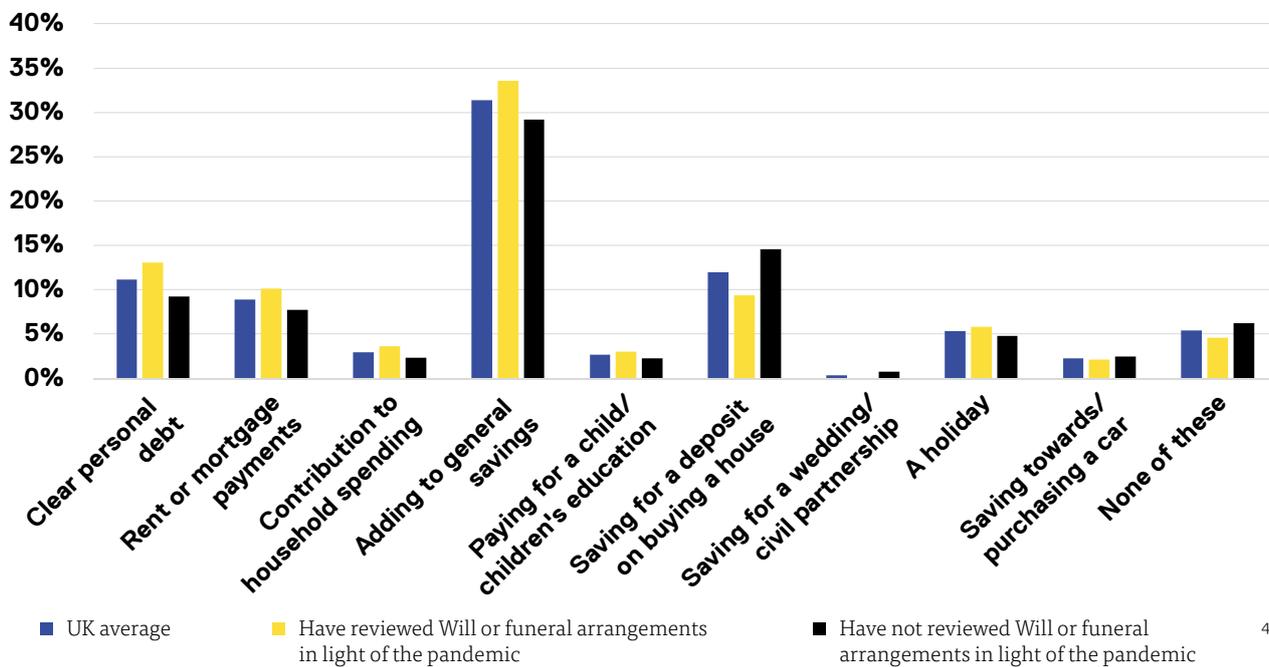
Here again, the data suggests that greater education around the probate process is sorely needed. Of the respondents who told us that they had been encouraged to review their wills due to the pandemic, only 57% said they knew how they would undertake the probate process if they had to in the near future. Despite being proactive in reviewing their own arrangements, they were still seemingly reticent to confront the taboo of thinking that a parent or loved one might pass away.

Of the same group reviewing their wills in 2020, almost half admitted that they don't have even a moderate understanding of the probate process, suggesting that perhaps they struggled to find greater information on the topic – as their willingness to review wills and funeral arrangement would imply that they certainly had the incentive to look into the topic.



Inheritance: more than a windfall

If you were to receive an inheritance in the next two years, what would you spend it on?

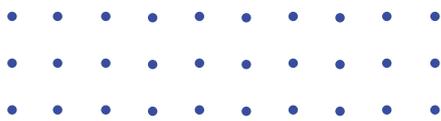


Having established that there is a need for greater education around the probate process, awareness of family finances and the importance of discussing these important topics, it's important to reflect on the necessity of an inheritance for many UK adults.

COVID-19

Our survey found that the most popular use of an inheritance, were respondents to receive one in the next two years, was to add to general savings, with almost a third (31%) of UK adults choosing this option.

⁴ These figures omit respondents who answered 'Don't know' or 'Prefer not to say' when asked about reviewing their wills or funeral arrangements in light of the pandemic, and the average has been re-balanced accordingly.



This number was slightly higher amongst those that had been encouraged to review their will or funeral arrangements in light of the pandemic (34%). Conversely, the second most common choice (12%) was to put an inheritance toward a deposit on buying a house, but here the respondents who were not encouraged to review their wills were more likely (15%) to choose this option than those who had been encouraged to review (9%).

This suggests that individuals adjusting their financial planning following the disruption of 2020 may be more interested in keeping finances flexible, building out general savings that can be used for an array of purposes, and those that have not felt the need to adjust their financial planning have retained a longer-term view for how they could use an inheritance, by saving for a house.

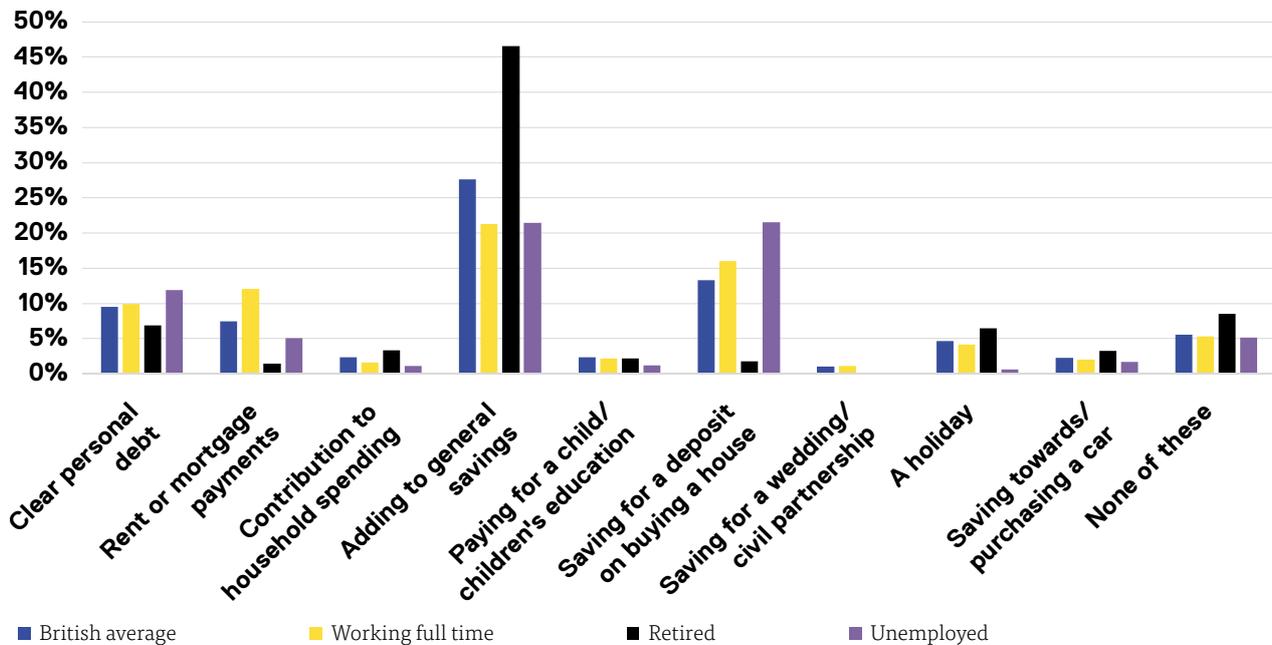
Similarly, those that had reviewed their funeral arrangements were more likely to put an inheritance toward clearing personal debt (13%), almost a third higher than those who had not reviewed (10%). They were also more likely to use an inheritance for rent or mortgage payments (10% compared to 8%).

These figures highlight that for many in the UK, receiving an inheritance is not a luxury windfall but a chance to stabilise household finances, particularly amongst those that have felt the need to adjust their longer-term plans in light of the pandemic. Over a quarter of respondents (26%) would use an inheritance to pay immediate costs, such as debts, rent, for household spending or paying for a child's education, whilst a far smaller proportion (7%) would earmark the money for arguably 'luxury' spending, such as a new car or holiday.

Combining the number of UK adults that would use an inheritance to pay immediate costs with those that would add it general savings, boosting the safety net available for unexpected bills, this means that for the majority of the UK (57%), inheritance is not a bonus to be spent on holidays or cars, but a key financial pillar.

Demographic perspective

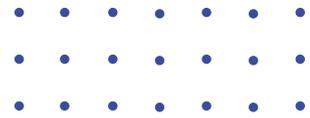
If you were to receive an inheritance in the next two years, what would you spend it on?



When comparing the data across working status, retirees were far less likely to put an inheritance received in the next two years towards rent or mortgage payments, or saving for deposit on a house, as would be expected given the usual housing stability of this social demographic. Retirees were more likely than average to put inheritance funds towards a holiday, buying a car, or adding to general savings, suggesting that for this demographic inheritance is less likely to be viewed as a key financial pillar or necessity.

Interestingly, UK adults working full time were most likely to spend an inheritance on rent or mortgage payments (12%) while unemployed respondents were most likely to put the money toward a house deposit (22%). There are varied possible reasons for this disparity: potentially, full time workers are more likely to be older and more financially secure, and therefore already on the housing ladder or in longer-term rental.

Alternatively, unemployed respondents facing uncertainty around their job prospects may be encouraged to think longer-term in other areas of their finances. Supporting this speculative interpretation of the data, unemployed UK adults were most likely of all employment demographics to spend an inheritance on clearing personal debt (12%).



Conclusion

At Ampla we strive to provide fair finance when you need it the most, and we can't stick by this aim unless we understand the needs of our clients and how best to fairly serve them, which was the motivation behind this report.

Our survey shows that for UK citizens, discussing the important financial details in the event of a bereavement is evidently still a taboo topic; it's a conversation we simply aren't having. Coupled with a lack of awareness of loved ones' finances and insufficient understanding of the wider probate process, UK citizens could face significant delays in releasing inheritance – which our report shows is an essential financial pillar for many.

We need greater education around probate and the importance of knowing family finances, and we hope this report has gone some way to starting this conversation.

Whether you are the beneficiary or executor of an estate, our simple, straightforward service means that you can access up to 70% of the value locked in the estate both pre- and post-probate. Executors can use the loan for payment of inheritance tax and settling other estate liabilities (including the repair or renovation of a property in the estate), whilst Beneficiaries can use the funds as they need.

If you're in the midst of lengthy probate delays or handling a difficult estate, please do get in touch. We're here to help.

The Ampla Finance Team

www.amplafinance.com

0800 009 6590

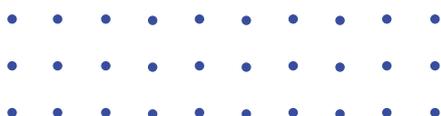
Methodology

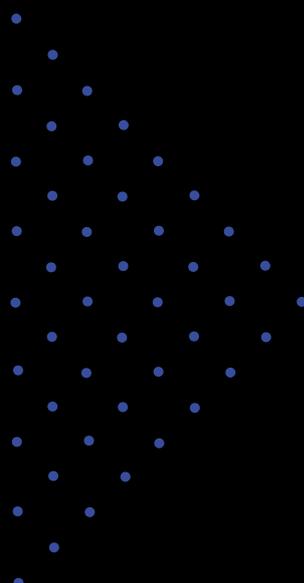
All figures in this whitepaper, unless otherwise stated, are from YouGov Plc. All percentages have been rounded to the nearest integer.

The total sample size for the survey is 2,165 adults in England, Wales and Scotland, with fieldwork undertaken between 24th February 2021 and 25th February 2021. The survey was carried out online, and data was analysed using YouGov's platform Crunch.

For some results we have filtered out respondents without parents/guardians and rebalanced percentages accordingly. These figures are therefore based on a slightly smaller sample size of 1,897.

For further information on YouGov methodology, please visit:
<https://yougov.co.uk/about/panel-methodology>





Talk to us

If you need help releasing your inheritance in the unfortunate event of a death, are an executor looking to borrow the capital needed to pay inheritance tax or settle liabilities, or are a professional estate administrator whose clients may benefit talking to us, do please get in touch. You can learn more at www.amplafinance.com

If you'd prefer to talk over the phone, you can reach our team on **0800 009 6590** to take the first step to stress-free inheritance release.

www.amplafinance.com