



Experiences in Probate

Mike Dyer 22 May 2018



About Kreston Reeves

A regional Chartered Accountancy and Financial Services firm based in the South East of England

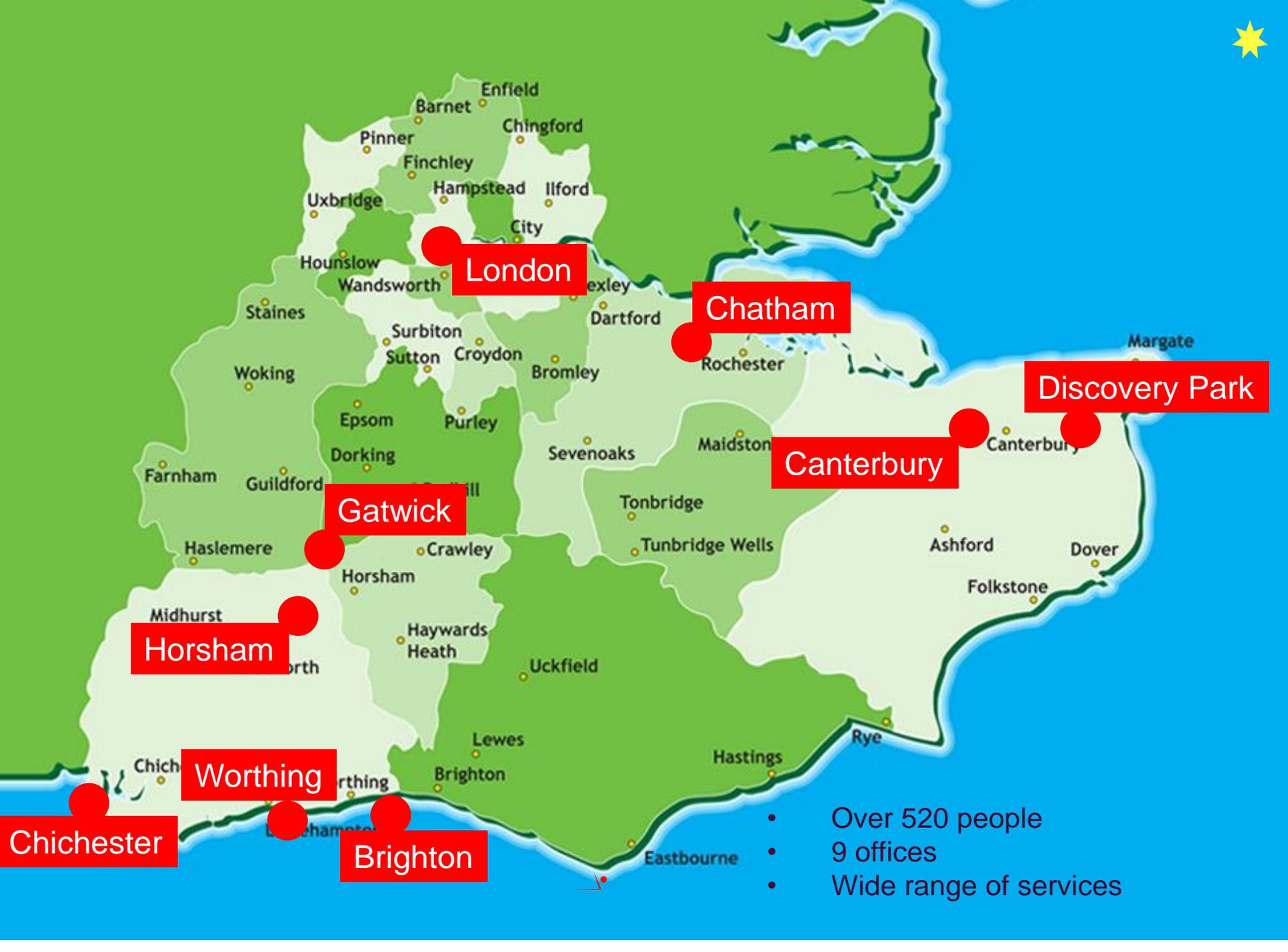
Employing over 520 partners and staff

Partner led client service teams

Extensive range of accountancy, business advisory and private client including financial services

Kreston Reeves Financial Planning Limited - Chartered Financial Planners

Global reach through Kreston International



London

Chatham

Discovery Park

Canterbury

Gatwick

Horsham

Worthing

Chichester

Brighton

- Over 520 people
- 9 offices
- Wide range of services

The Basic Law

Section 23 of the Solicitors Act 1974 made it an offence for a person who is not a solicitor to draw up or prepare papers on which to found or oppose a grant of probate or grant of letters of administration

Deregulation of Legal Services resulted in ICAEW becoming an approved regulator and licensing authority for probate work in England and Wales in September 2014

We saw this as a positive addition to our private client tax and wealth management services and applied for license

How to approach the probate market

We put a team of 15 people through the SWAT Probate and Administration course

3 partners took the exam assessment and became authorised to conduct probate work

We appointed a Head of Legal Practice and Head of Finance and Administration as required

Established internal systems to deal with the work

Setting up the service

Engagement letters and terms of business requirements

Sweet & Maxwell precedents

All cases supervised and signed off by Probate partners

Ongoing training requirement

ICAEW monitoring via Practice Assurance

Policy documents

Life of Probate and Estate cases

New client record created to ensure separation of pre and post death matters

Central Register – administered responsible individual

Checklists – numerous!

Permanent file - index

Client profile

The ideal client – multi generational

Bank of Wills and Executorships

Charging structure

- Solicitors generally time and %age of estate value
- KR time based
- Predicted savings to clients against using solicitors for this work
- Ongoing client service for family

Marketing

Targeted marketing on a personal basis to our client portfolio

Ultimately client family choice

Link with KR Financial Advisory (planning and elder care inc SOLLA)

Leave behind document

Added services

Merger in June 2016 increased our footprint

But also added other legal services with in-house solicitors dealing with family and private client matters

- Wills
- Court of Protection
- Lasting Powers of Attorney

One stop shop (almost!) for private clients...

Future added services could include

- Conveyancing?
- Deeds?

3 (and a bit) years on

Over 180 probate and estate cases since November 2014

- First 18 months averaged c30 cases pa
- Now averaging c70 cases pa
- 100 completed; 85 ongoing

Fee range: £3,000 - £85,000

Mainly from existing clients

Budget c£1m pa – average c£15,000 per case

Case Study 1

Deceased widow died aged 91 having made a will that left the entirety of her estate of £450,000 to national charities. She had no living relatives.

Dealt with funeral arrangements, house clearance and sale, in fact everything!

Applied for probate

Collected and distributed the estate

Estate Fees - £12,500 plus VAT

Case Study 2

Deceased died aged 56 without having made a will. His survivors were his widow and a daughter from a previous relationship. His estate was valued at £750,000.

Applied for Letters of Administration

Collected the estate

Wound up a limited company business under a solvent liquidation

Dealt with HMRC and other creditors including the mortgage company

Estate fees c£25,000 plus VAT

Issues encountered - changes in Process

Understand ICAEW Probate Regulations

Prevent anyone who is not an authorised individual from influencing the independence or integrity of probate work

Document the engagement fully and make sure both you and the client is in full agreement

Comply with PI regulation - minimum indemnity of £500,000 per claim.

Other Issues to deal with

Can only act in non-contentious matters, but can take back over once contention has been dealt with

Dealing with people at a difficult time – empathy and care is vital!

Client bank accounts – funds must be kept separate on designated accounts

On-going training required to ensure kept up to date

Thank you

krestonreeves.com

