

LIFE TIMES



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hello

As we enjoy some much-needed summer sunshine in the UK, either winding down over the holidays or taking on DIY garden projects, the summer presents an opportunity to pause, take stock and reflect on your next step as we enter the second half of the year.

This edition explores the increase in grey divorce and what that looks like for those over 50 as well as the 16-year divorce trend and tips to choosing the path that closes the chapter cleanly, respectfully, and permanently.

With the housing market making it increasingly difficult for young families to get onto the property ladder, we take a look at how the bank of mum and dad are stepping in.

Following the passing of Liam Payne and the news of his £24.3m estate left without a will, we revisit the critical importance of estate planning. We discuss why setting up a will early is essential to ensure your wishes are upheld and your loved ones are protected should the unexpected occur.

For those looking to make a meaningful contribution to society, we delve into modern approaches to charitable giving. From art-driven philanthropy and immersive pop-up events to investing in social enterprises to create a lasting impact.

We hope you find this edition insightful and valuable as you plan for the months ahead.

Suzanne Leggott
Partner & Head of
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Legal Considerations for the Bank of Mum and Dad

With house prices soaring and the cost of living continuing to rise, it's no surprise that many adult children are relying on their parents for help when setting up a home. Whether it's gifting a deposit, contributing to renovations, or even helping with the monthly mortgage payments, parental support is playing a major role in helping the next generation take their first steps onto (or up) the property ladder.

While these gestures come from a place of generosity and love, they can also introduce significant legal and financial risks—especially when a child is buying a home with a partner. What happens if the relationship breaks down? Will that gifted deposit still be protected? Without the right legal agreements in place, the answer may be no.

Family financial contributions

It's increasingly common for parents to be financial contributors in their adult children's property journeys. According to various surveys, the "Bank of Mum and Dad" is now one of the UK's largest lenders – ranking 6th in the country for property contributions. But unlike a traditional bank, these contributions often lack formal documentation, making them vulnerable if relationships unravel.

This is where a cohabitation agreement for unmarried couples, a pre-nuptial agreement for those planning to marry can play a vital role, or post-nuptial agreements to protect gifts given during the marriage. These documents aren't just about protecting assets should a break-up arise, but they also help preserve family wealth and provide clarity for all parties involved.

Whether parents are providing financial aid through a private loan, which can be secured against the property, or as a gift—often towards a

deposit, it is crucial to document. It is crucial to document whether the money is to be repaid, and if so, how and when. This distinction can have a significant impact if the relationship ends or if inheritance becomes a factor later down the line.

Protecting family generosity with sensible planning

Nobody wants to think about a relationship ending before it's even begun, but planning ahead does not mean expecting the worst and instead means being prepared should the worst happen. These agreements can:

- Clarify what happens to gifted or loaned money in the event of a separation.
- Protect assets that parents may want to keep within the family.
- Reduce the potential for emotionally and financially draining disputes later on.

Open conversations, combined with legal advice and formal agreements, are the best way to ensure that a generous act doesn't turn into a costly mistake. Having these conversations before money changes hands also helps to ensure everyone is on the same page and expectations are managed.

Consider these questions before providing/receiving financial support to family:

- Is the money a gift or a loan?
- If a loan, what are the terms? Will there be interest and if so when will repayment begin?
- Will the contribution be protected in the event of a relationship breakdown?
- What happens to this contribution in the context of inheritance?

Being clear on these questions and not assuming where you stand, not only helps set out clear expectations within legal documentation but can also avoid disputes arising between family members down the line.



Commonly asked questions

1. My partner and I are buying our first home, and my parents are gifting us a deposit. Do we really need a legal agreement?

Yes. If the relationship breaks down, a legal agreement can clarify how that gifted money is treated and help avoid disputes over ownership or entitlement.

2. What's the difference between a cohabitation agreement and a pre-nup?

A cohabitation agreement is for unmarried couples who live together. A pre-nup is for couples who are planning to get married. Both serve to protect individual and family assets and clarify financial arrangements.

3. Can a cohabitation agreement or pre-nup include parental contributions?

Yes. These agreements can include clauses that specifically protect gifted or loaned money from third parties, such as parents. This ensures the money is ring-fenced if the relationship breaks down.

4. My child says it's "not romantic" to have a pre-nup, how do I respond?

It's helpful to frame it as a practical, protective measure—

just like insurance. It's not about expecting failure and instead about being responsible and respectful of everyone's contributions.

5. What's the difference between a private loan and a gift?

A gift doesn't need to be repaid, whereas a loan does—often with agreed terms on interest and repayment. Without proper documentation, even loans can be mistaken for gifts in legal proceedings.

6. How can we make sure the agreement is legally sound?

It's essential that each party takes independent legal advice and that the agreement is properly drafted. Our specialist family law team can guide you through this process to ensure everything is done correctly.

If you are a parent planning to help your child financially, or if you are receiving help from your parents—now is the time to think about how to protect those contributions. Get in touch with our family law team to find out how we can help protect you and your family.

7. How does this affect mortgage applications?

Lenders often want to know where deposit money is coming

from. Declaring the funds as a loan may affect affordability calculations, while gifts usually require a declaration that the donor has no stake in the property.

8. Are there tax consequences for giving money to a child?

Large gifts may be subject to inheritance tax if the giver dies within seven years. Professional tax advice is recommended before making significant financial gifts.

9. Can the agreement include money that's already been given?

In some circumstances yes, however it is always better to put agreements in place prior to money changing hands. Retrospective agreements can be more complex and may carry more legal risk.



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Divorce After 50

Generation (E)x

Understanding the rise of divorce among older couples in the UK

In recent years, the UK has witnessed a surprising trend: while overall divorce rates are declining, an increasing number of couples over 50 are opting to split up. Often referred to as “grey divorce” or “silver splitting,” this shift highlights changing attitudes among older generations regarding marriage and personal fulfilment.

Understanding the trend

According to the Office for National Statistics (ONS), divorces among those aged 65 and over have been on the

rise. Between 2005 and 2015, the number of men divorcing at 65+ increased by 23%, and for women, it jumped by 38%. This uptick contrasts with the overall decline in divorces among younger couples during the same period.

Why are older couples divorcing?

Several factors contribute to this growing trend:

- Longer life expectancy. With people living well into their 80s, retirement no longer marks the final chapter. Many reassess their happiness and personal goals in later years and if a marriage isn't fulfilling, they may choose to seek happiness elsewhere.
- Greater financial independence. Especially among women, greater financial autonomy makes it easier to make life changing decisions based on happiness rather than necessity.
- Changing social attitudes. Divorce has become more socially acceptable, reducing the stigma that once kept unhappy couples together.
- Empty nest syndrome. When children leave home, couples might find they have little in common, leading them to reevaluate their relationship.
- Desire for personal growth. Retirement, hobbies, and second careers – later life can bring a renewed focus on personal development and aspirations.

Understanding the grey divorce process

The legal process for divorce later in life follows the same formal steps as any divorce in England and Wales; however, the emotional and financial stakes are often higher due to longer marriages, complex assets, and intricate family dynamics. Here's a general overview of what the process involves:

1. Filing for divorce

Under current UK law, either party can apply for a divorce without assigning blame to the other. This “no-fault” approach simplifies the process and often reduces conflict – a welcome change for many older couples.

2. Acknowledgement and cooling-off period

Once the application is filed, the other party formally acknowledges receipt of it. A mandatory 20-week reflection period follows before the application can move to the conditional order stage. This allows time to consider reconciliation or prepare for the next steps.

3. Financial disclosure and negotiations

Later-life divorces often involve pensions, property portfolios, inheritances, or business assets. Both parties must provide complete and honest disclosure of their finances, and negotiations typically follow, either through mediation or with the assistance of legal representation.

4. Finalising finances

A formal financial remedy order is needed to legally divide assets. In grey divorce cases, pensions can be a significant issue, from equalisation of income to pension sharing orders. Expert legal and financial advice is crucial to secure a fair outcome.

5. Final order

Once all matters are resolved, a final divorce order is issued, officially ending the marriage. At this point, legal and financial ties are severed unless spousal maintenance is agreed upon.

How family lawyers support later-life divorce

Going through a divorce later in life presents a unique set of challenges, but experienced family lawyers can provide invaluable support, guidance and advocacy.

Here's how we can help

Expert legal advice: Family law is complex and constantly evolving. We'll guide you on how the latest rulings may affect your case, especially if it involves pre-marital assets, inheritance, trusts, or significant financial differences.

Clear guidance:

Legal processes can be overwhelming. We simplify the language and provide clarity throughout.

Fair settlements: We help ensure assets like pensions, property, and savings are divided fairly and your future is protected.

Alternatives to court:

Mediation and collaborative law can ease stress, reduce costs, and preserve relationships.

Support for family dynamics:

We help you manage wider family impacts with care and understanding.

Emotional support: We can connect you with counselling services during emotionally challenging times.

Planning ahead: We assist with updating wills and financial planning to secure your future.

Moving forward

Divorcing after 50 is becoming more common, and while it comes with its own set of challenges, the right support can make the transition smoother.

Divorce after 50 is about choosing to live life on your own terms. With the right support, what might seem daunting can become empowering—a chance to step into your next chapter with confidence.

If you're thinking about separating later in life, or just want to understand your options, our friendly and experienced family law team is here to help.



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Meet the team

Getting to Know Sarah Brack



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What do you find exciting about your area of expertise?

SB: What excites me most about my area of expertise is the sheer variety of work and the direct, positive impact it can have on people's lives. On any given day, I might be supporting a client who has recently received a substantial award of damages by advising on and setting up a personal injury trust. A few hours later, I could be preparing an urgent application to the Court of Protection for a client who no longer has the mental capacity to make decisions for themselves.

The breadth of work means no two days are ever the same. From technical legal drafting to offering emotional reassurance to clients and their families, the role is diverse and deeply fulfilling. It's hugely rewarding to know that the work we do truly makes a difference, not just to our clients but also to those who care for them.

What keeps you awake at night?

SB: What often keeps me awake at night is the weight of responsibility we carry when working with vulnerable clients. Ensuring that every decision, recommendation, and legal structure we put in place offers the highest level of protection and support is something I take to heart. The consequences of oversight can be significant, which is why we strive to provide the most robust, thoughtful, and proactive advice at every step.

What are the biggest challenges for your clients right now?

SB: One of the biggest ongoing challenges is the length of time it takes for applications to progress through the court of protection. Although the introduction of online applications has improved efficiency in some areas, delays remain a concern. That's why we always advise clients to be proactive—putting Lasting Powers of Attorney in place early on is essential. It's a practical, future-focused step that can save a lot of time, stress, and uncertainty later down the line.

What would you like to achieve in 2025

SB: Looking ahead, my goal for 2025 is to continue growing our court of protection and elderly and vulnerable clients team. We already have a strong national presence, working with clients across the country, but I'm committed to building on that momentum. I want our team to continue going from strength to strength—raising awareness, setting high standards, and supporting even more individuals and families during some of the most challenging times of their lives.

Much of my work involves acting as a professional Financial Deputy, Attorney, or Trustee for individuals many of whom are unable to manage their financial affairs. This is a position of great trust and responsibility, and it's one that I take extremely seriously. Helping these clients navigate what can be complex and sometimes overwhelming legal processes is both a privilege and a challenge. I'm passionate about advocating for individuals who may not be in a position to do so themselves, ensuring their wellbeing, dignity, and autonomy are always at the centre of any decision-making.



Why Estate Planning Matters

Lessons from Liam Payne's £24.3 million intestate estate

The tragic passing of Liam Payne, former One Direction star, not only sent shockwaves through fans but also brought to light a stark legal reality: the high-profile singer died without a will, leaving behind a £24.3 million estate. His case serves as a sobering reminder of the importance of estate planning, regardless of age, wealth, or fame.

According to court documents, Payne's entire estate will be held in trust for his eight-year-old son, Bear, under the UK's strict intestacy rules. While this may seem straightforward, it masks the potential complications and limitations that arise when someone dies intestate, without a valid will.

The intestacy trap

UK law dictates how assets are distributed when a person dies without a will. In Payne's case, it means his partner at the time of his death, Kate Cassidy, inherits nothing. Despite their two-year relationship and her claims that they were planning a future together, intestacy laws make no provision for unmarried partners. This can be devastating for those left behind and creates significant emotional and financial uncertainty.

Complexity requires urgency

An estate of Payne's magnitude—worth nearly £24.3 million, likely contains multiple moving parts: business interests, property, royalties, and international assets. In such cases, delays in accessing and managing those assets can create additional problems.

Obtaining a full Grant of Probate (or Letters of Administration in intestacy cases) can take months. In the meantime, time-sensitive matters such as managing a business, completing a house sale, or preserving financial assets could be at risk.

Fortunately, there is a lesser known but vital legal tool: the Letters of Administration Ad Colligenda Bona. This emergency grant allows administrators to take immediate action to preserve an estate before the full grant is issued.

Such a grant is limited for the purpose of collecting and getting in and receiving the estate and doing such acts as may be necessary for the preservation of the same. While it doesn't permit distribution of assets, it can be a crucial lifeline when quick decisions must be made—especially in estates with ongoing financial obligations or commercial ventures. The landscape of property law is constantly evolving, and staying ahead of the curve is essential to providing clients with informed and effective advice.

The importance of planning ahead

Liam Payne's case highlights how even the most successful individuals can overlook estate planning, often assuming there's time to address it later. But life is unpredictable, and leaving these decisions to default legal rules rarely reflects personal wishes.

Drafting a will ensures that loved ones are protected, personal relationships are acknowledged, and financial affairs are settled according to one's values. It also reduces the administrative burden and emotional toll on families during already difficult times.

Estate planning is not just about distributing wealth, it's about clarity, care, and control. Liam Payne's estate will ultimately benefit his son, but it also raises important questions about who gets left out and what complications can arise in the absence of clear instructions.

Whether you're managing millions or modest savings, having a will and keeping it updated is one of the most responsible and compassionate acts you can undertake for those you care about.



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The 16-Year Divorce

Why expert advice and early resolution matter

A bad divorce does not end with a court order. It lingers—emotionally, financially, and sometimes legally—for years. We have all seen the headlines: former spouses dragged back into court, families torn apart by unresolved issues, and fortunes drained by legal fees. Behind these public stories lies lessons that every separating couple should heed: the importance of expert legal advice, the benefits of avoiding court, and the lasting protection of a well-drafted consent order.

What is a consent order?

A consent order is a legally binding document approved by the court that sets out the financial arrangements between divorcing spouses. Without one, either party could make further financial claims in the future, even years after the divorce.

When emotions take over, everyone pays

One recent case, between a UK barrister and Australian painter, reported in the Daily Mail offered a stark reminder of what happens when divorce becomes a battleground, fuelled by bitterness, the proceedings became a vehicle for attack, rather than resolution.

The court criticised one party's legal team for submitting documents riddled with personal, vindictive commentary—material that had no place in legal proceedings. Unfortunately resulting in spiralling legal costs, years of litigation, and damage to family relationships that could take a lifetime to repair.

The international dimension: complexity demands expertise

Divorces involving international elements—foreign assets, cross-border living arrangements, or dual citizenship—adds another layer of complexity. Jurisdictional issues, enforcement of orders overseas, and cultural considerations can all complicate even the most straightforward case. Without specialist advice early on, parties risk making irreparable missteps.

Court should be the last resort

The courtroom is adversarial by design. However, for most separating families, it is the worst place to resolve deeply personal matters. Non-court dispute resolution methods—like mediation, arbitration, and collaborative law—allow couples to retain control, preserve dignity, and focus on solutions rather than accusations. These approaches promote early settlement, save costs, and most importantly, help preserve a workable family dynamic.

What should I do if my ex is not following the court order?

If your ex-partner breaches the terms of a court order, you may need to apply to the court for enforcement. The court can impose penalties or take steps to compel compliance. This is another reason why the original order must be clear, unambiguous, and enforceable.

Protect your future: ratify your agreement

Too often, couples believe that a verbal agreement or informal

arrangement will stand the test of time – which it rarely does.

The safest, most effective way to protect both parties is through a properly drafted consent order—one that is unambiguous, enforceable, and designed to close the door on future financial claims. An effective consent order is not just paperwork; it is peace of mind.

Where possible, achieve a clean break

One of the most effective ways to ensure finality is through a clean break settlement. Where appropriate, a clean break means that neither party can make future claims against the other's income or assets. It allows both individuals to move on independently, without the lingering fear of further litigation or financial entanglement.

Can I get a clean break settlement in every divorce?

While it is possible, it is not always achievable for many families, particularly where one party needs financial support (e.g., due to childcare responsibilities or a significant income disparity).

Can I change my divorce agreement years later?

Some aspects of a divorce settlement—such as spousal maintenance—can sometimes be varied if there's a significant change in circumstances. However, clean break orders and many lump-sum settlements are intended to be final. This is why getting the agreement right the first time, with expert input, is critical.

Do not let a divorce define your future

Divorce is a legal process, but it's also a pivotal life transition. Handled well, it can offer closure, clarity, and a fresh start. Handled poorly, it becomes a never-ending story of conflict and regret. It is important to not let emotion dictate strategy or let bitterness blind judgment and never underestimate the value of experienced family law advice at the outset.

When should I speak to a family law solicitor during a separation?

Speaking to a solicitor as early as possible can help you understand your rights, avoid costly mistakes, and approach the process strategically rather than emotionally. Early legal advice is especially important if there are children, international elements, or complex assets involved.

Our dedicated team of family law experts can help you choose the path that closes the chapter cleanly, respectfully, and permanently.



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Is Your Wealth Plan Up to Date?

Why 2025 is a critical year to plan

While the current economic environment presents challenges—rising inflation (again), interest rate uncertainty, and shifting global dynamics—it also creates opportunities for individuals to review how their wealth is structured, protected, and passed on.

How can you safeguard your assets during challenging times?

While wills remain a vital part of estate planning, some of the most effective strategies to protect and pass on wealth occur during your lifetime—especially in an unstable market environment.

Is now really a good time to make gifts or transfer assets, given the economic climate?

Yes — and possibly more so than in previous years. With asset values stabilising after recent volatility, there remains a valuable window for tax-efficient giving. Transferring assets now can help lock in future growth outside your estate, reduce exposure to Capital Gains Tax (CGT) and Inheritance Tax (IHT), and take advantage of current tax rules ahead of any potential legislative change.

Tax

It may feel counterintuitive to take financial action during the current market. However, these market conditions can present unique tax planning advantages. For example, when asset values drop, so too does the potential exposure to capital gains tax on any gifts made.

Since CGT is based on the gain realised from an asset rather than its current market value, gifting a depreciated asset could significantly reduce your immediate tax liability. Yet this potential benefit is often overlooked by individuals focused solely on IHT.

Trusts

Transferring assets into trusts during periods of lower valuations can offer a “double win”:

- **CGT deferral** – When assets are placed into a qualifying trust, CGT can often be deferred to the trustees, providing flexibility for future planning.
- **Increased gifting threshold** – A lower asset valuation means that more can be transferred into trust without immediately triggering inheritance tax thresholds, offering greater protection for family wealth.

What types of assets are most suitable for gifting or placing into trust?

Assets that have declined in value but are expected to recover—such as shares, property, or business interests—are particularly suitable. By transferring them now, you reduce the tax exposure on today's value while allowing future appreciation to occur outside your estate.

Does a trust offer protection from political or legal changes?

While no strategy is completely future-proof, trusts can offer a strong layer of protection against legislative changes, divorce, creditor claims, or political shifts that impact personal wealth. They're a key part of many long-term asset protection plans.

Can I still access the assets if I place them into a trust?

That depends on the type of trust. Some trusts allow for a degree of flexibility or benefit to the settlor (person creating the trust), while others are more rigid to achieve optimal tax savings. It's important to get tailored advice based on your goals and needs.

Offshore structures and global compliance

For internationally mobile families or those with cross-border interests, offshore trusts and foundations remain valuable planning tools. However, increased scrutiny under global reporting regimes such as DAC6 and the Common Reporting Standard (CRS) means compliance is more important than ever.



Careful structuring, full transparency, and clear documentation are essential to avoid unintended tax consequences.

Domicile and residency planning

Political and legislative uncertainty has also prompted some individuals to reassess their domicile and tax residency. Moving to a different jurisdiction or clarifying non-dom status can form part of a wider wealth protection strategy—but these steps

require tailored advice and careful timing to be effective.

Take control of your planning

It's natural to be cautious, but with the right legal and financial advice, it's possible to make confident, forward-looking decisions. Thoughtful asset structuring and tax-efficient strategies can help ensure that your wealth not only weathers the storm—but is better positioned for the future. Whether you're looking to

protect your estate, provide for future generations, or explore your options in a shifting economic landscape, we're here to help.



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The New Philanthropy

How to give with flair and impact

The rise of modern philanthropy and how to give with impact

Philanthropy has had a makeover. Gone are the days of quiet cheques and distant causes. Today, giving is bold, personal, and often a little bit unconventional. It's about doing something that matters to you, in a way that truly makes a difference.

What is philanthropy?

Philanthropy can involve donating time, money or setting up charitable foundations. It goes beyond the short-term relief to create long-term impact, incorporating a more strategic and structured approach focusing on specific social issues.

While donations continue to form part of philanthropy, it also extends to volunteering, advocating for social change, taking on mentoring opportunities and contributing to wellbeing activities.

Real people – real impact

Sam

Take Sam. After selling his tech business, he didn't just donate to a national charity and move on. He launched a community innovation fund in the Midlands to back grassroots projects with

big potential. He gets involved, meets the people, and sees the impact unfold.

Priya

Then there's Priya, who runs her family's manufacturing business. She's funding sustainable farming projects in the rural parts of India where her grandparents lived. It's her way of giving back to a place that shaped her family's story.

June

And June? She's 76, retired, and thought philanthropy was out of her league. But this year, she set up a scholarship for mature students at her local college. "It's not a huge amount," she says, "but it's the one thing I wish I'd had when I was younger." That is giving with real impact.

Intentional giving

Modern giving is less about wealth and more about intention. People want to do something real, something lasting. It might be a one-off donation. It might be the start of a foundation. The point is, there is no set formula.

Some people want to give loudly, championing causes and rallying and involving others. Other people prefer to stay behind the scenes, quietly effecting change in ways that match their values. Both are equally valid. What matters, is that it feels right for you.

But giving well takes more than good intentions. It helps to think ahead. Whether you're setting up a charitable trust, exploring tax-efficient options, or involving your family in a longer-term plan, thought and structure matters. The right support can make your giving go further.

What is the 5 rule for philanthropy?

One key difference between a public charity and a private foundation is that private foundations are generally required to distribute at least 5% of their net investment assets annually for charitable purposes.

So, what's your vision? What would meaningful giving look like in your world?

However you choose to do it, giving with flair doesn't mean flashy. It means thoughtful, creative, and impactful.

Philanthropy done right isn't just generous. It can be very powerful. And it can be one of the most fulfilling and feel-good things you ever do. Our charity legal experts can help you put the right framework in place to support your goals, do contact us.



Personal Injury Trusts

What they are and why you need one after receiving compensation

Many people are not aware of these important trusts and the protection they can offer to an award of compensation following a personal injury. While they are not suitable for everyone, those settling a claim should consider setting one up.

What is a personal injury trust?

A personal injury trust is a special type of trust that is set up to hold an award of compensation following a personal injury. This could be from a successful claim following an accident, medical negligence, abuse and even a claim under the criminal injuries compensation scheme.

If you need legal advice on any of the above claims mentioned, our team in Lime Solicitors helps thousands of people and families in the UK who are seeking legal support get the appropriate guidance they need.

[Visit Lime Solicitors to find out more >](#)

What are the advantages of setting up a personal injury trust?

Setting up a personal injury trust is a great way to protect your entitlement to means-tested benefits.

Once your claim has settled, or once you receive an interim payment, any money you hold will be subject to means testing for certain benefits or local authority support. There can be a 52 week disregard period applicable to payments but the rules vary depending on which benefits you wish to claim.

This means that if you are already in receipt of means tested benefits or if you need to claim them in the future, your money from the claim may be assessed and you may not be able to claim until your money reaches the threshold for that benefit – for example for local authority means tested care that figure is currently £23,250.

A PI trust is a rare example of where you can place assets into trust and not be accused of deliberately depriving yourself of assets in order to avoid a means test. This is because they have special status in law and are another way of the legal system putting people who have been injured as a result of an accident that was not their fault, in as similar position as possible as if the injury had not occurred.

Even if you do not currently receive benefits, there may be a time where you need or wish to claim benefits, and again, if there is not a personal injury trust in place, entitlement will be affected.

Placing your award into a trust can ensure that the sum is protected and prevents it from being used by anyone else,

including family members. This can be crucial for vulnerable clients and acts as a safeguard for them. It can be a relief for clients to have some help in managing the award of compensation.

What are some examples of means-tested benefits?

Examples include the following:

Universal credit - A monthly payment to help with living costs for individuals or households on a low income, or who are out of work.

Housing benefit - A payment to help with rent costs for low-income individuals.

Council tax support - Assistance with council tax payments for those on a low income.

Social care - care funded by the local authority.

What type of trust is created and who can be a trustee?

A PI trust can be any type of trust but is usually set up as a simple bare trust - meaning the settlor (the person who has been injured) has absolute control and entitlement to the money as well as the income generated from it.

Sometimes a more complex trust can be set up and this will depend on the client's circumstances and wishes.

When setting up a trust it is recommended to appoint at least two trustees to ensure proper management and oversight.

Anyone can be a trustee if they are over the age of 18 and do not lack mental capacity. They should also be trustworthy and not be subject to any insolvency or bankruptcy proceedings.

If you set up a trust, you have absolute discretion as to who your trustees will be, and often, many will choose their family members or those who you have confidence in to act sensibly and fairly. The settlor can (and usually is) one of the trustees and this adds another layer of protection.

What happens in the event of death?

This depends entirely on the type of trust created; however, it is most likely that a 'bare trust' will have been created.

Upon death under a bare trust, the assets of the trust fund will be distributed in accordance with the terms of your will. If you do not have a will the rules of intestacy will apply.

It is therefore important for you to update your will following setting up a trust to ensure that the compensation monies are in line with your wishes.

Thinking about setting up a trust early in the litigation process gives you time to think through your options and makes the transition from litigation to settlement much easier. If you need help with setting up your PI trust, please contact Sarah Brack who can support you through the process.



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Last Words That Matter

What to include in your will

Drafting a will is rarely straightforward. It's often a balancing act between ensuring your estate is passed on to loved ones, addressing more complex tax or trust arrangements, and expressing personal wishes—from who should look after your pets to how your children are raised. But not everything you want to say is legally binding, and not everything should be included in the will itself.

So, what exactly can you say in your will, and what belongs elsewhere?

Legally binding vs. personal guidance

Your will is a legal document. It sets out who gets what and who manages your estate. But it's not the place for every instruction or opinion. For more personal or emotional expressions, or guidance that doesn't carry legal weight, a letter of wishes can accompany the will.

Let's look at the main components:

1. Funeral wishes

It's common to include funeral wishes in a will—whether you prefer burial or cremation or have specific ideas about the ceremony. But these are not legally binding. Your executors aren't required to follow them, though most do out of respect. Including them in your will can help prevent disputes and offer clarity during a difficult time.

2. Your pets

Like it or not, the law considers pets to be personal property. This means you can leave your pets to specific people. However, you cannot leave a gift directly to your pet.

You can leave the person you name to look after your beloved pet a financial gift either as a gesture of thanks or to assist them in caring for your pet, or both. The gift can be conditional on that person agreeing to look after your pet. However, it is not possible to monitor how the gift is used or how well the animal is looked after. Ultimately, you are placing trust in their goodwill, not signing a contract.

Alternatively, it is possible to create a trust for the care and maintenance of your pet, but this must be framed in a specific way in your will to remain valid. Therefore, it is important legal advice is sought when considering this option.

Ultimately, talking to the person you would like to have your pet before finalising your will is often key to ensuring your wishes are followed.

[Read more on pets in wills >](#)

3. Your children

If you have children under 18, you can include who you would like to be appointed legal guardians in the event of your death. However,

your wishes are not legally binding, as it will ultimately be up to the court to decide what is in the best interests of the child at the relevant time. Nevertheless, including your wishes can provide a court with key information as to your wishes, which can be particularly important in blended families, where assumptions about care arrangements may not reflect the practical realities or family dynamics involved.

4. Your executors

Your executors are the people who'll carry out the instructions in your will. They'll deal with everything from selling property to handling paperwork, and they have a legal duty to act in the best interests of your beneficiaries.

For this role, it's important to choose people you trust, who are capable of managing potentially complex tasks. This can be friends, family, or professionals—or a combination.

5. Trusts and trustees

Trusts in wills are often used for tax planning, to protect assets, or to control when and how beneficiaries inherit. For example, you might want your children to inherit later than age 18, or in stages.



While your will sets up the trust and names the trustees, much of the practical guidance, such as how the trust should be run or when money should be distributed is usually set out within a letter of wishes.

6. Letter of wishes

This is where your voice can really be heard. A letter of wishes is a private document that sits alongside your will. It is not legally binding, but it can be deeply influential, especially for trustees and executors who need guidance in carrying out your broader intentions.

You may wish to include:

- Guidance for trustees on when beneficiaries should receive funds (e.g., after university, buying a first home etc).

- Thoughts about how your children should be raised, or values you hope they inherit.
- Your views on relationships, lifestyles, or even philosophical or political beliefs.

It can also explain the reasoning behind decisions in your will—why one child may inherit more, or why a family heirloom goes to a specific person. This can help reduce misunderstandings, resentment or disputes arising.

Unlike your will, a letter of wishes is not made public after your death, allowing you to be more candid and personal. Although this does not mean it will never be seen by loved ones.

Final thoughts

When approaching this topic, always seek professional advice. A well-structured will and a carefully drafted letter of wishes can reduce the risk of confusion, conflict, and costly errors and make things significantly easier for the people you leave behind.



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