kirkrice

Thames Valley Office
Tel: +44 (0)1344 875 000

North Hampshire Office
Tel: +44 (0)1252 960 500

Central London Office
Tel: +44 (0)203 004 2232

West London Office
Tel: +44 (0)208 789 8588

info@kirkrice.co.uk www.kirkrice.co.uk

Money & Wealth

Issue 17 | Summer 2021

Inside this issue:

A Great British summer to enjoy

Taking emotion (and colour!) away from investment decisions

Has COVID changed our investment behaviour?

Your personal goals matter more than Keeping up with the Joneses

Contents

In the news 04

Multi-jobbers take heed 04

More consumers in control of their pensions 04

Young investors and social media 05

Taking emotion (and colour!) away from investment decisions 06

A word of advice 06

Thinking of privately educating your child 07

Keep one step ahead 08

Has COVID changed our investment behaviour? 08

Your person goals matter more than Keeping up with the Joneses 09

Pension savers enticed by 'risky' investments 09

Long-Covid - a problem for your pension pot? 10

In other news 10

IHT changes on the cards 11

A summer of hope and optimism 12

Probate delayed by 'hidden assets' 12

A Great British summer to enjoy

Although we can never rely on the British weather providing the goods, there does seem to be a growing optimism that this will turn out to be a Great British summer. Many of us have booked staycations and there is a full programme of sporting events, including the Olympics, British Open, test cricket and the British Grand Prix. For music lovers, there is a welcome return to festivals and The Proms.

Financial confidence on the rise

Recent weeks have also witnessed a notable rise in financial optimism amongst UK consumers, buoyed by the continuing success of the NHS vaccination programme, though variants of concern have cast a shadow. While some people have seen their jobs and finances severely damaged by the pandemic, the labour market has remained remarkably resilient with the help of the furlough scheme and there are clear signs of a potentially strong economic rebound on the horizon.

Spending spree?

Many people have witnessed a substantial reduction in their outgoings since the start of the pandemic, with spending on childcare, commuting, and entertainment falling considerably for the typical household. As a result, a significant number of consumers are sitting on relatively large amounts of money, and while some are likely to continue saving, others will undoubtedly be looking to make up for lost time, by increasing spending on shopping trips, eating out and holidays.

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.

Recent weeks have also witnessed a notable rise in financial optimism amongst UK consumers, buoyed by the continuing success of the NHS vaccination programme... the labour market has remained remarkably resilient with the help of the furlough scheme and there are clear signs of a potentially strong economic rebound on the horizon

The age difference

Unsurprisingly, the experiences and challenges faced by younger and older members of society have differed greatly during the pandemic. While the health crisis certainly put the over-80s most at risk, the financial fallout has hit the younger generation the hardest. For instance, research[1] shows 18 to 24-year-olds are more likely to say they are struggling financially and to express concerns about money. In contrast, those in retirement are the most likely to feel financially secure.

Your financial wellbeing

Whatever impact the pandemic has had on your finances, we are here to help. We can help keep your financial affairs in good order, giving you even more time to enjoy the Great British summer!

[1]LV=, 2021

Warm outside? Don't forget about the LTA freeze

Summer, freedom and (hopefully) sunshine are all well on the way, but not planning for the Lifetime Allowance (LTA) freeze could cast a cloud over your finances.

For the next five years (until April 2026), the pension LTA will be held at its current level of £1,073,100. This means that the amount you can hold in your pension without incurring tax for withdrawals will remain static, even in the face of inflation. As a result, pension savers will likely need to consider other saving options over the next few years in order to avoid a tax bill. Tax is currently payable at 55% on everything over the limit if you take the money as a lump sum, or 25% if you take the money in another way, such as drawdown or through an annuity. As people continue to build up their pensions, the number approaching the LTA will increase as a result of the 'big freeze'; so, you might wish to consider the various other options available to supplement your retirement savings.

The solution that suits you will be wholly dependent on your personal situation and circumstances. Consideration and planning are therefore important before you select the option that is right for you, particularly in light of the complexity of calculations around pensions and the LTA.

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.

In the news...

Dividends making a slow recovery

It has been a rocky year for dividends, with data showing that investors lost almost £45bn in dividends between Q2 2020 and Q1 2021. Many will therefore be relieved to hear that, while dividends are still falling, they did so in Q1 2021 at the slowest rate recorded since the onset of the pandemic. This is according to the latest UK Dividend Monitor[2], which also revealed that half of UK companies restarted, increased or maintained their dividends in Q1, against a third in Q4 last year. Looking ahead, underlying dividends are predicted to increase by 5.6% year-on-year to £66.4bn, and banking dividends are making a slow return with *'positive signs from miners, insurance, and media companies.'* Ian Stokes, Managing Director of Corporate Markets EMEA (part of Link Group), stated, *"During the pandemic, many companies that had been over-distributing permanently reset their dividends to more sustainable levels. Most of these now hope to grow their dividends from this lower base. For others, the effect of the cuts is more transitory so they will bounce back quickly."*

[2]Link Group, 2021

Multi-jobbers – take heed!

Workers with more than one job, earning lower salaries, are at risk of a poorer retirement, as they miss out on employer pension contributions, a new study has found[3].

Under the auto enrolment scheme, employers are required to set up a pension and make contributions on their employees' behalf, unless an employee decides to opt out. Employees need to earn at least £10,000 a year to be automatically enrolled. This is where the issue faced by multi-jobbers becomes clear, as no matter how much someone earns in total, they are excluded from auto enrolment where the individual job pays less than £10,000 p.a. This has been estimated to affect more than four million people in the UK.

Threshold confusion

Many workers are unaware that providing they have qualifying earnings above £6,240, they can choose to opt into their company's pension scheme, with the employer legally required to contribute at a rate of 3% of their salary. Those earning under £6,240 can still opt into their company pension, but their employer is not required to contribute.

Worryingly, the study found that around one in 20 multi-jobbers, with at least one job paying under the £10,000 threshold, say they have been refused entry into a company pension by their bosses.

[3]Scottish Widows, 2021

Employees need to earn at least £10,000 a year to be automatically enrolled

More consumers in control of their pensions

Multiple pension pots are now the norm, with 73% of people having more than one, according to a recent survey[4]. As a result, losing track of pension pots has been a common occurrence. Positively though, it is happening less, with the number of people who have lost track of their pension standing at 17% today against 21% in 2016. However, this still leaves around 6.4 million people who seem to have misplaced retirement savings! Commonly cited reasons include lost paperwork, failing to inform a pension provider about a change of address, or the takeover/rebranding of the pension company. Less than half of people (48%) know they can use the DWP's Pension Tracing Service, while 42% are aware they can contact a previous employer.

[4]Aegon, 2021

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.

Younger investors and social media

The Financial Conduct Authority (FCA) is concerned about how much influence social media could be having on younger investors, who could unknowingly be taking on significant financial risks.

According to the FCA, this younger, more diverse group of investors is highly reliant on social media platforms such as Instagram, YouTube, and TikTok for investment tips and advice, but they tend to lack the knowledge and understanding required to make informed choices.

A digital disruption campaign has been launched by the FCA to raise awareness

A mismatch of confidence and resilience

The FCA expressed concerns that these investors are confidently investing in riskier products despite a '*striking*' lack of awareness of any associated risk. Shockingly, 45% did not associate '*losing some money*' as a potential risk.

This group also shows low levels of financial resilience, with the findings showing that a significant loss could have a fundamental impact on the lifestyles of 59% of inexperienced investors.

Five questions to ask yourself

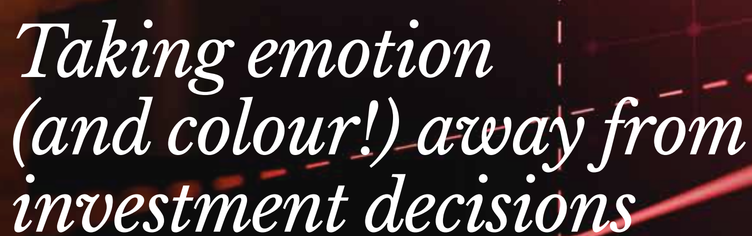
A digital disruption campaign has been launched by the FCA to raise awareness of the risks, prompting people to ask themselves five questions:

1. Am I comfortable with the level of risk?
2. Do I fully understand the investment being offered to me?
3. Am I protected if things go wrong?
4. Are my investments regulated?
5. Should I get financial advice?

Take care of your financial future

Its pays to take advice - we can help develop an investment plan suited to your long-term goals and risk profile.

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.



Taking emotion (and colour!) away from investment decisions

It is fascinating to consider the psychology of investing. There are many behavioural traps that investors could find themselves falling into during times of market volatility, when knee jerk reactions can take hold.

One example being '*the anchoring trap*', which is where investors rely too much on their perceptions of an investment, which could be totally incorrect, rather than being flexible in their thinking and responsive to new data.

Separating emotions from market reaction and investment selection is a whole different challenge. It can be hard to manage our impulses when we see markets fluctuate and we can easily underestimate the risks associated with investments. These are just a couple of reasons why investors sometimes make poor decisions based on emotion, which can result in financial loss.

Red flag to a bull

Another added complication has been highlighted by an interesting new study[5] which shows that if financial information is presented in red, it tends to make people more pessimistic about the market than presenting the same facts in blue or black. It seems that using the colour red to represent financial data, influences individuals' risk preferences, expectations of future stock returns and trading decisions. Such effects are not present in those who are colour blind and are muted in China, where red represents prosperity.

Assistant Professor of Finance at the University of Kansas, William Bazley, who undertook the research, commented on the findings, *"The use of colour could lead to investors avoiding the platform or delaying important financial decisions, which could have deleterious long-term consequences. In Western cultures, conditioning of red colour and experiences start in early schooling as students receive feedback regarding academic errors in red. Red is associated with alarms and stop signs that convey danger and command enhanced attention."*

A word of advice...

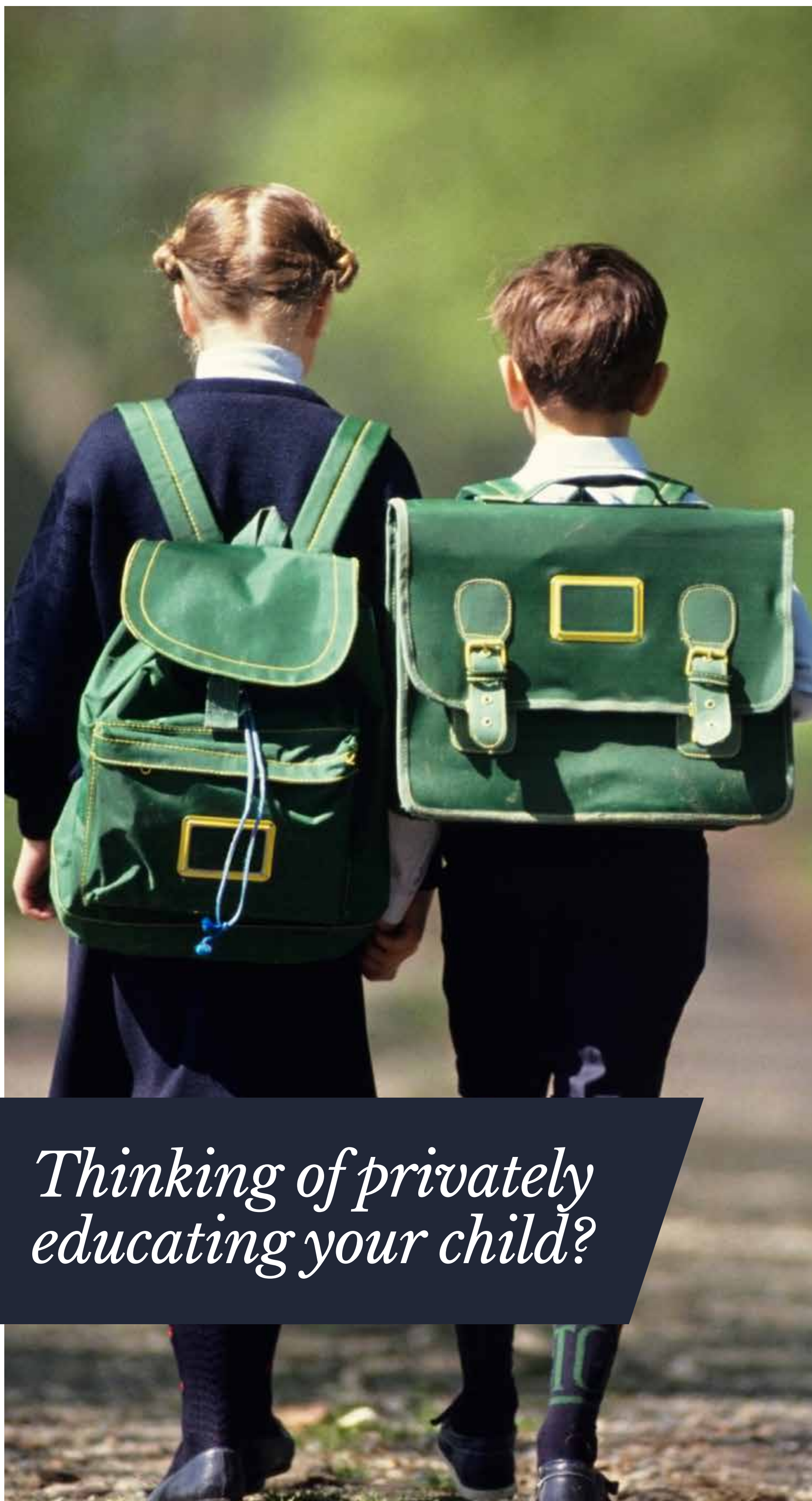
Addressing the raft of amateur investors who started trading during the pandemic, renowned investor and US business tycoon Warren Buffett said at an annual shareholder meeting in May, *"I do not think the average person can pick stocks."* This is not the first time he has imparted pearls of wisdom over the years! *"Rule No. 1: Never lose money. Rule No. 2: Never forget rule No.1"* and *"If you aren't thinking about owning a stock for 10 years, don't even think about owning it for 10 minutes."*

Good behaviour

The good news is that having your finances and portfolio managed for you is one effective way you can avoid these potential behavioural pitfalls. You can rely on us to make informed, consistent investment decisions, not based on emotion but on a robust, objective and disciplined process. We take the time to understand your objectives, apply a rigorous process and advise you on the strategies and products most appropriate for you.

[5] The University of Kansas, 2021

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.



Thinking of privately educating your child?

Private school fees have once again increased this year, with an average termly fee of £12,000 (£36,000 per year) for boarding schools and £5,064 (£15,191 per year) for day pupils[6].

A lifetime endeavour

As data from the Independent Schools Council shows, sending your child to private school is a significant financial commitment – for many families, it could be their biggest expense after their homes. So, having a saving mindset from day one (contributing regularly to savings accounts and encouraging family members to do the same, for example), or even building up an investment portfolio for those with longer to save, could soon help those funds build up. Investments have the potential – although this is not guaranteed – to outstrip the returns you'll get from savings accounts.

Getting tax-efficient

Using up those tax-free exemptions and allowances (for example the £20,000 ISA allowance), enables parents to save or invest without paying tax on their interest or returns; they can also make withdrawals without incurring tax. Grandparents can also lower their Inheritance Tax (IHT) liability through lifetime gifts – and see the benefits their money is having while they're still around.

Other money-raising methods

Other ways of funding your child's education include borrowing (either via a personal loan or remortgaging your property) and withdrawing your 25% tax-free lump sum from your pension if you are over the age of 55. Remember that your own financial security is also important, so make sure you still have enough to fund your retirement.

When you are making a significant and long-term financial commitment, it really is advisable to consult a professional, who can help you achieve your savings goals without compromising your own financial future – so please do get in touch.

[6]ISC, 2021

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.

Keep one step ahead

Nearly a third of homeowners (31%) have said they would only consider purchasing protection insurance if they fell ill[7] – which defeats the point as it's already too late by then.

Other triggers for taking out protection include having an accident (24%) or a change in employment status (25%). A further 22% say there is no circumstance that would make them consider purchasing a protection product.

Other reasons given include:

- Not thinking they need it (28%)
- Believing it to be too expensive (25%)
- Not being able to afford it (22%).

No regrets

Unfortunately, once people experience a change in their circumstances, it is often too late to protect themselves. Protection policies rarely offer backdated cover, meaning that homeowners could find themselves in unnecessary financial difficulty as they try to meet their mortgage, bills and other essential payments.

Many of those questioned said they wish they had better understood the true value of protection, with one in seven people (14%) regretting not having financial protection in place that would have supported their mortgage payments in the past.

Get ahead

We can help explain the implications of having no protection insurance for you and your family, and advise you on suitable and cost-effective products to protect you financially – before it's too late.

[7]MetLife, 2021

Has COVID changed our investment behaviour?

The mantra of '*Keep Calm and Carry On*' is likely to have been a well-versed phrase for investors over the past year or so, as the pandemic profoundly impacted the investment landscape. The global impact of the virus has been the catalyst for a seismic shift in public behaviour. Investors should consider the implications of these changes when evaluating prospective investment opportunities.

Social and economic changes

While the pandemic's impact was unprecedented in many ways, what it has done is to accelerate socioeconomic trends that were already bubbling away beneath the surface. Pointing to the labour market as an obvious example, with previously present, but rather sidelined, flexible and remote working practices rapidly becoming the norm over the past year.

Digital development

The internet has long been part of our lives, but the pandemic has accentuated the importance of digital literacy. Businesses that went into the pandemic with an established online presence and offering, did better than their less-digitally adapted peers, with web presence becoming vital for retailers as e-commerce took centre stage. It has caused typically 'tech-averse' groups to make the shift to digital, as older generations most at risk from the virus began shopping online.

ESG under the spotlight

ESG (Environmental, Social and Governance) investment has been around for many years, but the pandemic has sent it mainstream as consumers became more aware of the importance of supporting companies with a vested interest in corporate governance and sustainability issues. Over the past year, what businesses are doing to support 'wellbeing', and how they treat their employees and suppliers, have come into the spotlight like never before, driving a new commitment to ESG issues. Sustainability and governance issues have been propelled up the corporate agenda.

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.

Your personal goals matter more than Keeping up with the Joneses

Did you know that this expression about the envy of others dates all the way back to 1913, when a New York Globe comic strip '*Keeping Up With the Joneses*' first appeared and created an enduring, meaningful expression?

Even further back, envy was evident in biblical times; the Tenth Commandment is proof of that – '*Thou shalt not covet thy neighbour's house… nor any thing that is thy neighbour's.*' A TV cartoon about the neighbouring Flintstone and Rubble families is less convincing evidence of materialism in the Stone Age!

A friendly approach

More relevant to the present day can be seen from two centuries ago, when the British class system meant that much of the population led impoverished lives, with harsh industrial working conditions, poor housing and little opportunity for social mobility. That was when mutual organisations became established as co-operatives, or friendly societies, to begin improving ordinary families' lives.

In 1820s Lancashire, a group of workers formed a sickness and benefits society that later became Shepherds Friendly Society, today a provider of long-term insurance and investment products. As a mutual, owned by its members, a much-modernised Shepherds Friendly still champions the principles of its founding members, broadly advocating thrift and a caring, sharing community.

Before the Pandemic, Shepherd's Friendly ran a survey themed '*Keeping up with the Joneses: Does it make us happy?*' Among the 2,000 respondents, 52% admitted comparing their finances to those of family and friends; 30% had been tempted to buy something because people they knew had done so; 9% had bought something unaffordable just to impress others.

More reassuringly, '*achieving personal goals*' was a top-scoring response to a question about feeling successful, whereas the bottom-scorer was '*owning expensive items*'. Consider what will bring you the most happiness – maybe focusing on your own finances and being realistic about what you can really afford, without damaging your long-term financial outlook, will be the right route – rather than excessive expenditure beyond your means.

Pension savers enticed by 'risky' investments

At a time where it is becoming harder to save up adequate sums for retirement, a new study shows that the UK's low interest rate environment is causing retirees to turn to riskier pension and investment products which could potentially lose them a significant sum.

Risky business

A poll from the Financial Services Compensation Scheme (FSCS), shows that one in five people aged between 55 and 75 have been tempted to invest in riskier products than those they would ordinarily be comfortable with, lured by a higher rate of return. And, surprisingly, less than one in eight had taken financial advice to explore alternative options for making the most of their cash.

"Life-changing" losses

This has resulted in a rising number of people seeking compensation under the FSCS arrangements, said Chief Executive Caroline Rainbird. She continued, *"The real danger is that if consumers choose to put money into high-interest pension and investment products that are not FSCS protected, they could lose life-changing sums of money from their retirement pots if the product provider fails."*

Professional advice is key

The FSCS survey is yet another example of research vividly highlighting the importance of seeking professional financial advice before investing in little-known products. Advice helps investors explore and understand the risks before taking the plunge and putting their hard-earned money at risk. Whether you're approaching retirement or have already retired, we can assist you in maximising your savings whilst minimising the risk.

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.

Long COVID – a problem for your pension pot?

The pandemic has affected almost everyone in numerous different ways, whether that is financially, medically, or socially; its death toll has been appalling and overshadows everything. Fortunately, the vast majority have come through the pandemic, but the speed of recovery has been variable.

Medically, many patients have recovered well, but some have prolonged symptoms which have been diagnosed as *'long COVID'*. A corresponding picture emerges with people's finances, as many people have lost earnings or even their jobs, but economic recovery could help restore their financial health. A minority, however, may suffer the financial equivalent of long COVID.

Insurer and pension provider Legal & General (L&G) has monitored the financial effects of COVID-19 throughout the pandemic, particularly the long-term impact on the prospective pension income of workers over 50 who are closest to retirement. In the early months of the crisis, the picture wasn't too disturbing; last August, only 2% of this group envisaged cutting their pension contributions.

What are the numbers?

Fast-forward eight months to April this year and the L&G research revealed that some 12% of workers over 50 were paying less into their pension pots because COVID-19 had disrupted their finances. This led L&G's number-crunchers to work out just how severe the impact could be on the retirements of those one-in-eight (about 1.7 million) 50-plus workforce members.

The message from L&G's figures is simple, *'A 50-year-old opting out of a workplace pension could be £50,000 worse off by the State Pension age of 67 if they never opted back in and continued working full time throughout.'* So, if you have cut back on your pension contributions during the pandemic, you should consider restarting them as soon as you can.

In other news...

Be wary of that holiday selfie

Now that many of us are able to make travel plans, remember to think twice before posting a holiday selfie on social media. Your insurer may consider this as telling people that you are away from home, leaving your property unoccupied and as a result, potentially invalidating or compromising your insurance cover. Unfortunately, more and more criminals are using social media posts to identify when a property might be empty.

Sustainable funds – a new record

Data from industry tracker Morningstar shows that 2021 started with continued European interest in sustainable funds, attracting all-time high inflows of €120bn in Q1, 18% higher than the previous quarter. Climate funds proved to be top of the preferred list, with six of them featuring in the top 10. The number of sustainable funds available continues to grow; 111 new sustainable funds launched in Q1.

Jabbed population are financially optimistic

Those who have already received their COVID-19 vaccination are reported to be more optimistic about their finances than those who are yet to have their jab[8]. As well as giving people a feeling that the worst of the pandemic may be over, the jab also seems to be providing people with financial optimism about both investing and their own financial position. Nearly half (48%) of those who have had the vaccine believe now is a good time to invest, compared to 39% who have not yet received the jab.

[8] Aegon, 2021

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.

Is IHT change on the cards?

It's been three years since then-Chancellor Philip Hammond asked the Office of Tax Simplification to look into potential amendments to the Inheritance Tax (IHT) regime[9]. Since then, no changes have been made to the tax incurred when wealth passes onto the next generation; could Rishi Sunak be the one to take up the mantle once more?[10]

A significant, pandemic-shaped deficit means that some unwelcome tax hikes could be on the cards. And IHT is a logical target for some economists, who see this tax as a way of generating income for the Treasury with little economic impact, as well as driving social mobility.

This was the conclusion of research from the Institute for Fiscal Studies (IFS) entitled *Inheritance and inequality over the life cycle: what will they mean for younger generations?* The paper found that inheritances have comprised an increasing proportion of national income over the past 50 years – something that could influence policymakers' decisions around the taxation of wealth transfer.

Inheritance inequality

According to the IFS, those born in the 1980s can expect inheritances worth an average 16% of their lifetime income – against just 9% for those born 20 years earlier. This trend is likely to lead to rising levels of wealth inequality between rich and poor families. Arguably, a stricter IHT regime could help lessen the impact.

Younger generations' fortunes largely depend on how wealthy their parents are, with the 1960s and 1980s generations whose parents occupy the top fifth of the wealth scale expecting a lifetime boost of 17% and 29% from their inheritances,

A significant, pandemic-shaped deficit means that some unwelcome tax hikes could be on the cards

respectively. By contrast, the boost is just 2% and 5% respectively for those whose parents are on the lowest rung.

This means that not only are there differences by age, with the younger group benefiting more, but also by differences in parental wealth, which delivers a significant benefit. However, with 'levelling-up' an unequal UK, high on our cash-strapped government's agenda, IHT is a likely candidate for reforms – and that could hit wealthier families hard. It's best to prepare for a range of scenarios and take professional advice for the best financial strategy.

[9]gov.uk, 2018, [10]gov.uk, 2019

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation. Inheritance Tax Planning is not regulated by the Financial Conduct Authority.

A summer of hope and optimism

As lockdown restrictions gradually ease, the public mood appears to be shifting, with a more positive atmosphere returning this summer.

This is unsurprising, as there is much to be positive about in the weeks and months to come. Crowds are set to return to theatres and music venues, the Chelsea Flower Show will be going ahead, and sports fans are excited to be returning to events and fixtures.

A faster than expected recovery

This renewed sense of optimism also extends to the economy, with data for H1 2021 demonstrating a stronger economic performance than previously anticipated. Due to this, it is looking likely that major economies across the globe are on track to return to near pre-pandemic conditions before 2021 is over.

Global economic growth projections strengthened

This improved outlook has caused many internationally renowned forecasting agencies to strengthen their projections for worldwide growth over the past few months. The latest *World Economic Situation and Prospects Report* published by the UN, for instance, bumped its annual growth forecast up to 5.4% – a significantly higher figure than its previous estimate of 4.7% in January. For the most part, this positivity is reflective of the speedy rollout of vaccination programmes in economies such as the US and China, in addition to increased global trade.

Uneven prospects

However, a vaccine-driven recovery is creating inequalities, with a lack of vaccine availability in some countries threatening a broader global recovery. The UN warned that *'the economic outlook for the countries in South Asia, sub-Saharan Africa and Latin America and the Caribbean remains fragile and uncertain.'*

The future's bright

While the future is looking much brighter as we advance further into 2021, the UN forecast (and subsequent warnings) highlight the continued impact of the pandemic on economic prospects. That is why taking professional advice continues to be vital to investment success. We can help you take full advantage of any investment opportunities that arise.

Probate delayed by 'hidden assets'

Probate software specialist Exizent has published its first Bereavement Index[11], with some interesting findings. It shows that many people fail to organise their finances before death, leading to stress and anxiety for those left dealing with a '*financial mess*'.

According to the research, one in seven (14%) of those tasked with administering the estate of someone who has died, begin the process without full knowledge of all the deceased's accounts and assets. In fact, so many people die without leaving behind sufficient financial information, that 37% of accounts only come to light during probate.

Secret accounts

No wonder, then, that nearly 90% of those who have recently lost a loved one found the probate process '*stressful*' – or '*extremely stressful*' for one in six correspondents. Secret or hidden accounts were associated with higher stress, with respondents in this situation twice as likely to be '*extremely*' stressed, while for 40%, probate had mental health implications.

Get organised

Not only will organising your financial affairs and keeping an up-to-date Will ensure your wishes are carried out when you die; it will also save your loved ones a great deal of time and stress. For guidance on getting your finances in order, speak with us.

[11]Exizent, 2021

The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only.

Some rules may vary in different parts of the UK. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor. Information is based on our understanding of taxation legislation and regulations. Tax treatment is based on individual circumstances and may be subject to change in the future.

The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated. If you withdraw from an investment in the early years, you may not get back the full amount you invested. Changes in the rates of exchange may have an adverse effect on the value or price of an investment in sterling terms if it is denominated in a foreign currency.
No part of this document may be reproduced in any manner without prior permission.
Kirk Rice LLP is authorised and regulated by the Financial Conduct Authority.