



# The importance of asset searching when **£billions** are going unclaimed.

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## What is the value of unclaimed assets in the UK?

Investigating a deceased's finances is a large part of a probate solicitor or estate administrator's job during the estate administration process. But did you know that there is reported to be up to £1.2 billion of unclaimed assets in UK bank accounts alone and this is increasing annually by £100 million?

Even more money lies unclaimed in UK pension funds. In fact, a snapshot of lost contacts in closed book accounts from the 2016 FSA data shows us that there is around £200 billion once extrapolated out for investment in UK pension funds.

Add that to the issue with National Savings and Investment (NS&I), where there is £3 billion in unclaimed assets and where we have seen an increase across the past four years of £1 billion. We can see that we have a staggering and deeply concerning problem in the UK which is getting worse with each passing year.

**Quite simply, money owed to beneficiaries is not getting repatriated to them and as an industry, we are not collectively doing our job as Executors to locate ALL the assets in an estate.**

## How is there such an enormous pot of money hidden within financial institutions and why does unclaimed money not always surface during probate?

Finances can become unclaimed and lost for several reasons, but the main causes tend to be unreported changes of address, ceases of activity on your account and inadequate record keeping.

According to research in the last few years from Zoopla, Brits are reported to move

home every 8.63 years and each time a person moves, financial institutions expect to be updated with a new address for communication purposes. In amongst the chaos and stress of moving, it can be easy to forget to inform each institution of your relocation. But failing to do so can result in lost financial assets.

On average, an individual has twelve jobs during their lifetime, according to 2019 research from the Bureau of Labour Statistics, and this can be another catalyst for hidden assets. If a person is contributing towards a pension scheme from each job they have worked in, savings from their earlier employment can be simple to overlook, especially if no documentation can be found. The Financial Times Adviser reports that one in five Brits has lost a pension pot.

If a person elects not to withdraw, deposit or use a specific account, it can be categorised as inactive. HSBC states that "an inactive or dormant account is one that hasn't been used in at least 6 months. Inevitably, since these accounts are not being checked regularly, they pose a significant risk of being involved in a fraudulent transaction". This is a further way in which financial assets can be lost.





## The importance of conducting an asset search on every probate case

Executors are responsible for an estate 'in perpetuity' and have a serious responsibility to find the beneficiaries to an estate and to confirm that those beneficiaries are receiving what is owed to them.

Executors must locate all the assets in an estate so that they do not disadvantage the beneficiaries and it is therefore vital due diligence and part of industry best practice to conduct an asset search on every probate case.

The implications for Executors of not locating all assets during probate include; HMRC fines for understated Inheritance Tax, lack of financial viability for probate professionals to re-open files if the value of the missed assets is small, and additional costs to Executors incurred from having to re-do estate paperwork.

Completing a financial asset search ensures that the Executor can demonstrate that they have discharged their duty to search for assets and it negates any potential issue with HMRC regarding incorrect IHT liability.

## The solution?

The Inheritance Data Financial Asset Search has been engineered to thoroughly explore 200 financial institutions, which accounts for a total of 350 databases, and unearths concealed accounts and policies which may have been previously missed. The investigation is tailored to expose any assets belonging to the deceased, whether the accounts are lost, dormant or still active, all via our industry-leading secure portal. The portal offers 24/7 access to the probate professional to monitor results and act to recover the assets as responses from financial institutions are returned.

In one click of Inheritance Data's cost-neutral search, probate solicitors and estate administrators can ensure no asset is missed, maximise the value of their client's estate and save themselves the time and inconvenience of contacting each financial institution individually, thereby fulfilling their obligations as Executors.

As an additional benefit, their industry unique warranty ensures that every search is covered for costs incurred by the Executor after probate is complete, should an asset later come to light that was not disclosed by a financial

institution during the search. Costs are covered for up to 10 years after the search and up to the value of £10,000.

We know that very few people know what or where all of their assets are. The staggering amount of money sitting unclaimed in all asset type accounts proves this and the fact that this amount is growing year on year demonstrates that we have a lot of work to do as an industry to prevent this from continuing.

**90% of asset searches turn up a missed asset, so you simply cannot afford not to carry one out on every estate.**

To find out more or conduct your first financial asset search, visit [www.titleresearch.com/service/financial-asset-search](http://www.titleresearch.com/service/financial-asset-search).