

# Designate your heir now, before you're gone tomorrow

If you care about who will inherit your estate then make the time to draw up a will, says **Livia Russell**

**T**WO-THIRDS of people who die in Britain each year do so without leaving a will. If no blood relatives are found, the money goes direct to the Government. So it seems that many of us are actually quite content for our estates to be harvested by HM Treasury.

Last year, £18m went into the Government's coffers. And that figure would have been higher if it weren't for the efforts of probate research companies like Fraser and Fraser that regularly feature in BBC One's popular television series, *Heir Hunters*.

All the companies compete with each other to trace and sign up long-lost relatives of people who have died intestate.

In doing so, they earn a commission, and last year they managed to reclaim £8.5m for rightful heirs.

Making a will needn't be a complicated or expensive task. In principle, and if your financial situation is straightforward, there's no need to have one drawn up or witnessed by a solicitor. However, it's always advisable to have any self-made will checked over by a professional as it's easy to make mistakes, and any errors can have serious implications later on.

In more complicated circumstances, getting a solicitor involved is certainly advisable. For instance, you may share a property with someone who is not a husband, wife or civil partner. There may be several family members involved, perhaps children from a first marriage. Or there could be a business or overseas property to consider.

As with most things, a bit of preparatory homework always helps. And there are plenty of places where you can get practical advice. Age Concern produces a helpful fact sheet, the Citizens Advice Bureau provides comprehensive information and the Government's own website, [www.direct.gov.uk](http://www.direct.gov.uk), is a good starting point.

## INHERITANCE TAX SERVICE

Telegraph Inheritance Tax Service, provided by Skipton Financial Services Limited, can offer you no-obligation, comprehensive estate and tax planning advice. If you have any concerns about your potential IHT liability or any recent changes to the law, please call 0800 389 8395 or visit [www.telegraph.co.uk/IHT](http://www.telegraph.co.uk/IHT).



## CASE STUDY

Ann Reeve set up a trust fund for her grandchildren and rewrote her will two years ago to minimise the eventual inheritance tax bill.

Mrs Reeve, who is 71 and lives in Essex, was widowed almost 20 years ago. She has two children in their forties and two stepchildren, who are in their thirties, as well as eight grandchildren.

"A couple of years ago I realised

my investments were doing rather well and, bearing in mind also the value of my house, thought I had better do something," she said. "I was worried about the 40pc IHT my grandchildren would have to pay on the money I wanted to leave them."

Mrs Reeve sought advice from Skipton Financial Services and as a result set up a trust fund for her

grandchildren. The seven-year rule means that no IHT will be due if she lives for another five years. "I'm confident I will; my mother lived to 95 and my aunt 100."

She was then able to remove the grandchildren from her will and divide the remaining assets – those not put in the trust fund – among her children and stepchildren. These steps were taken before

the Government announced that deceased spouses' IHT allowances could be used, effectively doubling the limit to £650,000. But Mrs Reeve said: "If my assets pick up again after the recession, it could take them over the limit."

"Setting up the trust fund gave me the peace of mind that we will avoid a hefty IHT bill either way."

Richard Evans

If you need any extra persuasion, a sad case that featured in *Heir Hunters* provides a salutary lesson as to what can happen if we ignore the need to make a will.

Back in 2006, Lily Fernandez died in Sidcup, Kent, her body lying undiscovered in her home for three weeks.

A solitary lady, she hadn't always been such a reclusive figure. Before she retired, Lily had worked as a midwife and ward sister at many London hospitals. A fellow midwife, Logan van Lessing, had fond memories of working with her at the Whittington Hospital in the early Eighties.

But Lily died without leaving a will, so the hunt was soon on for any blood relatives entitled to inherit her estate – worth up to £300,000.

Lily's death certificate stated that she was born in Quilon, an old seaport in the Kerala region of India that had been on the trading route

to Portugal for centuries. However, research in the British Library indicated that she was actually baptised in Jamalpur, a full 1,700 miles to the north.

Researchers at Fraser and Fraser believed they had found records of Lily's mother, father and sister within a community established by Portuguese immigrants during the 19th century. But just as they appeared to be on the verge of a vital breakthrough, they suffered a major setback. Local records in fact showed that the Lily Fernandez they had been tracking had died as a baby, so they were back to square one.

To this day, Lily's heirs remain a mystery and her estate looks set to be swallowed up by the state. It's a shame. Lily was obviously well loved in her working life, but her old colleague Ms van Lessing believes it's unlikely that her relatives will ever be traced – unless someone, somewhere comes forward with a vital clue.

Sometimes events, accidents or sudden illness can simply overtake us before we've had time to make the necessary arrangements. But most people fail to make a

will because they're either too preoccupied or simply can't bring themselves to think about dying.

But if you care about who should inherit your estate when you are no longer around, or simply can't stand the thought of Treasury bean counters getting their hands on more of your money, it makes sense to draw up a will.

◆ The latest series of *Heir Hunters*, produced by Flame TV, can be seen on BBC One at 9.15am on Mondays.

## USEFUL WEBSITES

For more information on making a will go to:  
◆ [www.direct.gov.uk](http://www.direct.gov.uk)  
◆ [www.ageconcern.org.uk](http://www.ageconcern.org.uk)  
◆ [www.adviceguide.org.uk](http://www.adviceguide.org.uk)

## New FREE Guide to With Profit Bonds

Telegraph  
reader guide