

Dear Sirs

It is heartening to see a recent move by the Law Society and Legal Services Board towards the regulation of Will Writers and the administration of estates but I am writing to bring your attention to the fact that there are much wider issues that need to be urgently considered and by which vulnerable elderly people are currently being exploited.

I refer in this respect to (alleged) asset protection planning and the preparation of "Family Trusts"?? - as the Will Writers call them.

I am a Solicitor in Berwick upon Tweed and set out below a very clear example of what has lead me to write to you - and this is by no means an isolated incident. This is the second example that we have come across in the space of only one week - and this is a small town. On a National scale this problem must be horrific.

I have spoken to a lady today whose elderly mother of 84 (a client of ours) was contacted by [REDACTED] [an unregulated will-writing company] in October 2011 upon direct referral from her Building Society. A representative visited her at home and "advised" her that she needed to enter into a "Family Trust" in order to safeguard her home from being sold in order to pay care home fees and also to avoid payment of Inheritance Tax.

As stated - this lady is 84. She owns her own home in her sole name; the value of the house is less than £150,000. She has no other assets and no savings. She is cared for in her own home by her adult daughter who lives with her and that situation is not likely to change. Her health is poor - she is unlikely to survive any potentially exempt transfer even if she had any exposure to Inheritance Tax - which she does not by a wide margin.

So - she's not in, or going into, a care home and she falls a long way within the nil rate band for IHT. Henceforth, no asset planning to protect her home or reduce tax liability is required - and yet on 24th May this year (7 months after first being contacted by them) she received written confirmation from the [REDACTED] [company] that steps needed to be taken to ensure that her beneficiaries receive "the maximum inheritance possible". She already has a perfectly valid Will with ourselves ensuring exactly this - but that seems to be of no interest or consequence to them!

On 7th June this year - she was then separately contacted by [REDACTED] [a connected unregulated trust corporation] confirming to her that, as agreed back in October 2011, her property was to be placed into a "Family Trust". Basically what they are proposing is to transfer the property into the joint names of the daughter who lives with our client and themselves! Which is fairly astonishing really, particularly bearing in mind, that our client has a second daughter to whom she also wanted the property to be transferred - but has been told that she cannot. She MUST, apparently, according to [REDACTED] [the trust corporation], transfer the property into the joint names of [REDACTED] [the trust corporation] - and to ONLY ONE other person of her choice.

Thankfully the daughter who lives with her became a little uncomfortable at that point and dropped the correspondence in to me today. There is NO advice whatsoever given on the effect of the transfer to the donor - and there certainly isn't any advice given on why [REDACTED] [the trust corporation] have to be a joint owner of the clients property and what happens in the event of their insolvency etc. There is in fact, just no advice given as to the effect of the transfer or even what it achieves for this client.

Neither is there any explanation as to why, rather than "ensuring that her beneficiaries receive "the maximum inheritance possible" - they have given half of our clients only asset away to themselves and negated any provision whatsoever for the clients second daughter in her Will by potentially removing the property from her estate! This advice is purely negligent - or would be if we gave it!

Further and in any event when our client was visited by [REDACTED] [the company] on 28th October 2011 - she was handed an invoice/receipt for a total fee due of £2,625. Thankfully she did not pay this upfront but not only is the fee absolutely extortionate and completely disproportionate to

the work proposed to be done - but it's work that simply does not need to be done for this particular client.

To put it mildly but bluntly this whole thing stinks and I am extremely cross that elderly people are being taken advantage of in this way. If this were a builder or plumber we were talking about they would be the subject of Rogue Traders and it's high time that the activities of these unregulated "advisers" - and their Bank and Building Society referrers - were looked into properly. At what point does "taking advantage" become extortion?

I have copies of all the correspondence here and can ask my clients permission to release copies to you if you need it.

Gaynor Hill

Sanderson McCreath & Edney

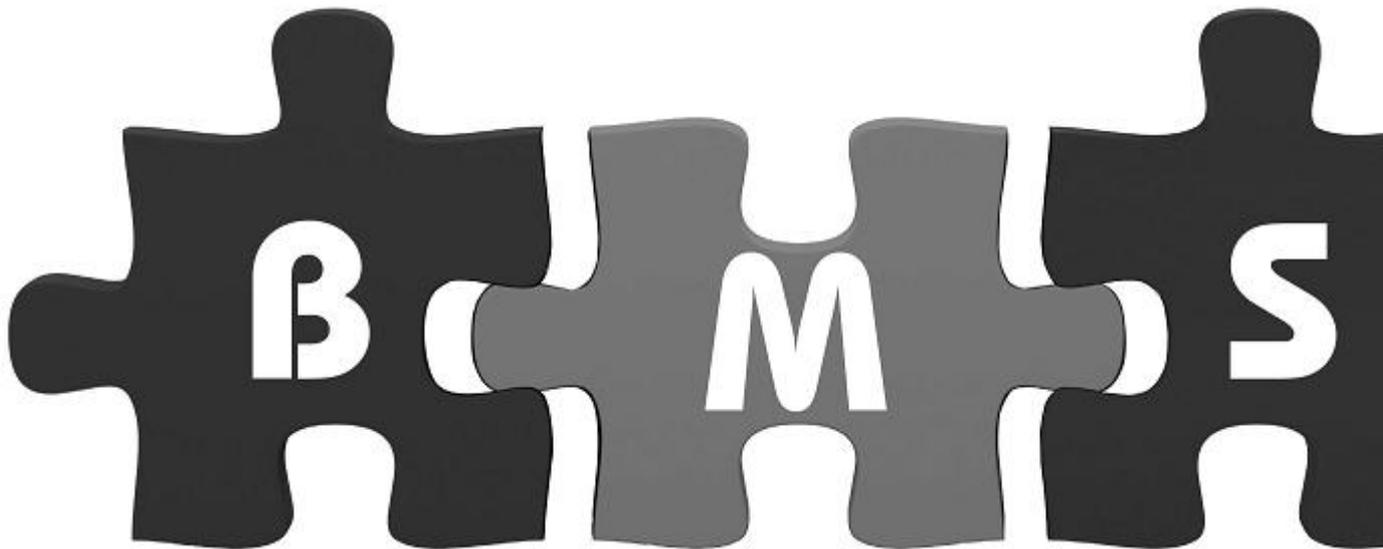
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