

PROBATE ESTATE ADMINISTRATION PRICE TRANSPARENCY

It is a requirement of the Solicitors Regulation Authority that solicitors who deal with “probate estate administration” (and here this means the collection and distribution of assets belonging to a person following their death, where the assets are within the UK and the matters are not contested) publish costs information to enable potential clients to make informed choices.

I deal with such matters and am therefore bound by these rules. This document therefore sets out how I charge for probate estate administration.

I am a sole practitioner solicitor and work without support staff. I have been qualified for over 28 years and have specialised in probate for over 30 years. I am a full member of the Society of Trust and Estate Practitioners and a fully accredited member of Solicitors for the Elderly. Any work carried out on your file will be undertaken by me personally.

Some solicitors give a broad costs estimate at the start of a matter but at the end of the day charge how much time they actually spend. I have a problem with this as inefficiency or lack of experience or knowledge on the part of solicitor often leads to clients paying higher costs than should be the case. Other solicitors (and other organisations dealing with probate estate administration) charge a fee based on the value of the estate. I do not agree with this approach either as it simply does not reflect the amount of work that is required in an individual case and high value but straightforward estates inevitably subsidise low value but complicated estates.

My approach is therefore (where possible) to agree a fixed price with clients at the outset of any probate estate administration. My hourly charging rate is currently £250 plus VAT (£300). At an initial meeting with clients (the executors or if the estate is an intestacy, the potential administrators) I discuss the composition of the estate in detail and we agree on exactly what tasks within the process I will be undertaking. All estates are different and often it makes sense for clients to retain some of the roles (for example obtaining valuations or contacting utility companies) that others may ask me to sort out on their behalf. Having decided who is doing what I have sufficient experience to then calculate the amount of time that I anticipate I would need to spend dealing with the estate and when multiplied by my hourly charging rate I can reach a figure for my costs (with VAT added) which I then agree with my client at that meeting before the client goes on to instruct me. Clients therefore know at the outset exactly what will be payable which gives them certainty and also means they don't feel that the clock is ticking every time they contact me!

At the meeting I explain to clients the likely timescale for dealing with the administration of the estate (which can vary from around 3-4 months to 12-18 months if the estate is very

complicated and there are properties to sell) and advise on the mandatory estate expenses that will be payable such as the probate court fee. We also discuss the other optional estate expenses which may include the fees for placing statutory advertisements, searching for a Will or missing assets or Land Registry registration fees.

The factors that I take into account in assessing the amount of time needing to be spent include:

- The number of executors or administrators.
- The number of beneficiaries.
- The nature of the relationship between the executors and the beneficiaries and who is to contact the beneficiaries.
- How the estate information is presented to me – one file of information regarding assets and liabilities all identified and collated is much less time consuming than being given several shopping bags containing with every item of paper found in the deceased's home!
- The number of institutions to be contacted in relation to assets, pensions, utilities etc.
- Whether there is a property in the estate and if so who is going to arrange any valuations, marketing, dealing with utility companies etc.
- If I am being asked to deal with valuation of chattels etc.
- Who is paying the funeral invoice.
- The type of inheritance tax form required. A simple IHT 205 is far less time consuming to complete than the far more comprehensive IHT 400 with its many supplementary pages.
- Whether inheritance tax is payable and how this is to be funded.
- Whether any inheritance tax exemptions apply.
- Whether there are charitable beneficiaries, minor beneficiaries or trust beneficiaries.
- Whether I am asked to deal with the deceased's income tax affairs to the date of death.
- Whether I am asked to place statutory advertisements or search for unclaimed assets.
- If beneficiaries need to be identified or located.
- If a deed of variation is required.

- If there are any issues with the interpretation of the Will that need further investigation.
- Whether there are any issues with the Will – for example if the deceased's signature is shaky then an affidavit of due execution may be required by the probate registry.

In order for potential clients to assess whether my bespoke charging methods are likely to suit them here are some examples of recent probate estate administration costs.

Case 1

Factors in estate	2 executors, well drafted Will, 3 residuary sibling beneficiaries, no property, assets with 3 institutions, no inheritance tax payable, transferable nil rate band claimed, deed of variation required
My costs	£2,870 plus VAT (total £3,444)
Estate expenses	Probate Court fee £157 Commissioner's fees £14

Case 2

Factors in estate	1 executor who was sole beneficiary, well drafted Will, assets with 14 institutions including several shareholdings, property title to be dealt with, client arranged property valuation and contacted utility companies, no inheritance tax
My costs	£3,880 plus VAT (total £4,656)
Estate expenses	Probate Court fee £160 Commissioner's fees £7 Fee for office copies £3

Case 3

Factors in estate	2 executors, 2 residuary beneficiaries, well drafted Will, assets with 15 institutions including several shareholdings, property to be sold, client all utility companies contacted, inheritance tax payable by release of several different assets
My costs	£5,800 plus VAT (total £6,960)
Estate expenses	<p>Probate Court fee £165</p> <p>Commissioner's fees £14</p> <p>Fee for office copies £3</p> <p>Statutory advertisements £270</p>

Case 4

Factors in estate	Intestacy, 1 administrator, registration of death, funeral arrangements, 19 beneficiaries who needed to be traced, assets with 4 institutions property to be sold, property valuation, marketing, sale and clearance of chattels, utility companies, no inheritance tax but claim for transferable nil rate band made
My costs	£10,000 plus VAT (total £12,000)
Estate expenses	<p>Probate Court fee £160</p> <p>Commissioner's fees £5</p> <p>Fee for office copies £3</p> <p>Statutory advertisements £270</p> <p>Certainty Will search £108</p> <p>Financial asset search £162</p> <p>Bankruptcy searches (incl overseas) £280.40</p> <p>House clearance £900</p> <p>Tracing agents fee £2823.50</p> <p>Missing beneficiary insurance premium £2600</p>

Case 5

Factors in estate	Homemade Will with several issues, 2 executors, 17 beneficiaries including 10 charitable residuary beneficiaries, 2 properties to be sold, utilities for both properties, income tax issues, no inheritance tax but claim for transferable nil rate band, full IHT 400.
My costs	£11,000 plus VAT (total £13,200)
Estate expenses	Probate Court fee £160 Commissioner's fees £5 Fee for office copies £24 Statutory advertisements £206 Certainty Will search £108 Financial asset search £162 Bankruptcy searches (inc overseas) £94

Case 6

Factors in estate	2 executors, 2 residuary beneficiaries, assets with 12 institutions, complicated taxable estate, deed of variation to include charities and other beneficiaries, property to be sold, utilities for property.
My costs	£7,500 plus VAT (total £9,000)
Estate expenses	Probate Court fee £291 Fee for office copies £6