

## Advice to clients about estate due diligence and potential **personal liability** - what to put in client care letters

When advising executors and administrators, it is important to make them aware that they are responsible for securing estate assets and settling any debts. They need to understand the cost of discovering assets after distribution, and that they could become personally liable for unsettled debts owed by the deceased. If you are acting as executor, you should similarly inform the beneficiaries that they could become personally responsible for such debts. As a legal professional, you play a vital role in ensuring your clients access the appropriate services to help them minimise such liability.

We have developed some specimen wording for inclusion in your client care letter. Use **Option 1** if you are acting as the executor and **Option 2** if you are advising an executor. For more information, please contact us on 0330 900 7500 or by emailing one of our expert team at: [helpdesk@estatesearch.co.uk](mailto:helpdesk@estatesearch.co.uk).

### Option 1 – Acting as Executor

The Executor is responsible for securing all assets and settling all debts associated with the deceased's estate. It is possible that not all the deceased's assets will be apparent from their personal papers, this may include on-line accounts, pensions, shares and life insurance policies. If an asset is missed this could mean beneficiaries do not receive their full entitlement, and discovery after of an asset after initial distribution will incur further costs which will need to be met by the estate. Similarly, not all debts may be apparent and it is possible for those creditors to seek payment from the assets distributed to beneficiaries of the estate.

To increase our confidence of discovering all assets and to minimise the risk associated with any missed creditors, we commission an Estatesearch Financial Profile Report. This service notifies leading financial organisations of the death and searches electronic credit records to help us ensure all assets are collected and debts settled before distribution of the balance to the beneficiaries. The Estatesearch Financial Profile Report is quick, concise and easy to understand.

If you do not want us to commission such a report, please confirm this in writing within the next 7 days.

### Option 2 – Acting for Executor

It is possible that not all the deceased's assets will be apparent from their personal papers, this may include on-line accounts, pensions, shares and life insurance policies. If an asset is missed this could mean beneficiaries do not receive their full entitlement, and discovery of an asset after initial distribution will incur further costs which will need to be met by the estate. If the deceased had debts which were not apparent from their personal papers, it is possible for those creditors to later seek payment either from the executors or from the assets distributed to beneficiaries of the estate.

To minimise this possibility, we recommend that you ask us to commission an Estatesearch Financial Profile Report. This service notifies leading financial organisations of the death and searches electronic credit records to help us ensure all assets are collected and debts settled before distribution of the balance to the beneficiaries. The Estatesearch Financial Profile Report is quick, concise and easy to understand.

Please confirm (in writing) whether you wish us to commission the Estatesearch report or not. If you instruct us to commission the report, you will be taken as giving consent on behalf of the deceased to our sharing necessary personal information with Estatesearch, so that they can prepare it.