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## Should Prince Harry and Meghan have a pre-nup?

The wedding of Prince Harry and Meghan Markle will be one of the main events of the year with millions of people across the world wishing them every happiness.

The romance between them is plain to see, but should they also be considering some more practical matters? Many couples now draw up a pre-nuptial agreement, so their marriage is based on a solid financial foundation right from the start.

Pre-nups, as they are commonly known, state how a couple's assets should be divided if the marriage doesn't work out.

It's easy to see how such an agreement would help Prince Harry and Meghan. Both have large personal fortunes to protect.

From Harry's point of view, there would be both personal and public concern if royal assets were lost to a divorce settlement in the future.

Meghan too will be affected as she's curtailing her career as an actress to concentrate on the marriage and charity work with Prince Harry.

Until recently, pre-nups were mostly associated with the rich and famous. However, they are now being drawn up by couples from all income groups.

They are particularly popular with people entering second marriages who want to safeguard their assets for their children from a previous relationship. People who have inherited



money or perhaps been awarded compensation for an injury or employment claim are also using pre-nups to protect their interests.

These marital agreements are still not legally binding in the UK, but they are usually upheld by the courts if they are fair, and each partner agreed to them voluntarily.

One other possible reason for the increased interest in marital agreements is that people are becoming more pragmatic in their attitude to marriage.

There is a growing acceptance that relationships can break down and if that happens, a pre-nup can help reduce the stress and heartache of reaching a financial settlement.

Please contact us for more information about the issues raised in this article or any aspect of family law.

## MoJ begins refunding Power of Attorney overpayments

The Ministry of Justice (MoJ) has started giving refunds to people who were overcharged when setting up lasting powers of attorney (LPA).

It has set aside £90m to cover the cost of the refunds.

Between April 2013 and March 2017, the operating costs of the Office of the Public Guardian (OPG) came down as more people applied to register a power of attorney and the process became more efficient, but the application fee charged was not reduced accordingly.

The fee to register an LPA was eventually reduced in April last year, from £110 to £82. The fee for resubmitting an LPA for registration was cut from £55 to £41.



People who were overcharged before the reductions were made can make a claim by filling out a form online or calling the dedicated refunds helpline on 0300 456 0300.

One of the reasons for the popularity of powers of attorney is that they offer you protection in case your health deteriorates to such a point in the

future that you are no longer able to make decisions for yourself.

An LPA helps prevent these problems because it enables you to nominate someone in advance to make decisions on your behalf if you ever lose the ability to do so yourself through illnesses such as dementia.

The property and finance LPA allows you to appoint someone to look after your financial affairs.

The personal welfare LPA lets you grant an attorney authority over such matters as health care and the kind of treatment you receive.

Please contact us if you would like more information about lasting powers of attorney.

# Survey reveals the most common 'will blunders'

Nearly two out of three adults in Britain do not have a valid will, according to a survey carried out by MacMillan Cancer Support.

The charity surveyed more than 2,000 people and found that 63% had not made a will, including 42% of people over the age of 55.

The survey also uncovered various "will blunders" that people make. Under British law, a person's will becomes invalid once they marry, and a new one needs to be written.

Despite this, the survey suggested that 1.5 million people had failed to update their will following their marriage.

It also revealed that 20% of people still had their ex-partner on their will,

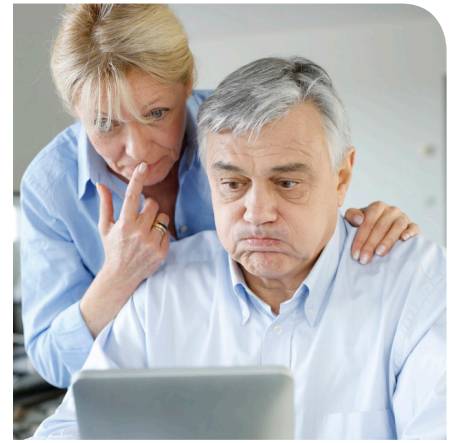
and 10% of people had not made any amendments to include their children or their grandchildren

A previous survey from MacMillan found that the most common reasons people gave for not making a will were 'not having had a chance to get around to it' and 'believing they had nothing of value to leave'.

If someone dies intestate, that is, without having made a will, then their estate is divided in a way laid down by law.

This means that the person's estate may not be shared among family and friends as they had intended and their loved ones could miss out on their inheritance.

Official guidance recommends people review their will every five years or after



any major life changes to make sure it still reflects their wishes.

Please contact us for more information about the issues raised in this article or any aspect of wills and probate.

## House price growth across the UK slowed down in 2017

Growth in house prices in the UK slowed down in 2017, according to the latest figures from the House Price Index.

The annual growth rate for 2017 was 4.8%, compared with 7% in 2016. On a calendar year basis, that is the lowest rise since 2013.

The figures showed a wide variation in growth rates in different regions and counties across the UK.

The sharpest drop was in the south of England, which fell from a growth rate of 9.5% in 2016 to 5.1% in 2017.

The slowdown was most evident in London. The capital city has traditionally seen the highest growth rate. However, last year saw average growth across the UK exceed that of London.



Despite this, London remains the most expensive region of the UK, with an average house price of £484,000, compared to the UK average of £227,000. The average house price in the North East is £131,000.

The region with the highest annual growth was Tendring in Essex, where prices increased by 11.8%. This increase may be due to buyers

relocating to the coast following the sale of more expensive properties elsewhere.

The lowest annual growth was in Aberdeen where house prices fell by 6.1%. It's thought this could be due to the impact of falling oil prices on the local economy.

● Meanwhile, the government plans to create a new generation of town houses by making it easier to develop existing buildings.

The changes will reduce restrictions on building upwards on existing blocks of flats and houses, as well as shops and offices.

Please contact us if you would like help with the legal aspects buying or selling a home.

## Teacher sexually assaulted by pupil awarded £52,000

A teacher who felt let down by her school after she was sexually assaulted by a pupil has been awarded £52,000 compensation.

The teacher, identified only as Ms C at the Employment Tribunal hearing, taught pupils with learning difficulties at Warren School in Suffolk.

In 2016, Ms C was providing deep tissue pressure therapy to a 17-year-old pupil when he put his hand up her dress and "flapped" it against her vagina.

She told him to stop but he slapped her several times on the arm. She hurried away but he ran after her and



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pushed himself into her back. Ms C felt traumatised by the incident and by the reaction of management at the school.

When she reported the incident, neither the school nor Suffolk County Council felt it should be classified as a sexual assault.

She was also upset by the Head Teacher's remark that it was "part of the job to deal with challenging behaviour". Another colleague suggested she

had brought the incident on herself by using deep tissue therapy. She was left feeling that the incident had been her fault because she had somehow acted inappropriately.

Ms C felt she could not continue at the school. She resigned and brought claims of indirect sex discrimination and constructive unfair dismissal.

The Employment Tribunal found in her favour and awarded her a total of £52,493 compensation.

Please contact us for more information about the issues raised in this article or any aspect of employment law.

# Review of inheritance tax could help the young

A review of inheritance tax thresholds could make it easier for parents to give their children money to buy a home, fund their education or set up a business.

Currently, the maximum sum that can be gifted tax free is £3,000 a year. Any additional funds are subject to 40% inheritance tax if the donor dies within seven years of making the gift.

The threshold has been frozen since 1981, when £3,000 would have been enough for a deposit on the average home.

Today, it would take seven years of gifting £3,000 to save for an average deposit of £21,000 for first time buyers. Had the threshold risen in line with inflation, then it would stand at around £12,000.

Chancellor Philip Hammond has called for a review to bring inheritance tax thresholds up to date. It's estimated that a change to the threshold could benefit up to three million young people a year.

The review is part of an ongoing commitment to look at bringing inheritance tax thresholds up to date.

Figures released by the Office for Budget Responsibility show that the number of family estates liable to inheritance tax has risen fourfold since 2010 from 10,000 to more than 40,000.

Inheritance tax is set at 40% and is payable once the tax-free threshold of £325,000 has been passed.



The government has recognised that more and more families are being caught by the tax and has introduced an additional main residence allowance of £100,000.

It came into effect in April last year and only applies to a person's home, not the rest of their estate. It will rise gradually to £175,000 by 2020.

When added to the £325,000 nil-rate band for inheritance tax, this will provide a combined tax-free band of £500,000 by 2020.

Married couples can combine their allowances. When one partner dies, their share of the estate is passed on to their spouse free of any inheritance tax. This means that by 2020, a married couple could have a combined allowance of £1m.

Paul Morton, tax director of the Office of Tax Simplification who will carry out the review, said: "We know lots of people in the Bank of Mum and dad generation must be thinking very hard about the future.

"We are going to be looking at technical aspects and the experiences people have when planning for inheritance tax."

We shall keep our clients informed of any developments.

The best way to reduce inheritance tax is to start planning ahead as early as possible. A little effort now could save your family thousands of pounds in the future.

Please contact us if you would like more information about inheritance tax planning.

## Wife loses appeal against unequal divorce settlement

A wife has lost her appeal against an unequal divorce settlement that gave her less than half the money awarded to her husband.

The couple had been married for 23 years and had two adult children. At the start of the marriage, the husband had considerable wealth, while the wife had very little.

During their marriage they increased their combined capital resources to £9.4m. The judge concluded that an equal division would be unfair because of the husband's pre-marital wealth.

In considering how their assets were to be divided, he sought to apply the "formulaic approach" taken in previous landmark cases including Jones v Jones in 2011.



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However, he was unable to apply that approach because there was no reliable evidence of the husband's pre-marital worth, resulting partly from his obstructive approach and deficient disclosure.

The judge therefore took a "multi-faceted" approach, involving four alternative analyses of the basis for a settlement.

The approach calculating the wife's needs produced the lowest figure, but the judge held that it was the most cogent and so used it to calculate that she should be awarded £3.56m.

The Court of Appeal has upheld that decision. It said the judge had been entitled to find that the husband had substantial wealth at the start of the relationship and that an equal division would be unfair to him.

Moreover, the judge had not made a mistake in basing the award on a needs analysis. He considered the alternative calculations to be unreliable, and he had performed the exercise endorsed in Jones as a "cross-check".

He was entitled to conclude that anything higher than a needs-based award would not be fair.

Please contact us for more information about the issues raised in this article or any aspect of family law.

# Ombudsman could help homeowners and tenants

The government may appoint a housing ombudsman to help people settle disputes if they face problems relating to property.

The idea was put forward by the Communities Secretary Sajid Javid as he discussed government plans to provide an extra 300,000 homes a year by the mid-2020s.

Currently, there are four government approved providers of redress that cover some aspects of home buying and renting, but not all.

Membership of ombudsman schemes is compulsory for some groups, but not for others.

The government will now consult with consumers and the property industry, and look at options to explore how the overlap between responsibilities can be improved.

This would help to avoid the confusion faced by consumers over where to seek help.



It's thought a single ombudsman could help provide more comprehensive redress for home owners, home buyers, tenants and landlords.

Mr Javid said: "Homes are not only the biggest financial investment in our lives, but also provide security, and so it's only right that developers and builders are held to a higher standard."

"That's why we are looking at bold options to improve redress— including whether housing should have a single ombudsman. This could help drive up standards across the whole industry and increase protections for consumers."

So far, the government has announced a range of measures to boost the housing market, including:

- £44 billion over the next 5 years in capital funding, loans and guarantees
- a new National House Building Fund, with more than £15 billion of new financial support over the next 5 years
- planning reforms to ensure more land is available for housing and maximise the potential of our cities and towns while protecting the green belt.

We shall keep clients informed of developments.

Please contact us if you would like advice about property law, including buying and selling a home.

## Children of radical Muslim mother returned to their father

Four Muslim children who were taken into foster care after they had been radicalised by their mother have been returned to their father.

The High Court was told that the mother, who is now in prison, had showed no moderation in her extremist beliefs.

The judge ruled that it was in the children's best interest to return them to their father with whom they had a close and loving relationship.

They were much more likely to thrive and mature properly with their father than in a foster home.

They required co-ordinated, regular and probably long-term assistance and guidance.

The de-radicalisation work should be heavily underscored by exposure to and participation in mainstream life, principally schooling and outside cultural and religious activity, and ordinary family life.

The local authority had a duty to make the plan work. Any argument that services could not be provided because of financial or other reasons would not be accepted; the risks here were too disproportionate.

All contact with the mother and her family should be supervised until it was considered safe to do otherwise.

Please contact us for more information about the issues raised in this article or any aspect of family law.

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Partner's Name



Partner's Name



Partner's Name

F. 012 345 6780  
Your address here, One Town, County AB12 3CD

0123 456 789

E. mail@yourfirm.co.uk  
www.yourfirm.co.uk