

Price Transparency in Probate

From 6 December 2018 we are required to provide price transparency in probate matters.

What is Probate?

For the purpose of this illustration an average probate is:

- 1 the administration of the estate of a deceased person whether by Grant of Probate or where there is no Will Letters of Administration.
- 2 an uncontested administration that is to say there is no challenge to the Will where there is a Will, the Will is readily available and valid.
- 3 where all the assets in the estate are within the United Kingdom.
- 4 there is no Inheritance Tax or Capital Gains Tax to pay
- 5 where the estate is exempt from filing a IHT 400. This form needs to be filed in more complex cases and especially where there is Inheritance Tax to pay

Initial Appointment

The procedure in this case is that we, Richard Knight & Co will allow thirty minutes consultation free of charge to executors in order to assess the estate. By this we mean taking a note of the major assets in the estate such as property, the number of bank or building society accounts, shares et cetera. We will do the same with liabilities.

Step one

We will then allocate an estimated amount of work to each asset and each liability and produce a detailed estimate for the cost of probate work. We will include an amount of time to obtain a grant of probate, advertise for claims against the estate in the London Gazette and the local newspaper. We will include a set amount of time to deal with executors, creditors and beneficiaries. We will include time to undertake ID checks on executors and beneficiaries and obtain bank details in advance of distribution of funds upon settlement of the estate. We will include an amount of time to produce estate accounts, to deal with any interest arising during the course of the administration to be credited to the beneficiaries.

Step two

When we have estimated the amount of time to deal specifically with the assets and liabilities in the estate we will provide a written estimate of costs.

The estimate will calculate the overall costs by reference to the overall time and an hourly rate to be applied. It will also add VAT at the current rate.

The hourly rate to be applied in probate cases will be £180 plus VAT per hour. Hourly rates will be broken down into units of six minutes that is to say 10 units per hour. For example a letter to an asset holder will attract one unit. A telephone call will attract one unit if within six minutes in duration.

Property

Where there is a property to be sold or transferred we will include this in the estimate. We will ordinarily act in the sale where the property is to be sold. Where the property is not to be sold but to be transferred to beneficiaries then there will be an estimated charge also included in the total estimate.

Probate Registry fees

Lodging the probate application you will need to pay the probate Registry a fee. This is currently £150.

The government are intending to increase probate fees and in any probate estimate we will give the current applicable figures.

In applying for probate you may need to swear an affidavit in support of your application. If so there is a small fee payable to a local independent solicitor. Currently this is about £10.

Value element

Additionally to the main estimate, based on anticipated work in the estate, we would charge a value element dependent upon the value of the estate.

This is assessed on the following factors:

The complexity of the issues, the speed at which action must be taken, the expertise or specialist knowledge the matter requires and, if appropriate, the value of the property or subject matter involved. The Value charge may comprise a percentage charge based on the value of the Gross estate. This is likely to be between usually 0.25 per cent of the estate (in straightforward cases) but may rise to 0.5 per cent if there are trust issues, inheritance tax to pay, or substantial family problems or personal issues, or if we are executors, all of which would be likely to increase our workload/responsibility.

IHT and more complicated cases

Where inheritance tax has to be paid, we calculate in the estimate the extra costs of calculating IHT, completing the more complex Inland Revenue forms. We will still produce a clear estimate of costs.

Average or Range of Costs

Probate might involve a simple application for probate with only £30,000 assets or it might be very complex probate with multiple properties, multiple liabilities and extensive beneficiaries. A typical or average probate might run to the sale of a domestic property, £50,000 worth of assets, a couple of pensions, some minor household debts. The cost would on average be £3500 plus VAT and the out-of-pocket expenses referred to above. However we would stress that no two cases are alike and an individual written estimate will give peace of mind.

Personnel

Probate is currently conducted by Mrs Jane Green, a paralegal. She has over 20 years' experience of probate administration. A paralegal is usually unqualified. She supervised by Richard Knight, Solicitor who has practised in Syston for 30 years and who has extensive probate experience including substantial contested probate.

6th December 2018

Richard Knight and Company
Solicitors