

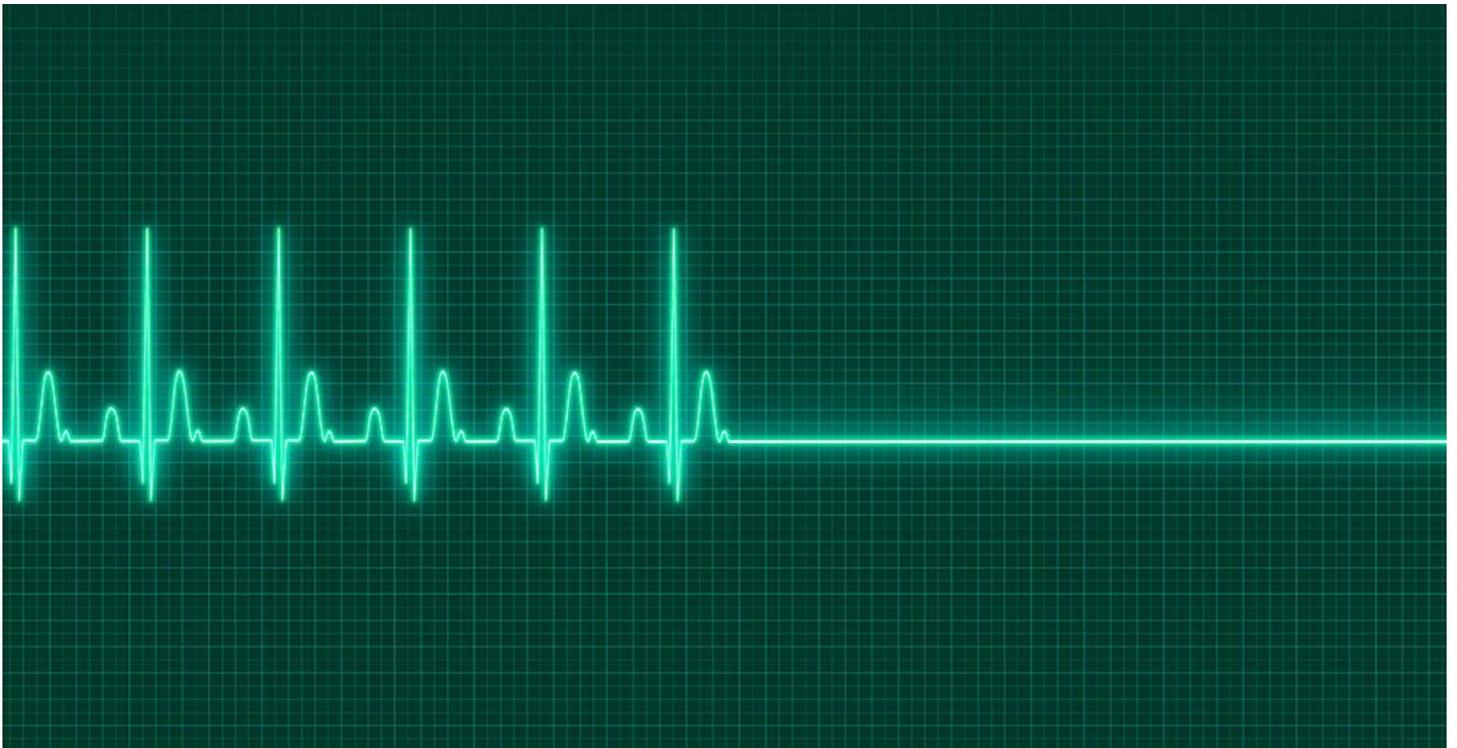


‘Avoid the bus question’: IFAs on dealing with death in 2021

Alison Steed examines a year of increased mortality, and the knock-on effects for financial planners young and old.

By **Alison Steed**

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Death is a topic most of us do not want to think about because it means confronting our own mortality, but for advisers doing their job well, it is a subject they cannot avoid.

Dealing with the death of a client and helping their family is just one part of an adviser’s job.

Preparing a client to make sure that they are doing everything financially to have the best life they can, while ensuring their loved ones will be secure in advance of their passing is the bigger – and harder – task.

Hargreaves Lansdown personal finance analyst (pictured) Sarah Coles says death divides people as much it unites them.

‘We all like to think that our family will come together united in grief after we die, and put any disagreements aside. Unfortunately, it often isn’t the case,’ she says.

'Despite the strict rules in place during the pandemic, there were still funerals that got heated enough to end in arrests and news headlines.'

It's time to talk

Not every family feud over a deceased loved one involves money, but there is no doubt it can cause significant emotional complications, particularly if there is a lack of clarity over what is going on.

'Families and their relationships are complicated. When you add an inheritance to the mix, they can be even more so,' Coles says.

'If clients don't consider what will happen after their death, they could leave behind real problems. This includes simple logistics.

'Without a register of assets, their loved ones might have no idea what has been left. It also includes bigger, more complex questions, such as the most appropriate way to leave the estate, and issues such as inheritance tax.'



The pandemic has created its own difficulties here. As of 27 April, there have been 127,451 reported deaths within 28 days of a positive coronavirus test, according to government figures.

Many families are dealing with deaths earlier than they would have hoped, and often on a scale that is unfathomable. Some families have lost multiple members in quick succession.

Coronavirus has changed the administrative process too. Funeral attendance has been limited, and death registration has had to be done remotely.

On top of all that, the sheer weight of work that comes with a family death is hard enough without the emotional complications caused by lockdown.

This is where an adviser can be an invaluable source of expertise. But the conversation should start much earlier in the adviser-client relationship. That means broaching the subject of death early on, ideally while the client is still fit, healthy, and possibly even relatively young.

Dale Kirkpatrick (pictured), director and chartered financial planner at Banbridge-based Modulus Financial Planning, says he brings the subject up if his clients do not.

'Obviously, it's not a nice conversation to have, but it's something we have to talk about,' he says.

'If a client doesn't bring it up, then I will. Whether it comes simply from asking if wills and enduring powers of attorney (EPA) are in place, or if it's a conversation as a result of going through their financial plan, [it needs to happen].'

A good starting point here is clients' previous experiences of bereavement. Some will already know just how hard it can be to administer an estate.

'Often a new client will come to you because of an event,' Kirkpatrick says.

'If a client has had to look after their parents' estate and experienced how difficult and messy they can be, then I think the client will be relieved if you can offer to help them make sure their partner or children won't have to go through that as well.'

Brutally honest



Having a good relationship with a client makes it easier to have these conversations. Trust is key, says Kevin Owens, chartered financial planner at Ayrshire-based Strathayr Financial Services.

'I have clients who are very open about legacy planning discussions, and others that require a longer process of relationship building and gradually talking more as time passes,' he says.

'All clients are different, and all advisers are different, but we can all relate to the impact of the loss or the anticipated loss of someone close. Our true value is in "being there."'

Some advisers are much more direct in their approach. Andrew Frankland, director of Northampton-based Modo Financial Planning, believes, for example, that you should address the issue of a client's demise very early in the planning stages.

'When discussing any financial plan, death and "the end" is the starting point of the conversation,' he says.

'Defining an end goal is the key to starting anything, and making the most of life relies on being able to make goals for things they want to achieve before that point. I've never found this a difficult conversation to have as clients are acutely aware of their own mortality, particularly as they age.'

Frankland goes as far as to say that if you 'skirt around' the topic, you might be 'doing a disservice' to the client.

'Trust and honesty are the biggest factors in the adviser-client relationship,' he says.

'I've always found that clients respect the brutal honesty about death, and it then helps to make more focused plans.'

While the pandemic has created huge problems for those who have lost loved ones and need to deal with funeral planning, the daily focus on the number of people dying within 28 days of a positive test has also prompted a surge in the number of people writing or updating their wills.

According to Canada Life, 44% of UK adults have now written a will, up from 41% since July 2020.

Over the last year alone, 4.9 million UK adults have written a will, 5.5 million have updated their will to change or update recipients of financial assets, while 4.4 million have engaged a solicitor to write a will. 7.8 million people have started to think about doing so.

This increased awareness should help advisers to start conversations or prompt clients to confront their mortality. Even if it is difficult at first, it should get easier with practice.

Kirkpatrick says his first few attempts at discussing death and legacy were 'a little bit awkward,' 'but you get used to it'.

Little training, lots of learning

Given how important this topic is to both effective planning and protecting beneficiaries, it is surprising that most advisers have no formal training in it.

'The closest thing to training I've had is being told never to say they'll step out of the office and be hit by a bus,' Kirkpatrick says.

'Ask what if they had been hit by a bus yesterday. It's something to do with mindset because it was in the past, and there's nothing in the back of their head saying a bus is going to hit them when they step out onto the street.'

It is easy to assume that a younger adviser would have less experience of bereavement, but younger advisers do not see their age as a barrier to good conversations about life and death.

'I don't feel that being a younger adviser makes these topics more difficult,' Owens says.

'I appreciate there is a lot of emotion flying around in the event of a bereavement, but it is important that we help clients retain some clarity and order during these periods,' Frankland says.



Above all, the most important thing any adviser can do is be kind, generous and supportive during discussions about death.

'Just be a decent person. Clients are going to be upset and that's ok,' Kirkpatrick says.

'I wouldn't push any clients into decisions or discussions that are going to change things quickly during that time.

'I've helped two clients in the last couple of years when their husbands died, both quite quickly after a cancer diagnosis. I think just being there for the client, helping them talk about it and not rushing into any major decisions makes the difference.

Owens agrees.

'Where a client loses a spouse or close family member, just being present and showing true compassion is worth so much,' he says.

'The comfort we can provide to clients in providing someone to confide in during the grieving process and on the financial side holds great value.'