



FRISK
FAMILY RISK
MANAGEMENT

AN INTRODUCTION



HISTORY OF FRISK

BY MARTIN HOLDSWORTH

I am the founder of IDR Law¹, the only law firm in the country that specialises solely in resolving inheritance disputes. With over 25 years' experience in responding to and dealing with families in financial and emotional difficulties after the death of a loved one, I have seen first hand the distress caused by the "unorganised death" of a family member. Everyone in the firm is a contentious probate specialist. We have the awards and accreditations that go along with that status. We are good at what we do and unique in the national marketplace – 70 years of experience between us and, with the incidence of probate claims going up year on year, there is no doubt that IDR Law will remain busy for many years to come.

With referred families coming into IDR Law from will writers, IFAs, probate administration companies, funeral directors and other law firms (none of who we compete with), I have had a unique perspective on the wills and probate sector. We understand how it works and what its constituent parts are seeking to achieve. Many parts of the sector remain unregulated and the message to the consumer families is often confusing and unhelpful.

¹ See www.idrlaw.co.uk



My focus in recent years has been on the prevention of contentious probate at its source² – to use my knowledge of the sector, probate law, family dynamics along with my passion for LegalTech (and a big dollop of Yorkshire common sense) to deal with the “death taboo” – to get individuals to plan for mental capacity issues and/or death in life, so as to avoid the myriad of problems that arise when they don’t.

The stark reality is that despite the noise in the probate sector, every survey conducted demonstrates that well over 60% of individuals do not have an effective will and that around 90% do not have a Lasting Power of Attorney (LPA).

The current climate is best summed up in four independently commissioned reports:

- a report commissioned by the Co-Op – “Making Peace with death”³; and
- two reports commissioned by Kings Court Trust entitled “Passing on the pounds”⁴ and “Wealth transfer in the UK”⁵
- an annual review produced by the charity Grief Encounter 2018/19⁶



² See www.larkeonline.co.uk

³ See www.co-operativefuneralcare.co.uk/media-hub/news/making-peace-with-death/

^{4/5} See www.kctrust.co.uk/partners/inheritance-economy

⁶ See www.griefencounter.org.uk/child-bereavement-support/



Whilst I would encourage you to look through those executive summary reports, the following findings from these reports are stark:

- 18 million people are uncomfortable talking about death
- 4 million people have experienced financial hardship as a result of someone's death
- The average Brit first suffers a bereavement of someone close to them aged 20
- 67% of children do not talk to their families or friends about their anxieties following the death of a loved one
- Funeral costs are 40% higher than people believe them to be
- £1 trillion will pass intergenerationally on death between 2017 and 2027 and that rises to £5.5 trillion if you go to 2047
- ONS population projections show a 7% increase in the number of deaths between 2017-2027
- Across all IFA practices, a third of IFAs reported a total value of £1m or more in assets were transferred to beneficiaries - only 8% reported no such transfers. Last financial year close to a fifth of IFA assets transferred between clients and beneficiaries was lost
- Lack of relationship with the deceased's IFA is the main reason (25%) why IFAs felt that some client's beneficiaries chose not to use their services following inheritance
- Around 1 in 5 IFAs have no idea why beneficiaries chose to invest their inheritance elsewhere and 1 in 3 confirmed their practice has no active business retention strategy for beneficiaries.
- 1 in 3 individuals state that they are relying on an inheritance to discharge mortgages, debt or to provide retirement funds⁷
- 1 in 4 would bring a claim against a loved one's estate where inheritance is not anticipated⁸

⁷ Sanlam UK Limited report - "spreading the love" conducted by Atomik Research, 20.12.18

⁸ Direct Line Life Insurance survey of over 2,000 adults in July 2018

DYING WITHOUT A WILL (INTESTACY) DOESN'T WORK

It is worth remembering that no will means an intestate death - the distribution of an estate under intestacy is a rigid and somewhat archaic system of fixed gifting that rarely works - it does not even recognise the notion of unmarried cohabitation. Dying without a will and proper financial planning causes unnecessary tax bills, inappropriate gifting, probate disputes, challenges over guardianship of children, ownership of animals, organs, digital assets - the list goes on.

Over the last decade or so of presenting on this distress, I reached the conclusion that in the majority of cases people usually make wills in the face of their own mortality - death or serious sickness of a loved one. These events **personalise** death - they make it **real** in so far as they can begin to imagine the answer to the question **“what if that happened to me?”**





FRISK AND MORTALITY MOMENTUM

How do you personalise the distress of death for an individual, where no such mortality event has occurred?

FRisk - “F(amily) Risk” was designed to do exactly that. From our unique position in the probate sector we have been able to draw on our experience and know-how to produce an online reporting system that operates very simply but very effectively to create sufficient mortality momentum to get individuals to take steps to put in place the death planning they need.

FRisk operates on a cloud-based website⁹ and takes information from any given individual¹⁰ - data about family tree, finances, digital account, children, pets etc and with that data it then produces a FRisk Report that summarises what would have happened had that individual have died or lost capacity **yesterday**.

The FRisk report highlights the following as it specifically applies to the person who entered the data:

- Who inherits their wealth and who does not (within their close family)
- What could happen to guardianship of children
- Who can bring claims against their estate under the Inheritance (Provision for Family and Dependents) Act 1975 for reasonable provision.
- How much tax they may have to pay (before any exemptions/mitigation applied)
- Organ donation or not
- All digital assets
- Cost of average funeral
- It picks up on users that are unmarried fathers and warns of parental responsibility problems
- It deals with the impact of losing capacity without an effective LPA in place

All of this information is provided in an interactive report (warnings pop up as the user hovers over different sections) that can be downloaded if required. A sample report can be found on the FRisk website (abbreviated to take out all the pop up alerts etc)¹¹

⁹ FRisk Limited is the absolute owner of the bespoke software code behind FRisk

¹⁰ Whether on their own, with an IFA, willwriter etc

¹¹ See www.frisk.co.uk

FRisk has partnered with charity Grief Encounter (www.griefencounter.org.uk) and pledged 10% of its net profits to support the work that it does helping families dealing with death of parents, children and siblings. Grief encounter provides a perfect partnership with FRisk in communicating the personal urgency of getting testamentary planning in place – FRisk reports on what will happen to everything they care about if they had died yesterday and Grief Encounter tells the stories about where the worst has happened. We make no apology for the candidness of the FRisk report – it is designed to shock the user into action whilst there is time.

FRisk does of course then act quickly on that mortality momentum by providing the user with a **simple list of what they need** to get help on (wills, LPAs, Funeral Plans, Life policies, Retirement funds, digital asset safe etc) and **connects them** with an approved panel of providers sourced and vetted by FRisk **with a single click of a button**.

The FRisk report is downloadable and free in the hands of the individual.¹²

The smaller the gap in time and space between the distress revelation and the solution, the more likely an individual will actually take action. FRisk reduces that gap to a single click of the mouse – a rescue button that sits on the very document that has communicated the distress. This coupled with efficient and speedy FRisk Partners delivering the aid required maximises the total conversion rate and optimises the volumes of individuals actually making wills, LPAs, Parental Responsibility Agreements, Funeral plans and so on.

FRisk has a bold goal to bring the number of individuals without a will from over 60% to below 50%. This goal is shared by Grief Encounter who are assisting the promotion and take up of FRisk. Grief Encounter has a committed board of trustees and celebrity patronage that includes Martin Lewis etc.

¹² EAP scheme/ direct users of the FRisk may have an individual charge to pay.





MAKING FRISK AVAILABLE TO AS MANY AS POSSIBLE

Fundamentally, FRisk seeks to put the user and their family in a distressed but informed position that results in them taking immediate action to protect their family. This primary function is aligned with all the major stakeholders in the wills/family protection sector. The FRisk reporting service is open for use by IFAs, EAP scheme employees, direct access and will writers (in or out of law firms).



FRisk is being offered to IFAs (through their networks), will writing organisations (including Law firms) and Employees (through their EAP Providers). A direct access “pay per report” is being developed to allow the general public to access FRisk.

Where IFA networks own other businesses providing wills/LPAs in their group, FRisk can be modified to ensure that those organisations operate as exclusive panel members providing those services to their own IFA clients.¹³

¹³ FRisk reserves the right to audit the quality of such partner firms to ensure the FRisk quality of service and competence is maintained.



FRISK - THE INDIVIDUAL USER

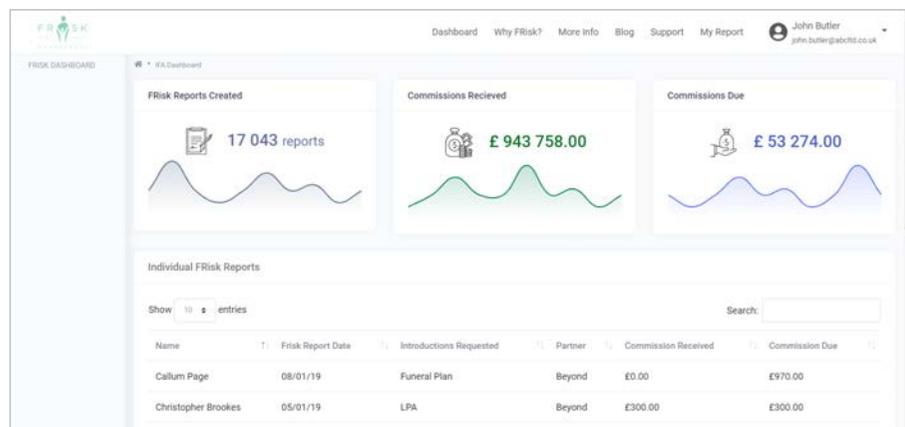
FRisk is intuitively easy to use – data entry is prompted and takes around 5 minutes to complete. Data entry can be completed at one sitting or can be returned to if partially completed.



- On completion of the data entry, the report is produced instantly and is personal to the individual and their family.
- The FRisk report can be shared directly from the site and if used by invitation by an IFA, with that IFA.
- Access to FRisk Partners to help is accessed by simply clicking a button. A dashboard helps the individual track where the help is coming from and the status of any work being carried out.
- All clients using FRisk on the account of a subscribing user (IFA, will writer, EAP provider etc) FRisk reports at no cost. All services provided by the FRisk partners are provided at a clear fixed price.
- Those individuals accessing FRisk directly are charged the sum of £15.00 for the report, such sum is then credited against the fixed price of the fees of the FRisk partners providing support services – will, LPA etc.
- The FRisk service will ensure that the individual successfully manages the risks their family face were they to die without proper planning in place – financial provision, guardianship of children, tax, life cover and many other aspects are covered off. A win.
- FRisk takes data security very seriously – the service is delivered on the secure Microsoft Azure platform and adheres to rigorous and audited data security processes.

FRISK - THE SUBSCRIBER

- FRisk is available on monthly subscription¹⁴ for unlimited uses for the subscriber and all their clients.
- Subscribers are provided with administration access to all the clients using FRisk using their subscription account - a dashboard tracks FRisk reports produced, commissions due and paid.
- Team owners (IFA networks, heads of departments etc) have super-admin access to track the dashboards of all their teams to track the global position



¹⁴ This is currently set at £75 per month but is subject to review



FRisk is a catalyst for the discussion with clients about succession planning, life cover and other needs and introductions to family members. It enables the subscriber to track and engage with the family's needs. It also ensures that clients are connected to screened providers of legal services without losing control of their relationship.

Other benefits include:

Increased Revenue	<ul style="list-style-type: none">• Anecdotal evidence confirms the obvious assertion that FRisk reports enable a detailed discussion with clients about their financial planning, with average commissions from such expected to be in the region of £14,000. The stark statement about how much tax is paid without mitigation is prompt alone.
Intergenerational Relationships	<ul style="list-style-type: none">• FRisk alerts individuals to the consequences of dying intestate and the effect of unexpected tax bills on a beneficiary's inheritance.• This creates more business opportunities and more potential for investment for future generations.
True Holistic Planning	<ul style="list-style-type: none">• IFAs are able to meet the growing demand to provide clients with comprehensive solutions.
Better Client Relationships	<ul style="list-style-type: none">• Active involvement in estate planning, trust creation, LPAs, Care plans etc. helps build stronger client relationships.• Protecting estate value ultimately leads to better client outcomes.
More Referrals	<ul style="list-style-type: none">• FRisk is a referable tool which assists families by giving them the information and the access to services they need in order to take the necessary action.

FRISK - A SUMMARY

FRisk ensures that individuals understand the risk posed to them and their families should they die or lose capacity without adequate planning in place. Having created that mortality momentum, it seamlessly introduces them to screened providers of legal and financial services that will then mitigate those risks. It creates relationships in life rather than in death.

The bespoke software enables all subscribers to access dashboards showing progress being made and commissions due and paid to the subscribers from the providers of the legal and financial services. It ensures that all such providers are screened and provide a quality and timely service.

FRisk boldly sets out to reduce the number of people dying without a will to less than 50%, whilst pledging 10% of their profits to support the works of the charity, Grief Encounter that helps those families dealing with the death of a parent or child.

FRisk will educate and help reduce the incidence of financial hardship on families on death and even the number of inheritance disputes as a result.

For more information on FRisk and what it can do for you, your teams please do get in touch with Martin Holdsworth or Olivia Anderson on 01423 648589





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MANAGEMENT

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