

expert, professional, friendly...

Legally Speaking - Judge & Priestley's Quarterly Legal Update for Private Clients

WINTER
2019



INVESTOR IN PEOPLE

Lexcel
Practice Management Standard
Law Society Accredited



Welcome to J & P's latest newsletter, specially designed to keep you up to date with all the latest legal developments affecting you and your family.

Got something on your mind?
... give us a call or email us.

For more than 125 years we have been providing clients with expert and professional legal advice. We understand the value of a personal and friendly service.

Judge & Priestley
LLP
Justin House
6 West Street
Bromley
Kent BR1 1JN

Bromley Solicitors Judge & Priestley Expands with the Acquisition of Beckenham Firm PJH Solicitors

Judge & Priestley LLP, the Bromley based solicitors firm, is delighted to announce that it has agreed to acquire the business interests of fellow local practice PJH Solicitors (formerly Pritchard, Joyce and Hinds).

Operating from their offices in central Beckenham, PJH Solicitors offer a range of both personal and commercial legal services.

The merger of these two well established and respected local practices will enable the combined businesses to offer a broader range of legal expertise and enhanced client services to the local communities of Bromley and Beckenham and more widely across the South East London / Kent borders region.

Steven Taylor, Managing Partner at Judge & Priestley, commented; "The merger of the activities of these two established local practices represents another significant milestone for Judge & Priestley. The two teams complement each other well and our combined resources will enable us to compete more successfully not only in Bromley and Beckenham, but further afield across the South East as well. We look forward to welcoming our new colleagues from PJH and working together to build on the combined strengths of both businesses going forward."



For any queries please contact Nita Newsome on nnewsome@judge-priestley.co.uk or call 020 8290 7425

Judge and Priestley appoint new Head of Family Law

Judge & Priestley LLP, the Bromley based solicitors practice, are pleased to announce the appointment of Kelly Sharman as the new Head of Family Law at the business. Kelly will also become a partner in the practice and joins Anila Naeem. Together they bring years of experience and will be working together at the Bromley office.

Having worked in family law for more than a decade, Kelly is an expert in her field. Kelly has a vast array of experience in divorce, financial claims for both married and unmarried couples, children matters and in the drafting of pre-nuptial and post-nuptial agreements, cohabitation agreements and separation agreements. Kelly is also experienced in dealing with cases involving business assets, trusts and inherited wealth.

Prior to joining Judge & Priestley in 2018, Kelly worked at leading firms in



London and the City, including niche family law firms. Kelly frequently deals with complex, high net worth cases, often with an international element.

Kelly is a member of Resolution and ensures that all of her cases are dealt

with in accordance with the Resolution code of conduct.

To contact Kelly please call her on 0208 290 7331 or email ksharman@judge-priestley.co.uk

Still no increase in inheritance tax allowances

Chancellor Philip Hammond surprised political commentators by producing what's been described as a "giveaway budget" featuring tax cuts and increased public spending.

While many people will welcome the increase in personal tax allowance and extra funds for services like the NHS, there was also some disappointment that there was no increase in inheritance tax allowances and the amount of money a person can give away each year without creating tax liabilities.

For example, the maximum sum that can be gifted tax free has been frozen at £3,000 a year since 1981. Back in the 1980s, a gift of £3,000 from parents to their children could be a life-changing sum, providing enough for a deposit on a home. That would not be the case today.

Mr Hammond didn't mention the issue during his Budget speech so for the time being, families will have to make the most of the current allowances.

Inheritance tax is currently set at 40% and becomes payable once the tax-free threshold of £325,000 has been passed. There is no tax liability if a person's estate passes directly to their spouse. This exemption does not apply to their children.



The government has recognised that more and more families are being caught by inheritance tax and has introduced an additional main residence allowance of £125,000. It came



into effect in April 2017 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.

There are also other steps people can take to reduce the burden.

One helpful way to pass money on without inheritance tax implications is to adopt the 'little and often' approach. This allows you to give away £3,000 per year

tax free. It's a useful way to give money to your children without them running the risk of having to pay tax on it when you die.

There is also a 'seven-year gift rule' which allows a person to give money or assets of unlimited value. The recipient will not pay inheritance tax if the donor lives for at least seven years.

If the donor dies within seven years of making a gift then the recipient could be liable to pay the 40% inheritance tax, depending on the value of the estate.

These are just some of the ways you could reduce inheritance tax liability. A little planning now could save your families thousands of pounds in the future.

[For more details contact](#)
David Chandra - 020 8290 7348
dchandra@judge-priestley.co.uk

Father prevented from reducing child support payments

A father has been told he cannot get away with reducing his child support payments by reducing his income.

The issue arose when the father transferred 40% of the shares in his company to his second wife, which meant he received 40% less dividend income. He said his child support payments should therefore be reduced to reflect his reduction in earnings.

The tribunal rejected his application after deciding there had been no genuine transfer of shares.

The father appealed but, although the Upper Tribunal accepted the transfer



Family Law

was genuine, it did not accept that there should be a reduction in his payments.

It said the law required that parents should support their children and there were regulations in place to prevent parents from avoiding that liability.

In this case, it was necessary to consider whether the father's diversion of income was purely voluntary or unavoidable, and whether it was carried out to reduce child support payments.

The tribunal found that the transfer of shares was entirely voluntary.

The only reason advanced by the father for the share transfer was to pay his wife for her work in the business.

However, there was no evidence that she had done any significant amount of work.

The father's appeal was dismissed, and he was ordered to continue paying at the same level as before the share transfer.

[For more details contact](#)
Kelly Sharman - 0208 290 7331
ksharman@judge-priestley.co.uk

Government planning 'no-fault' divorce system

The government is drawing up plans to end the 'blame game' for separating couples, which often sees one partner accusing the other of unreasonable behaviour to get a quick divorce.

There are currently five reasons for being granted a divorce by the courts: adultery, unreasonable behaviour, desertion, two years' separation if both agree to the divorce, or five years' separation, even if the husband or wife disagrees.

This has led to an increasing number of couples using claims of unreasonable behaviour as a way of avoiding the requirement to wait two years.

Justice Secretary David Gauke, pictured below, said: "Marriage will always be one of our most important institutions, but when a relationship ends it cannot be right for the law to create or increase conflict between divorcing couples.

"That is why we will remove the archaic requirements to allege fault or show evidence of separation, making the process less acrimonious and helping families look to the future."

The proposals, which will apply to marriages and civil partnerships, include:

- retaining the sole ground for divorce as the irretrievable breakdown of a marriage
- removing the need to show evidence of the other spouse's conduct, or a period of living apart
- introducing a new notification process where one, or possibly both parties,



can notify the court of the intention to divorce

- removing the opportunity for the other spouse to contest the divorce application.

The consultation also seeks views on the minimum timeframe for the process between the interim decree of divorce (decree nisi) and final decree of divorce (decree absolute).

This will allow couples time to reflect on the decision to divorce and to reach agreement on arrangements for the future where divorce is inevitable.



The government announcement follows the highly

publicised case involving Tini Owens, aged 68. Her husband Hugh Owens, who is 80, refused her request for a divorce.

After a long legal battle, the Supreme Court "reluctantly" ruled against Mrs Owens using the grounds of unreasonable behaviour to end what she described as a loveless marriage.

The five justices said they had misgivings about dismissing her appeal and asked Parliament to consider reforming the divorce laws.

The Family Law Act 1996 scrapped fault-based divorce but it was never brought into force because the government at the time feared there would be a backlash from the church and others who were opposed to making divorce easier.

For more details contact
Kelly Sharman - 0208 290 7331
ksharman@judge-priestley.co.uk

Sisters ordered to pay £325,000 to dead father's partner

Two sisters have been ordered to pay their dead father's partner £325,000 from his estate, worth approximately £1m.

The court heard that James Redmond had made a will 20 years ago leaving everything to his two daughters.

However, since making the will he had formed a relationship with Carole Anne Taylor after meeting her at a dance.

They lived together for seven years.

Following his death, his daughters, Jane Redmond and Lynn Leberknight, told Ms Taylor that she had to leave the flat she had shared with their father, so it could be sold.

Ms Taylor then began legal action to claim a share of Mr Redmond's estate.

The sisters argued that Ms Taylor was one of their father's many women and their relationship had not been exclusive, even though they lived together.

Ms Taylor told the court: "We were very much in love, we didn't need to be married. I was his partner."

The court ruled in her favour.

Judge Hockman said that one of the sisters had even referred to Ms Taylor as "step-mother" in a letter, and hospital records showed that Mr Redmond had described her as

his partner while he was receiving treatment shortly before his death.

He added: "Mr Redmond clearly had an obligation and responsibility towards Ms Taylor as well as towards his daughters, and his will, therefore, clearly failed to make reasonable financial provision."

The judge ordered that the sisters should pay Ms Taylor £325,000. However, £180,000 of that should be invested in a property where she could live. Her interest in that property would then revert to the sisters on her death.

For more details contact
David Chandra - 020 8290 7348
dchandra@judge-priestley.co.uk

Failure to prepare threatens our future well-being

Most people in the UK are putting their future well-being at risk by neglecting to make legal preparations for their old age, according to a new report.

The research shows that Britain is experiencing a 'dementia crisis', with an estimated 13 million people unprepared for the possibility that they may be suffering from some form of mental incapacity by 2025.

The research was carried out by the Centre for Future Studies. Several charities and organisations, including Solicitors for the Elderly (SFE), the Alzheimer's Society, Age UK and Dying Matters have drawn upon the findings to highlight the dangers we may face as the population ages.

For example, only a small proportion of people have registered Lasting Powers of Attorney (LPA). These are documents that allow you to nominate someone to make decisions on your behalf if you lose mental capacity at some point in the future.

Currently in England and Wales there are 928,000 registered LPAs. However, there are 12.8 million people aged 65 or over who are in the high-risk demographic for dementia.

Nearly 75% of the population are worried about dementia and fear the loss of capacity to make decisions for themselves.

The report also reveals that a third of people in the UK have not made any preparation for old age including making a will, saving for their retirement, paying into a good pension fund, creating a lasting power of attorney or making plans for their funeral.

Lakshmi Turner, chief executive of SFE, said: "Most of us do not like thinking about, let alone talking about, death, disability or disease, even though it touches all our lives — but it is essential that we do so." Another problem is that



many people misunderstand how the law works. The report reveals that 65% of those surveyed believe that they can leave decisions to their next of kin.

This would not necessarily be the case so people need to take legal steps to be sure that a person they trust is put in charge of important decisions. The best way to do that is to register an LPA.

[For more details contact](#)

David Chandra - 020 8290 7348
dchandra@judge-priestley.co.uk

New homes to be sold freehold - leases capped at £10

Most newbuild homes will in future be sold as freehold, while leases will be capped at £10.

The new measures are part of a government clampdown on unfair practices in the housing market.

Communities Secretary James Brokenshire has launched a consultation on plans to improve the leaseholder sector, which will



bring an end to the unjustified selling of new houses as leasehold.

On average, leaseholders pay over £300 ground rent each year, with some paying as much as £700. In future, ground rents for new leases will be limited to just £10.

Mr Brokenshire said: "I'm taking concrete action to protect homeowners and end those unscrupulous leasehold practices that can cost tenants hundreds of pounds."

While leasehold generally applies to

flats with shared spaces, several developers have been increasingly selling houses on these terms — placing further financial burdens on those looking to buy a house of their own through unnecessary surcharges like ground rent.

This can also mean selling their home is more expensive and could take longer than selling a freehold property.

[For more details contact](#)

Madelaine Henwood - 020 8290 7413
mhenwood@judge-priestley.co.uk

j&p

judge&priestley
SOLICITORS • EST. 1889



INVESTOR IN PEOPLE

Services

- Disputes
- Employment
- Family
- Residential Property
- Wills, Inheritance and Trusts

Lexcel
Practice Management Standard
Law Society Accredited



Meet the team



Mark
Oakley



Kelly
Sharman



Nitika
Singh



David
Chandra



Madelaine
Henwood



Brian
Tan



Steve
Taylor



Tony
Clarke



Paul
Stevens



Louise
Hyland

For further information **T.** 020 8290 0333 **F.** 020 8464 3332

Justin House, 6 West Street, Bromley, Kent BR1 1JN

E. info@judge-priestley.co.uk

www.judge-priestley.co.uk

This newsletter is intended merely to alert readers to legal developments as they arise. The articles are not intended to be a definitive analysis of current law and professional legal advice should always be taken before pursuing any course of action.
Authorised and regulated by the Solicitors Regulation Authority