FlyingColours Advice

The family legacy guide

Wealth, wishes and what matters most

Capital at Risk

Contents

What's inside

Why legacy is about more than money

You spend decades building a life designed to protect the people closest to you. Yet fewer than a third of parents over 55 ever discuss inheritance with their children, according to research by Irwin Mitchell.

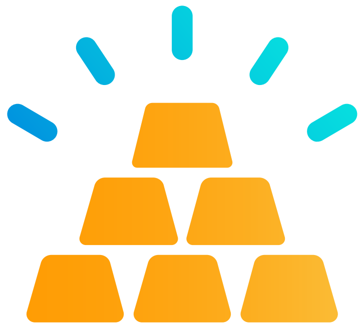
That gap – between the effort people put into building wealth and the conversations they never quite have – is where legacy planning begins. It's not just about what you leave behind. It's about how you use your wealth during your lifetime, the opportunities you create for your family, and ensuring the people you love understand your wishes and know where to turn when important decisions need to be made.

The great wealth transfer underway

More than £5.5 trillion is expected to pass between generations in the UK over the coming decades, as part of what is often described as the "great wealth transfer".

At the same time, rising property prices, longer life expectancy, and increasing financial pressures mean that an inheritance could become more important for some younger families, particularly as housing and living costs continue to rise.

Modern family life is also becoming more financially and emotionally complex. Blended families, second marriages and differing levels of financial support between children can all shape inheritance decisions in different ways, making open conversations and thoughtful planning increasingly important.



£5.5 TRILLION

expected to pass between generations in the UK over the coming decades

Source: Chartered Insurance Institute

Passing on wealth thoughtfully

Passing on wealth can involve much more than deciding what happens after death. It may also shape how you support family members during your lifetime, manage inheritance tax efficiently, and use gifting, trusts or charitable giving to create the impact you want your wealth to have over time.

What is inheritance tax?

Inheritance tax is a tax that may apply to parts of your estate when you die. Your estate can include:

- **Property**
- **Savings and investments**
- **Possessions**
- **Business interests**
- **Certain pensions**

According to the UK Government website, inheritance tax is currently charged at 40% on the part of an estate above certain thresholds.

However, the amount ultimately payable can vary significantly depending on a number of factors, including who inherits your assets, any gifts made during your lifetime, and whether property is passed to direct descendants.

Because the rules can be complex and may change over time, many families choose to seek professional advice.

Long-term plan: Gifting, pensions and trusts

Some people choose to pass on wealth gradually during their lifetime rather than entirely through their estate after they die. This may include:

- **Helping with property deposits**
- **Contributing towards education costs**
- **Gifting money to family members**
- **Pension planning**
- **Setting up trusts**
- **Charitable giving**

£9.4 billion from the "Bank of Family" in 2023

Source: Canada Life

Balancing generosity with your own retirement needs

Many people want to help children and grandchildren financially, particularly as housing and living costs continue to rise.

The "Bank of Family" contributed an estimated £9.4 billion towards UK property purchases in 2023 alone, according to Savills research.

At the same time, retirement may last decades. Inflation, later life or care costs, and changing personal circumstances all need to be considered carefully before giving away significant wealth.

Good planning is often about balancing generosity today with financial security tomorrow. For many families, the goal is not simply to pass on wealth efficiently, but to do so in a way that benefits both current and future generations.

Defining what matters most to your family

Once you begin thinking about how wealth may be passed on, broader questions often follow. What feels fair? Who may need greater support? And what do you want your legacy to achieve for the people closest to you?

According to research by Legal & General, nearly half (46%) of older people in the UK provide financial support to family members. As family relationships, responsibilities and priorities evolve over time, legacy planning becomes deeply personal, and helping loved ones feel financially secure in the future becomes increasingly important.

Inheritance, fairness and tension can look different in every family

When thinking about inheritance, many people naturally focus on being "fair". But fairness does not always mean treating everyone the same.

11,500

probate caveats were filed in the UK in 2025

Source: Ministry of Justice

For many, it's about balancing the different needs of family members who will benefit from financial support at different points in their lives.

Without open conversations, expectations around inheritance can differ significantly between family members. Family disagreements over Wills and inheritance are also becoming increasingly common across the UK, with more than 11,500 probate caveats filed last year alone, according to Ministry of Justice data.

For some families, inheritance tax is also a major concern. Many people want to pass on as much of their wealth as possible to loved ones. But reducing a potential inheritance tax bill often requires careful long-term planning, as some planning options may be harder to access later.

Complex inheritance planning: Blended families and unequal distribution

Family structures and financial priorities can look very different from one household to another.

You may have children from previous relationships, stepchildren or family members with very different financial priorities and needs.

You may want to protect your spouse financially while also ensuring children from an earlier relationship inherit appropriately. You may also feel strongly about supporting causes that matter to you or providing greater financial assistance to a child likely to face more financial pressure later in life.

Understanding priorities

There is no single "correct" way to approach inheritance planning.

What matters most is that your decisions reflect your priorities, values and family circumstances. Questions worth considering include:

- **What do you want your legacy to achieve?**
- **Is it important to you that inheritance tax is avoided or reduced where possible?**
- **Are there people in your family who may need greater financial security or care?**
- **Have family members already received different levels of financial assistance?**
- **What practical steps could make things easier for loved ones later?**

The strongest plans are often the ones that reflect your values and family relationships.

The family conversations many people avoid

Six in 10 people (60%) experience practical difficulties after the death of a loved one, according to research from the UK Commission on Bereavement. Often, these difficulties can be avoided with a few conversations about the financial and practical considerations around a death in the family.

Yet many people avoid these conversations which can sometimes create greater stress, uncertainty and misunderstandings later, particularly during periods of illness, grief or major life change.

Why avoiding conversations can create bigger problems later

Talking about inheritance or later life planning can feel uncomfortable, so many families avoid the discussion altogether. But silence can create bigger problems later, especially during periods of grief or illness. Unclear expectations can lead to:

- **Misunderstandings between siblings**
- **Tension in blended families**
- **Confusion around property, pensions or care costs**
- **Disagreements over sentimental possessions**

In many cases, the issue is not the value of the estate itself, but the lack of communication around someone's wishes.

Why having the conversation is important

These conversations can give families greater understanding around important decisions. They also give you the opportunity to explain:

- **Why certain decisions have been made**
- **Where important documents are stored**
- **Who may need greater financial security later in life**

Six in ten people experience practical difficulties after the death of a loved one

Source: UK Commission on Bereavement

These discussions do not need to happen all at once. In many families, smaller conversations over time feel more manageable.

What these conversations may cover

- **Your Will and executors**
- **Lasting powers of attorney**
- **Inheritance tax planning**
- **Pensions and property**
- **Gifts already made to family members**
- **Care wishes later in life**

Protecting your wishes

An up-to-date Will, clear beneficiary nominations and properly structured planning can ensure your wishes are carried out as intended.

Reviewing plans regularly after major life events such as marriage, divorce, retirement or the arrival of grandchildren is equally important.

Please note that lasting powers of attorney are legal documents. You may wish to seek independent legal advice alongside financial advice.

3.6 MILLION

The number of unmarried couples living together in the UK, representing around 18% of all families.

Source: Office for National Statistics

Different families, different decisions: Common inheritance complications

The biggest inheritance disagreements are often not about money itself, but about expectations, communication and family dynamics.

According to the Office for National Statistics, UK family structures have become increasingly diverse over recent decades, including growing numbers of blended families, cohabiting couples and lone parent households. That means there is often no single "right" approach when it comes to inheritance planning.

Turn over to view some examples

How diverse family structures could affect inheritance planning

Stuart & Kate helped one child financially

More than a quarter of parents do not plan to split their assets equally between their children, according to research by Will Aid.

For some families, this may reflect financial support already provided during their lifetime, including:

- **A house deposit**
- **University costs**
- **A wedding**
- **Childcare costs**

These decisions can raise difficult questions around equality, particularly if expectations have not been discussed openly.

This is Nadia's second marriage

Second marriages can make inheritance decisions more complex, particularly where both partners have children from previous relationships. Some families may want to ensure a surviving partner can remain financially secure, while also protecting part of the estate for children.

Questions can arise around:

- **Property ownership**
- **Shared assets**
- **Existing family wealth**
- **What happens after one partner dies**

Without proper planning, family members may have different expectations about what feels right.

Dave wants to see loved ones benefit now

Many families are choosing to pass on wealth during their lifetime rather than waiting until later. For many people, seeing loved ones benefit earlier in life can feel more meaningful. But these decisions can also raise important questions around affordability, fairness and long-term financial security.

This may include contributing towards:

- **House deposits**
- **School or university fees**
- **Childcare costs**
- **Business ventures**

No one knew who would make decisions after Sarah became ill

Many families only realise important decisions have never been discussed after a sudden illness or unexpected life event. This can become complicated if:

- **There is no lasting power of attorney in place**
- **Family members disagree about care decisions**
- **Financial responsibilities are unclear**
- **Important wishes have never been discussed**

In some situations, relatives may assume someone else is handling key responsibilities, only to discover there is no clear plan in place.

Andrew & Susan never got married

Long term partners who are not married or in a civil partnership can face very different inheritance rules from married couples.

In some situations, one partner may assume assets will automatically pass to the other, only to discover important protections are not in place. This can create difficulties around:

- **Property ownership**
- **Inheritance tax**
- **Access to savings or accounts**
- **Financial security after death**

Without proper planning and clear legal arrangements, unmarried couples may face additional uncertainty during an emotional time.

The Will no longer reflected Emma's family situation

Family circumstances can change significantly over time, particularly after marriage, divorce, bereavement or the arrival of grandchildren. But many people delay updating their Will or reviewing older plans. This can create problems if:

- **Beneficiaries are out of date**
- **Relationships have changed over time**
- **Financial circumstances look very different**
- **Family members have conflicting expectations**

Families may discover important documents no longer reflect what someone actually wanted. Reviewing plans regularly can help ensure wishes remain aligned with changing family circumstances.

*Names and situations used in these examples are fictional and for illustrative purposes only.

Protecting your wishes

Putting plans in place is not just about deciding who inherits what. It is also about making life easier for the people around you if something unexpected happens. Organised records and accessible information can make practical decisions less complicated for families.

Wills, powers of attorney and executors

56%* of UK adults do not currently have a Will, according to the Money and Pensions Service.

A Will can ensure your wishes are carried out after your death, while a lasting power of attorney allows someone you trust to make decisions if you become unable to do so yourself.

It is also important to think carefully about who you appoint as:

- **Executors**
- **Attorneys**
- **Guardians for children**
- **Trustees**

These roles can carry significant responsibility, so choosing people you trust and discussing your wishes with them in advance is important.

Organising finances, paperwork and digital assets

Bereaved families can struggle simply because important information is difficult to find.

This may include:

- **Pension details**
- **Insurance policies**
- **Mortgage information**
- **Bank accounts**
- **Investment records**
- **Passwords and digital accounts**
- **Funeral wishes**
- **Key contact details**

Keeping records organised and accessible can save families time and avoid confusion later on.

Creating an "in case anything happens" document

One of the most practical steps you can take is creating a simple document so that your family knows where important information can be found.

This could include:

- **Where your Will is stored**
- **Important password information**
- **Details of financial accounts**
- **Insurance and pension information**
- **Financial and legal adviser contact details**
- **Emergency contact information**

This is not about expecting the worst. It's about lifting the burden of practical matters from the people closest to you, when they are going through a really challenging time. **Turn to the end of this guide for a practical tear out checklist you can complete and keep safely at home.**

Did you know?

***More than half of UK adults do not currently have a Will**

Source: Money and Pensions Service

How to start the conversation

Starting conversations about inheritance or later life planning can feel uncomfortable at first. Quite often, the hardest part is simply knowing how to begin. These discussions do not need to feel formal or overwhelming. In many families, several, smaller conversations over time are easier to manage.

Raising the topic without awkwardness

You may want to start with:

- **"I realised we've never talked about where important documents are kept."**
- **"I'd like us to have a plan in place just in case anything unexpected happens."**
- **"I want to make things as straightforward as possible for the family later on."**
- **"I've been reviewing my finances and thought it was a good time to talk about this."**

Many people worry these conversations may feel too emotional, too personal or even inappropriate.

Approaching the topic openly and practically can often make things easier for everyone involved.

It can also help to:

- **Choose a calm moment rather than a family gathering or stressful situation**
- **Keep the first conversation short so everyone has time to reflect**
- **Focus on practical planning rather than money alone**
- **Accept that several conversations may happen over time**

These discussions are not about having all the answers immediately. They are about opening the door to better communication.

Questions worth discussing with your family and adviser

Some useful starting points may include:

- **Does everyone know where key documents are stored?**
- **Is there an up to date Will in place?**
- **Who would make decisions if someone became seriously ill?**
- **Are there any financial arrangements the family should understand?**
- **Have wishes around care, property or sentimental items been discussed?**
- **Are beneficiary nominations up to date?**

Creating a simple family action plan

Even small practical steps can make a significant difference over time. Putting a clear plan in place can help families feel more organised, reduce uncertainty and make important information easier to access when it matters most. **The next step is turning intentions into practical actions.**

A simple plan for your family could include:

- **Writing or reviewing a Will**
- **Setting up lasting powers of attorney**
- **Checking beneficiary nominations**
- **Creating a list of important contacts**
- **Organising key paperwork and passwords**
- **Discussing where important documents are stored**

Revisit these conversations after major life events such as:

- **Marriage or divorce**
- **Retirement**
- **Moving home**
- **Serious illness**

The goal is not to prepare for every possible scenario.
It is to make decisions clearer and less stressful.

In case anything happens:
Tear out and share

Important information for your family

Keeping key details in one place can make practical matters easier for your family when information is needed quickly. Complete this page and give it to a trusted family member (or friend). Ensure that they store it somewhere secure but accessible.

Key contacts

Financial adviser:

Solicitor or Will provider:

Accountant:

Insurance provider:

Employer or pension contact:

Other important contacts:

Important documents

My Will is stored at:

Last updated:

Lasting power of attorney stored at:

Insurance documents stored at:

Property deeds or mortgage information stored at:

Financial information

Main bank accounts:

Savings or investment providers:

Pension providers:

Life insurance policies:

Important wishes

Funeral wishes or preferences:

People I would like to be contacted:

In case anything happens:
Tear out and share

Digital and household information

Digital accounts and passwords

Password manager or password location:

Important digital accounts:

Mobile phone or device access instructions:

Household and property information

Utility providers:

Council tax information:

Home insurance provider:

Mortgage or rent details:

Property alarm or security information:

Important practical information

Regular payments or subscriptions:

Key renewal dates:

Location of spare keys:

Notes for family members

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Family conversation cards

Starting conversations around inheritance, later life planning and family wishes is not always easy. That's why we have created a set of practical conversation cards designed to help families begin discussing sensitive topics. **The cards include prompts around:**

- **Family wishes and expectations**
- **Property and finances**
- **Care and later life decisions**
- **Important practical information**
- **Your values and legacy**

They are designed to make conversations feel more natural, structured and manageable over time.

Request your conversation cards

To request a complimentary set of Flying Colours Advice family conversation cards, please speak to your adviser or contact us by:

Email: hello@fcadvice.co.uk
Tel: 0333 241 9910

COMPLETE THE ONLINE FORM

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Legacy planning starts with a conversation

If you are thinking about how to protect your wishes, provide for your family and plan for the years ahead, our team is here to help you explore your options, navigate changing circumstances and create a plan that reflects what matters most to you. Contact your Flying Colours Advice financial adviser to discuss your legacy planning.

If you are not a client but would like to discuss your legacy with an independent financial adviser, book your free, no-obligation consultation today!

Book your consultation today!

BOOK NOW

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Capital at Risk

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