

Why private client solicitors should work with financial planners – and tell their clients

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Seager: Complementary financial advice could be a differentiator for firms

Ever since the Solicitors Regulation Authority introduced the transparency rules in 2018, we have encouraged solicitors directly, or via our members, to not just embrace the regulations and the thinking behind them, but to go far beyond.

The Competition & Market Authority's original findings and, every year, the Legal Services Consumer Panel's research, tells us that consumers are increasingly researching online to select a suitable legal services provider.

Consequently, your firm's online profile, and how you present yourself and your team, should go far behind clarity of price and detailing the prescribed services that your regulator expects.

[SIFA Professional](#) has always believed, now more than ever, that modern consumers have complex problems and advice needs that invariably will cross over professional disciplines.

With that belief in mind, we have argued that a law firm might wish to make it clear on their website that they work with carefully selected professional third parties when their clients need overlapping advice.

Surely, if we accept that researching consumers might need complementary advice to the legal advice you provide, it makes perfect sense to inform them that your firm will facilitate that? This might be the differentiator that ensures that the consumer chooses your firm.

Consequently, it was with some satisfaction that we came across a page on a solicitor's site entitled '[Why our private wealth solicitors work with financial advisers](#)'.

Indeed, for folk of a certain age, one might even say, 'If Carlsberg made solicitor websites... they should have a page like this'. Here is what it says (albeit with an excess of capital letters!):

“When it comes to Wills, Trusts, Power of Attorney (LPAs) Inheritance and planning for our client’s future our team will often work with specialist professionals from outside the legal sector, with one of the biggest interactions being with Independent Financial Advisors (IFAs).

A Private Wealth Solicitor and a Financial Advisor may both provide estate planning services, yet our services are different, and most people should have both types of professionals to call upon.

At Herrington Carmichael, our Private Wealth Solicitors are very knowledgeable about the many different types of investments one might make in a range of situations, however, as Solicitors we are not allowed to give any form of financial advice and we are not regulated by the Financial Conduct Authority as a Financial Advisor should be.

Financial Advisors (IFAs) will be called upon to discuss strategies around a client’s investments and financial products and our team of lawyers will advise on the impact those agreements may have and look at any potential risks involved. Working together lawyers and a financial advisors will look to maximise your plans for the future, whilst highlighting any potential risks to your plans.

How do our Private Wealth Solicitors work with Financial Advisors?

Inheritance Tax (IHT) Planning

When undertaking planning work for high-net-worth clients we will signpost our clients to a number of solutions which may be used in order to reduce exposure to IHT.

We work with a range of financial advisors in respect of Business Relief investments, Offshore investments, Discounted Gift Trusts, Insurance Bonds, Pension planning and various other areas relevant to IHT.

Care Home Fee planning

We have clients who will need care of some sort and we work with them to create trusts and other investments to ensure they are taking reasonable steps to protect their ability to pay for care, while maybe not eroding all their assets; examples will include Long Term Care annuities and various types of trust investments.

Trusts

Whether our clients have already got trusts or are setting them up for any number of purposes, ranging from having disabled children through to blended families trying to ensure that assets ultimately reach the right beneficiaries, we interact with financial advisors in respect of the investments pertaining to these trusts and ensuring they are structured correctly based on the aims and needs of the trust.

Beneficiaries of Estates

Beneficiaries are often in the position of not having had significant assets before or being under the age at which they are allowed to inherit by the terms of the Will. We liaise with financial advisors to ensure that the funds being held for younger

beneficiaries are working as hard as they can to ensure that as much as possible can be inherited by the beneficiaries. We also try to put adult beneficiaries in touch with financial advisors to consider what they might do with their inheritance.

Power of Attorney

Where we are attorneys or acting for attorneys, we seek the involvement of financial advisors as the advice is a key part of the decision making and the need to document the reasons for making decisions. This is one of the areas where we rely most heavily on the use of financial advisors.

Capital Gains Tax

Many of our clients are owners of businesses and seek our advice, while preparing their Wills or other documentation, around exiting their businesses and other aspects of Capital Gains Tax in the consideration of their affairs. We will direct clients to financial advisors and our Company and Commercial teams to ensure that they are considering how to preserve CGT allowances and the use of VCTs, EISs and SEIS among other investments.”

Bravo, Herrington Carmichael. We truly believe forward-thinking law firms should take a leaf out of your fine book!