

Dealing with an estate: what executors need to do and the pitfalls to avoid

Being named as an executor is a big deal. Someone trusted you to carry out their wishes, and you may be doing so while grieving, often alongside a job and a family, and with no idea where to start.

The role is manageable when you know what's involved and where the traps are. This guide sets out what executors need to do, and the common mistakes that are easy to avoid with the right support.

What does an executor actually do?

In short, you step into the shoes of the person who has died and tie up their affairs. In practice that means:

- **Arranging the funeral** and, where needed, paying for it from the estate.
- **Securing the person's property**, such as making sure an empty house is insured and looked after.
- **Finding out what they owned and owed**, from bank accounts, pensions and investments to credit cards, loans and utility bills.
- **Valuing the estate**, which is the basis for any Inheritance Tax and for the grant application.
- **Applying for the Grant of Probate**, if one is needed.
- **Collecting in the assets**, paying the debts, and settling any tax.
- **Distributing what's left** to the people entitled to it, and keeping clear accounts.

It's a long list, but it can be taken one step at a time, and you don't have to do it alone.

Inheritance Tax

Many estates don't owe any Inheritance Tax, but that doesn't mean the paperwork can be skipped. In most cases the estate still has to be reported to HMRC, and the rules involve some detail: allowances for the family home, exemptions for gifts to a spouse or charity, and the treatment of gifts made in the last seven years of life.

The main things to know are that **there are strict deadlines**, that tax may need to be paid before the grant is issued, and that **interest and penalties can build up** if things are late or wrong. Getting the valuations and the forms right at the start saves a great deal of trouble later.

MHHP Law LLP, The Studio, Highstone House, 165 High Street, Barnet EN5 5SU

Info@mhhplaw.com

0203 667 4780

Visit our website at www.mhhplaw.com

The pitfalls to avoid

Most executor problems come down to a handful of common mistakes.

Distributing too early. Beneficiaries understandably want to know when they'll receive their share, and it's tempting to pay out before everything is settled. But if a debt, tax bill or claim then turns up, the executor can be **personally liable** to make up the shortfall. It's usually wise to wait until you're confident that all liabilities are known and dealt with.

Missing debts and liabilities. Not every debt arrives promptly. There are steps you can take to protect yourself, including placing a formal notice inviting creditors and others with a claim to come forward. This gives you a proper basis to distribute with confidence.

Overlooking possible claims. Certain family members and dependants can make a claim against an estate if they feel they haven't been properly provided for, even where the will is perfectly valid. There are time limits on these claims, and it's a good reason to take care about the timing of distributions.

Mixing up personal and estate money. Estate funds should be kept separate from your own, and every payment in and out recorded. Clear records protect you if anyone later questions how the estate was handled.

Getting the valuation wrong. Undervaluing an asset, or missing one, can lead to problems with HMRC. For property and unusual assets like antiques, business interests or shares in private companies, professional valuations are often worth the cost.

Letting a property stand empty. Standard home insurance often stops covering an unoccupied property after a period of time. An empty house also needs heating, security and regular checks. A claim on an uninsured property could fall back on the estate, and potentially on you.

Being caught out by scams. Sadly, estates attract fraudsters, from fake creditors to bogus buyers. Verifying who you're dealing with, and being wary of anything urgent or unusual, is sensible.

Tension between executors or beneficiaries. Where there are several executors, they must generally act together. Disagreements, delays and hurt feelings are common, and a neutral professional can keep things fair and moving.

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Is there a time limit?

There's no single deadline for finishing an estate, but some parts have firm dates, particularly around Inheritance Tax. There's also a long-standing convention known as the **executor's year**: beneficiaries generally can't expect to be paid in full within twelve months of the death, which gives you a sensible period to get everything in order. Many straightforward estates are finished sooner, and complicated ones can take longer.

Can I do it myself?

Yes, you're allowed to, and plenty of people do, particularly with simple estates. It's worth thinking about getting help if:

- there's **property** to transfer or sell,
- the estate may be **liable for Inheritance Tax**,
- there are **several beneficiaries**, or some are **minors** or can't be found,
- there are **overseas assets** or business interests,
- there's any suggestion of **family disagreement**, or
- you're simply **too busy, or too upset**, to give it the attention it needs.

Getting advice doesn't mean handing over control. You remain in charge, and we do the heavy lifting.

How we can help

At MHHP Law, we support executors at every stage, from the first phone call to the final accounts. We'll explain your duties, take care of the paperwork and deadlines, and flag any risks before they become problems. You'll always know where things stand, and you can call us whenever you have a question.

Talk to us

If you've been named as an executor and aren't sure where to begin, we'd be happy to have an initial conversation with no pressure. Call Ruth Hayward on 020 3667 4784 or email at ruth.hayward@mhhplaw.com, and we'll help you take the first step.

This article is a general guide for England and Wales and does not constitute legal advice. Every estate is different, so please take advice on your own circumstances.

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