



# Matrix Capital

## Financial Planning

**transparent.**

*A safe pair of hands for your clients in need of financial advice*

### NS&I Premium Bonds Jackpot prize winner: Case Study

In this case study we look at an unusual situation where a lady won the jackpot 2 weeks after she had died!

Long story short, we managed to stop the sons paying £400,000 to HMRC in inheritance tax (IHT) on their mother's £1m jackpot.

Their local high street solicitor was about to submit the IHT400 to HMRC as a precursor to obtaining grant of probate. However, we spotted that the £1m prize had been included in the taxable value of her estate, which had increased the IHT due by c£400,000. So, we intervened and pointed out that the value of the taxable estate is the value immediately prior to the date of death (s4 Inheritance Tax Act 1984) and on the day she died, she owned £30,000 in Premium Bonds and her estate did not receive the £1m until the official date of announcement of 1st of the month, which was a few days after she died.

As a side note, it is not commonly known that the prize numbers are actually generated by ERNIE about two weeks before the announcement day to allow time for the draw to be audited. Nevertheless the official prize date is always the 1st of the next month.

Although this is a rare set of circumstances, it does shine a light on the fact that professional advice, delivered by suitably qualified advisers, who are willing to collaborate, is always good value for money.

I get nervous when a client says they have asked the local high street solicitor who dealt with their house purchase to "...get grant of probate" for them or, even worse that they have decided to do it themselves.

Anyone who reads my material will know that, despite being a full STEP member and dually qualified as a registered trust and estate practitioner, I do not write wills, LPAs and trust deeds; and I don't deal with probate. I am very focussed on using my skills and knowledge as a chartered financial planner, helping families with complex and often vulnerable circumstances, to answer their '5 big questions' (see the link below).

So, as this deceased lady's situation highlights, the best outcomes for clients are achieved through a collaborative approach with a suitably qualified legal professional. The two sons had appointed a solicitor but he was a generalist and unfortunately did not specialise in private client work. To put the sons on the right track and save them £400,000 that wasn't in fact due, we introduced them to a firm that we knew would be a safe pair of hands and recognised the value of a collaborative approach.

One way of establishing whether a lawyer is suitably qualified to advise on private client work is to check whether they are full members of STEP – Advising Families Across Generations or SFE (Solicitors for the Elderly) or preferably both.



(STEP and SOLLA logos are attributed to Robin Melley only)

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