

Guidance for Completion of the Financial Disclosure Form

Before you start...

First and foremost - please do not be put off by the details required. Not all categories and questions will apply to you.

You will only be able to make decisions regarding finance on your separation and divorce once you have made a complete disclosure of all your financial information. The form refers to 'world wide' disclosure and covers any financial asset or liability whether in the UK or abroad. This need for full information will be the same whether the process you are involved in is mediation, negotiation through your solicitors or Court proceedings. It is the starting point for any discussion about possible settlement terms on divorce.

If you do not fully disclose your details (as far as you are able) it could mean that any proposals you eventually make together will be at risk and could be set aside by the Court, and that you may find yourself liable for the costs of any further proceedings.

Please try to complete the form as fully as you can. If a question does not apply to you, please mark 'N/A'. If you need more room, please use a separate sheet and attach it to your form indicating what details you have added. There is no need for you to check anything with your former partner or to feel you must get information unknown to you from her/him as each form applies only to the individual concerned. Once you have both returned your forms, we shall make sure each of you has a copy of the other's form.

ASSETS

An asset is anything owned or co-owned by you, which may either now or in the future produce a realisable value. A major asset for many couples is the family home. If you should decide to sell your home, the amount that is left once all other debts and costs have been paid is known as the **equity**. Your assets are what will be available, in total, to divide between you and to use to assist in establishing your own independent lives following your separation or divorce.

The Home

If you are beginning to think about whether you might sell your home, please think about how you might get a **valuation**. Local estate agents will always value for you, often free of charge. At least one valuation will need to be enclosed with your form.

It would also be helpful to clarify **the costs of selling your home** as these costs would need to be taken into consideration in looking at how much money would be available to you.

Mortgage

A **repayment mortgage** is a loan over time payable (usually) by monthly instalments and subject to variation in line with current interest rates. Terms may be variable; generally they are around 25 years but many variables are possible.

An **endowment mortgage** is a loan which is linked to an insurance policy which is intended to pay out sufficient funds to repay the loan on maturity at the end of the mortgage term or on the death of the policy or holders. During the term of the mortgage, only the interest on the loan is paid together with the premiums on the insurance policy.

In either of the above cases, the best place to get details about your mortgage is from the mortgage company, building society or bank with whom you have the mortgage.

If you have a policy linked to your endowment mortgage, your insurance broker or insurance company will have details.

It is possible to have more than one mortgage or loan outstanding on a property, which is usually referred to as a '**second charge**' or '**second mortgage**'.

It is usually possible for any named mortgage holder or policy holder to get information and some form of written statement from the mortgage and/or insurance company. Please ask when you first contact either whether there is any cost involved in being provided with the information (usually there is not).

You will need to enclose with your disclosure form copies of mortgage statements, endowment policies or benefit statements.

If the mortgage on your home is held in the sole name of your partner or former partner you should speak to a solicitor to find out if you should **register your interest** in the home. Advice should be obtained as soon as possible about this.

DEBTS AND LIABILITIES

A debt or liability is anything you currently owe or have outstanding - loans, charge card accounts, credit card accounts, etc. Usually most debts or liabilities would need to be settled or responsibility taken by one of you for their repayment on separation or divorce. It is important to remember that a debt owed to you is actually an asset, providing it is recoverable.

If you are worried about debt, your local Citizens Advice Bureau have access to Debt Counsellors who can help you to look at your debts and to make sensible plans for dealing with them - often being able to contact your creditors on your behalf to work out a practical repayment plan.

BANK ACCOUNTS AND INSURANCE POLICIES

Please try to give as much information as you can about all your accounts and policies. Your bank will have a customer service department who will be able to give a range of information about the type and nature of your accounts. If an account is one used for your day-to-day spending and does not often have a credit balance at the end of each week or month, please indicate that this is so.

If you have a financial advisor or insurance broker, they will be able to give you up-to-date information with regard to all your policies, type, nature and benefits (and surrender values).

Copies of policies and account numbers and/or statements should be enclosed with the disclosure form.

PENSIONS

Pensions are an asset for any family but are often not very easily realised in the short term, depending on your age and retirement date. If you have a pension with your employer, please ask if they could arrange for you to have a 'Cash Equivalent Transfer Value' (CETV) statement or a statement of benefits. The CETV is what the pension would be worth should you decide to take it out and transfer it to another scheme. If you have a personal pension scheme or plan - it really works like a savings scheme where regular amounts are being paid in - it should be possible to get a valuation from the company with whom you have your plan.

INCOME

Your income is anything earned or received by you from a range of sources, and these are detailed on the disclosure form. It is helpful to consider as long a period of earnings over time as possible, particularly if your income has seasonal fluctuations.

Please enclose with the disclosure form your wage slips together with your last P60.

If you are self-employed or have a business, please enclose your accounts or to ask your accountant to provide a summary or resume of your last year's accounts.

BENEFITS

If you are in receipt of benefits you must let the Benefit Office know of any material change in your family situation. If and when you become a single household you should also enquire as to any additional benefits you may be entitled to. If you are on Income support and have care of the children, your child support arrangements will automatically be dealt with by the Child Support Agency to the formula laid down by legislation.

If you are thinking about re-mortgaging or changing your mortgage you should enquire as to the present position regarding payment of mortgage instalments if you should subsequently need to claim benefit.

BUDGET FORM - MONTHLY OUTGOINGS AND EXPENDITURE

Please go through the form very carefully and be careful not to duplicate any costs (easily done with credit and charge cards). If at the moment it is difficult to work out your estimated future expenditure just do the best you can. This section is designed to give you an idea of how much it actually costs you to live and whether you may have a difference between what you have available to you and what you need to spend, either now or in the future.

OBTAINING ADVICE

May we remind you that mediators are impartial and do not represent either of you. Mediators are not able to give advice of any kind.

It is important that you understand all the very important issues around changing your financial arrangements as a result of separation or divorce. You may wish to consider seeing your own solicitor at the outset to discuss what the major considerations for you are.

If you do not have a solicitor at the moment and wish to appoint one, look for a solicitor who is a member of Resolution. Resolution is an association of specialist family lawyers who all subscribe to a code of practice designed to encourage and assist people going through divorce to reach acceptable arrangements in a positive and helpful way, and to avoid unnecessary and costly battles.

A local member of Resolution can be found from www.resolution.org.uk

FINANCIAL SUMMARY

Once the disclosure process is complete, the mediators will prepare a financial summary based on your disclosure forms. This document can be made available to your own solicitors in order to save time and cost.