

Probate fees soar to £20k to fund courts

19 February 2016 By Chloe Smith

The Ministry of Justice is proposing a massive increase in probate fees for the highest-value estates in an effort to raise an extra £250m a year to fund the courts and tribunal service.

The rise in fees could leave beneficiaries of the most valuable estates - worth over £2m - paying £20,000, as much as 129 times more than current levels.

But the Ministry of Justice said the proposals would lift 30,000 estates out of paying the probate fee altogether, by raising the threshold value of estates exempt from paying any fees to £50,000 up from £5,000.

In a letter to the House of Commons justice select committee, justice minister Shailesh Vara said: 'These proposals are progressive, with lower-value estates lifted out of paying any fee at all and other estates only paying more as the value of estate increases.'

'They are also necessary, making a significant contribution to reducing the deficit and enabling investment, which will transform the courts and tribunals service.'

Under the proposals, estates worth between £50,000 and £300,000 would pay a £300 fee, with fees progressively rising from estates worth between £300,000 and £2m. Estates valued at over £2m would be charged £20,000.

Current fees stand at £215 for individual applications, and £155 for those applying for probate through a solicitor.

Vara said: 'Court fees are never popular but they are necessary if we are, as a nation, to live within our means. These proposals would raise around an additional £250m a year, which is a critical contribution to cutting the deficit and reducing the burden on the taxpayer of running the courts and tribunals.'

The MoJ said that while the income currently raised through probate fees fully covers the cost of the probate service, it needs to go further to reduce the £1.1bn burden on taxpayers to cover the cost of funding the courts and tribunals system.

But Richard Frimston (pictured), partner and head of the private client group at London firm Russell-Cooke, described the fee proposals as 'preposterous' and said they would effectively amount to a tax on London.

'Yet again they are stealing money from grannies' properties,' he said, adding that many clients will find ways of avoiding the fees.

Joyce Bradbeer, a probate partner at Moore Blatch, said: 'Although moving the proposed fee structure from a flat to a banded fee is, in certain cases, deemed fairer and more progressive than the current structure, it also means that those with larger estates will be paying significantly more, even though the work that the Probate Registry has to do is virtually the same whatever the value of the estate.'

'But, more to the point, how are the executors going to raise the money to pay for this? Access to cash is extremely limited prior to the issue of the grant of representation.'

Jonathan Smithers, president of the Law Society, said: 'We support the Ministry of Justice's aim of a simpler, more streamlined process for probate users. Many people would regard a progressive fee structure as a fairer way to charge for the service, but the fees proposed for high value estates do not bear any relation to the work or value involved. We will put forward our arguments in our written response to the consultation.'

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