

GUIDANCE FOR COMPLETION OF FINANCIAL DISCLOSURE FORMS

Before you start ...

First and foremost – please do not be put off by the amount of details required. Not all of the 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. This is why the form refers to “world wide” disclosure. The need for full information will be the same whether you are working through mediation, your solicitors or the Court; it is why the financial summary prepared for you from the mediation is a document which can be made available to your own solicitor in order to save time and cost.

We must also point out that 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 forms 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 and it might be helpful to find out what you don’t know. Once each of you has returned your form, and at the next session, the mediator will make sure each of you has a copy of the other’s forms.

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.

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, however, 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.

Mortgage(s)

A **repayment mortgage** is a loan over time payable by (usually) 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 that 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 policyholder 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 policyholder to get information and some form of written statement from the mortgage and/or insurance company. Please ask when you first contact either of them, whether there is any cost involved in being provided with the information (usually there is not).

It would be helpful to bring to mediation copies of mortgage statements, endowment policies or benefit statements.

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.

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.

If the mortgage on your home is held in the sole name of your partner or former partner, you should register your interest as soon as possible. It may be helpful to consult a solicitor to assist you.

Bank Accounts and Insurance Policies

Please try to give as much information as you can about all of 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 the case.

If you have a financial advisor or insurance brokers, they will be able to give you up-to-date information with regard to all of your policies, type, nature and benefits (and surrender values). **Copies of policies and account numbers and/or statements will be helpful in the mediation.**

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. Your solicitor will need to see as many of your **wage slips** as you can produce, so it would be helpful to **bring as many as you have available to the mediation, together with your last P60 if available**. If you are self-employed or have a business it would be helpful to have your accounts or to ask your accountant to provide a summary or resume of your last year's accounts to bring to the mediation.

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 a clear 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.

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 may automatically be dealt with by the Child Support Agency (CSA), 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.

Your Solicitor

There are lots of changes happening in family law and in the world of personal finance at present. Your solicitor can help you to consider all the very important issues around changing your financial arrangements as a result of separation or divorce. You may wish to consider spending a little time with your own solicitor to check out how best to complete your financial disclosure and what the major considerations are for you.

If you do not have a solicitor at the moment and you wish to appoint one, look for a solicitor who is a member of the Law Society Family Panel or a member of the Solicitors Family Law Association (SFLA), which is an association of specialist family lawyers who all subscribe to a Code of Practice designed to encourage and assist parties in divorce (the people involved) in reaching acceptable arrangements in a positive and helpful way, and avoiding unnecessary and costly battles.

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