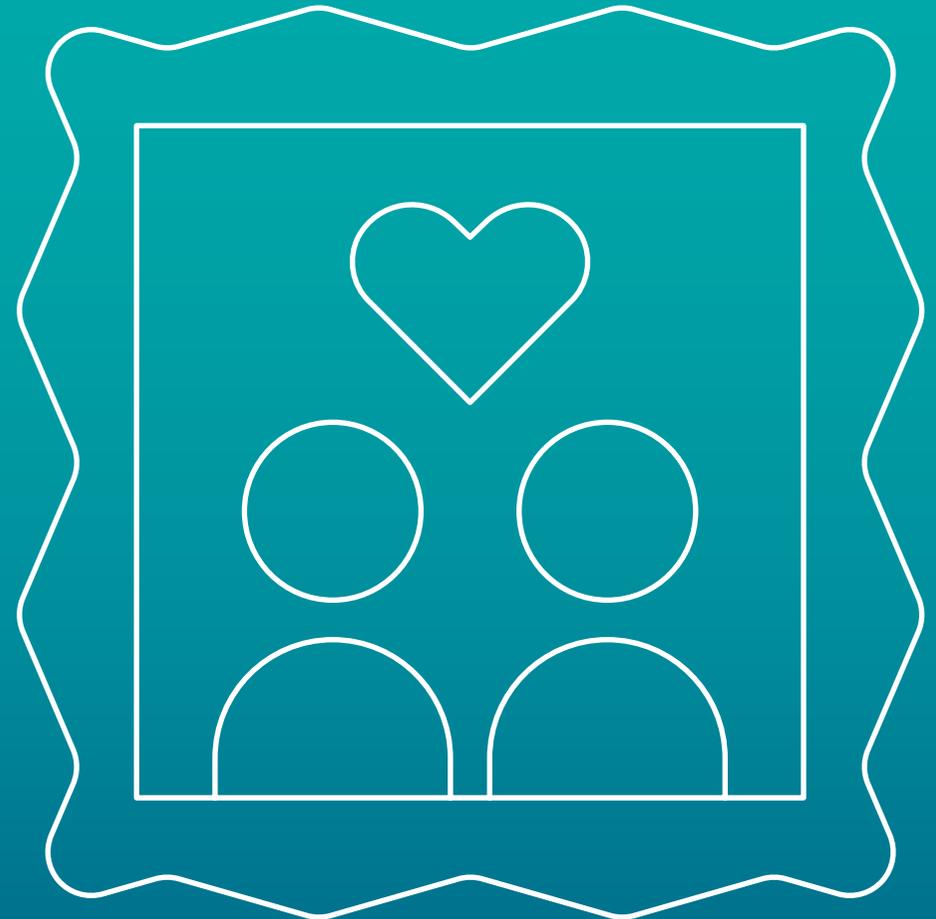


# Help your clients combine and sort out their finances

Start the conversation now with this guide



Getting married is a huge part of life and such an important step. It's likely you're going to have clients who've experienced the financial minefield that is marriage, whether that's for the first time or the fourth. They might have shared assets already, planned their taxes or their estates. And this is even more likely if your clients are older.

As an adviser, you're going to find yourself in the middle of these financial scenarios, with clients looking to you for your expertise and knowledge. Your client may well be facing conflicting demands and priorities, and their financial situation might be better or worse thanks to their marital status. In regards to the latter, you'll have to be prepared for estrangements, disputes, and even legal claims.

Whatever the situation, you'll need to tap into your wealth of experience and make sure your clients have everything they need. This applies whether they're taking out a new mortgage, dealing with pension issues, securing life assurance or joint investments.

# The five levers of emotional intelligence

Wedding days and the marriages that continues afterwards can be emotionally exhausting. Not to mention, divorce and remarriage, which are also known to cause added stress. It doesn't matter which scenario your clients find themselves in, an emotionally intelligent approach will be greatly received. To tap into the required levels of empathy and understanding, you can use five key techniques. They involve:

- Building trust and empathy
- Inspiring interest and engagement
- Simplifying complex issues and information
- Encouraging confidence and optimism
- Motivating others and prompting decisive action

You may well already use these techniques in your day-to-day role. But it's important to remember that every skill takes practice, and the more you use them, the better you become. With that in mind, using these techniques often should allow you to nurture lasting relationships with your clients.

Select a technique to find out more.



# Start with trust

The foundation of a great marriage is trust. It's also hugely important to build trust between you and your client as you lead them through this journey. The first thing you need to establish is an open line of communication between both parties, giving them a chance to be open with each other about their assets and liabilities.

To help you with such sticky situations, it's wise to make sure you have a good working relationship with your client's other advisers, such as their accountant or solicitor. This will help to highlight the value you add, and give you the trust you need.



## Top tips:



### Suggest a prenuptial agreement

By recommending a prenuptial agreement where appropriate, you can build an empathetic relationship with your client, their spouse and their wider family. It allows both parties to express their ideas and expectations openly. And it can lead to conversations about future gifts they may want to leave behind, and other important aspects that should be discussed.

### Consider the future carefully

The empathy you tap into can also be used when broaching sensitive topics, such as divorce. It's not pleasant talking about divorce before the marriage has even taken place, but it's a necessary conversation. To help soften the blow and avoid spoiling a happy occasion, use light-hearted stories.



# Balancing openness with discretion

When you're comfortable with your client and you have reached a good level of trust, it's the perfect time to get them involved with the rest of the process. People are more likely to stay engaged with a project if they feel part of a group or partnership, so encourage your client to meet you as a couple and get them to work as a team. For example, you could give your client and their spouse some small tasks to do together, such as checking the value of their property and assets.

You may find this is an uncomfortable process for some clients, particularly if they have kept their financial affairs to themselves in the past. And you are an adviser, not a marriage counsellor, so you may not be comfortable yourself with asking a client to openly disclose sensitive information that may have been kept private until now. In fact, if you have a long-standing relationship with a client and, despite getting married, they're still acting as though they are financially single, it might be worth having a private word with them. There might be something they'd rather not discuss with their spouse present. They may ask you to not mention that villa in the south of France, or they may realise they're being unduly secretive and it's best to start from a position of openness, at least financially.



## Top tips:



### Don't avoid the 'D' word

Being realistic also includes discussing the idea of death or divorce. Although death is inevitable, divorce is a very real possibility nowadays and if you're seen to be dodging the subject, it may make your client suspicious and think you're hiding something from them. It could erode the trust you've built up already.

### Give them the good news

Of course, it helps to be the bearer of good news. This can awaken your client's curiosity and put them in a receptive frame of mind. For example, they may not realise they can use their combined capital gains tax allowance to their advantage.

The five levers of emotional intelligence



# Simplify everything

Making every stage of the planning process simple to understand will help things run smoothly. When presented with lots of complex financial information, your client may be tempted to make knee-jerk decisions to avoid thinking too deeply about the task at hand. Thankfully there are steps you can take right now to stop your clients taking the path of least resistance.

For example, at this stage it's advisable to create a combined balance sheet of their assets. This will help you both see where there are opportunities for tax savings and other advantages. To make it even easier, you could help your client put this into an easy-to-digest infographic. Some people are simply more visual than others.



## Top tips:



### Include everyone

While creating their combined balance sheet, it's also worth suggesting you put together an updated family tree with both families incorporated. This will help with estate planning, what they need to do now, and where they want their money or assets to go. Once married, any previous wills will be invalidated, so it's important to consider all options here.

### Don't forget about business

It's also a good idea to bring up businesses at this stage too. Without a combination of financial planning and an effective will, anything your client owns or any shares they have will automatically pass on to their spouse. If it's a family business, this adds another layer of complexity as it could cause issues further down the line.



# Be a trusted adviser

Clients can sometimes get it into their heads that they have everything under control already. They may believe they've already made arrangements in regards to their marriage or remarriage and feel they don't need to take any further action. Whether they've entered into a cohabitation agreement or created a declaration of trust, they still need to consider the entire picture.

Most of the time, these sorts of arrangements simply don't provide enough protection if the couple were to divorce or if one partner dies without updating their will. It might be a good idea to suggest their legal adviser makes this clear. It's also important when considering things like prenuptial agreements to make sure your client doesn't leave anything until the last minute. Some clients have been known to start working on this on the eve of the ceremony, which is obviously far from ideal.



## Top tips:



### Set a deadline

Most solicitors would recommend setting a deadline of three weeks for any big decisions, like prenuptial agreements. So it's a good idea to get started on this as early as possible. Create a timeline to work and schedule your appointments, both with your client and their legal advisers if necessary.

### Reminder: nothing is final

Sometimes, things can seem a bit too 'final'. This can cause your client to think they're signing their life away, which in turn makes them think twice about completing any financial plans. You can mitigate this by emphasising that marriage and family life is always growing and changing, and the same goes for the plans for the future. As you know, the best plans are always flexible.



# Ease any last-minute nerves

Getting cold feet about the big day is one thing, getting cold feet about planning for the future is something else entirely, and can be avoided. By talking about divorce, death and the pitfalls of inheritance, it can make your client feel jittery. This fear can then paralyse them into inactivity, meaning the planning process grinds to a halt.

You can help to ease those fears by getting them out in the open. Simply talking about these future scenarios and framing them in a positive way can provide peace of mind. After all, proper financial planning can deliver a degree of certainty and security, which should put a stop to any procrastination, unwanted decisions or emotional instability.



## Top tips:



### Introduce anecdotes

Showing how other clients of yours have dealt with similar situations can make your current client feel more comfortable. Let them know what it was you previously suggested and what recommendations you made. That feeling of familiarity and that they're following a well-trodden path can make the whole process feel less daunting.

### Emphasise the emotional rewards

When you're discussing the more realistic and potentially upsetting aspects of financial planning, it's important to counter any negative feelings that arise. You can do this by highlighting the emotional rewards they'll enjoy – the peace of mind, sense of control and satisfaction they'll feel having resolved a potentially very difficult situation.



