

Keeping track of the heir hunters

Heir hunters, firms that track down 'missing' heirs, may promise you an unexpected windfall. But their fees can leave you with far less than you would otherwise be entitled to

WHAT YOU'LL LEARN

- What heir hunter firms do
- Why you should be wary of signing up with one
- How to get what's rightfully yours without paying excessive fees

It's a scenario we've all dreamt of. Out of the blue you receive a letter, phone call or knock on the door from someone telling you that you have inherited millions from a lost and now deceased relative.

Although this is a rare occurrence, many people die every year leaving no will and no known relatives. If their heirs are not tracked down, their assets will eventually pass to the government.

Since 2007, the BBC's *Heir Hunters* programme has raised the profile of the work of probate genealogy firms. It shows firms racing against each other to be the first to track down the heirs of an estate, aiming to unite them with their money; and often claiming a large fee for themselves in the process. They sometimes visit people in their homes to sign them up.

High charges

Many heir hunters charge a percentage of the inheritance as their fee. This can amount to charges that are, arguably, out of proportion to the value of the service they offer.

There have been reports of a small number of heir hunters applying undue pressure for heirs to sign the contract agreeing their terms. Concern has also been expressed that some conceal the

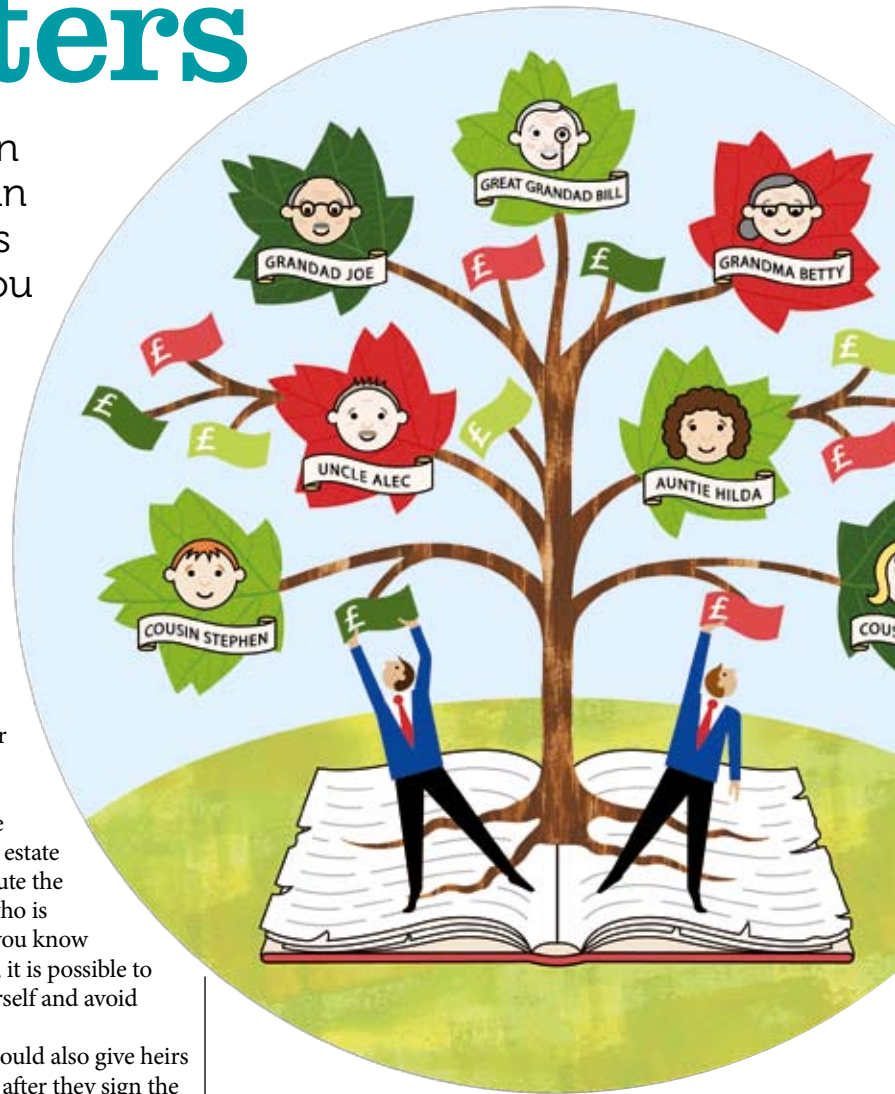
name of the deceased and the value of the estate.

They may also imply that the heir won't get any of their entitlement unless they sign. This isn't the case, because the administrator of the estate has a duty to distribute the assets to everyone who is entitled to them. If you know who the deceased is, it is possible to make the claim yourself and avoid these high charges.

We think firms should also give heirs a cooling-off period after they sign the contract, but not all do.

Heir hunters often find out about these estates through the 'bona vacantia' list on the Treasury Solicitor's website, where notices of unclaimed estates in England and Wales are published.

The Treasury Solicitor's Department is the central government's provider of legal services. It administers estates, worth more than £500, of people who die without a will and no known relatives. It tries to track down heirs by placing adverts in newspapers, as well as on its website, but this quickly brings them to the attention of heir hunters.



Which? online

Visit www.which.co.uk/wills to find out more about making a will

Which? Conversation

Approached by an heir hunter? Join the conversation at www.which.co.uk/conversation/heirhunters

There are other bodies that do this work in Scotland and Northern Ireland.

Heir hunters may also be appointed by solicitors to find heirs to estates without wills, or to track down beneficiaries of a will who can't be found.

Market players

We contacted 12 heir-hunter firms to ask how much they charge heirs for their services. Seven of these confirmed that they approach heirs directly – A2Z Probate Researchers, Finders, Fraser & Fraser, Hoopers, Kin, Sterling Probate Research and

the Heir Hunters – while the rest said they only do this work through their solicitors.

A2Z said it charges £1,000 for estates worth £5,000 to £9,999, £2,000 for £10,000 to £49,999, 10% for £50,000 to £74,999 and less for estates worth more than this. Finders said its typical charge is 15%, but that it depends on the case and the fee can be negotiated. Kin said it wasn't taking on any new work, and Fraser & Fraser, the Heir Hunters, Hoopers and Sterling Probate

wouldn't reveal their fees. Fraser & Fraser said its fee depends on factors such as the size of the estate and the complexity of the case. The Heir Hunters also said its fee depends on the case, but that it aims to undercut other firms. VAT is also often charged on top.

We have spoken to a consumer whose mother and aunt were recently approached by Fraser & Fraser, and another who was recently approached by Hoopers. In both cases the firms wanted to charge 25% plus VAT. We have also heard of firms charging as much as 40% (see 'Outrageous fees', below).

Fairer fees

Title Research, a probate genealogy firm that carries out work for solicitors on a time-spent basis, argues that percentage or 'contingency' fees are never justified in such cases, and has been campaigning against excessive

fees and unfair sales tactics used by some heir hunters. It has also published consumer advice on its website.

Title Research says its average time-based fee is £1,600, regardless of the value of the estate. The average estate it handles is worth £250,000. If an heir hunter charged a percentage fee of 10% on this amount instead, it would amount to £25,000. This would increase to £30,000 once VAT is added.

Title Research has also commissioned legal opinions from two barristers, both of whom concluded that, where the fee is disproportionate to the actual cost of the work involved, percentage fee agreements may not be enforceable in court.

Finders and Fraser & Fraser argue that percentage fees mean that their charges will never come to more than the value of an heir's inheritance. Fraser & Fraser says that, in its experience, at least 75% of bona vacantia cases advertised are worth just £4,000 to £10,000. Both firms also claim percentage fees can be the only option in bona vacantia cases where an administrator has yet to be appointed, but Title Research disagrees.

The heir hunter market is currently unregulated, although there are voluntary bodies, such as the Association of Genealogists and Researchers in Archives (AGRA), where members agree to abide by a code of practice.

A spokesman for Title Research told us: 'We have approached others in our sector before with the intention of establishing a meaningful trade body in the UK for probate genealogists, but it appears they did not want to be part of one that doesn't charge contingency fees.'

If an heir hunter contacts you

It's important to know your rights and explore alternatives before signing an heir hunter agreement.

1 ASK QUESTIONS
Ask as many questions as possible about the person who has died and how they are related to you, to allow you to make the claim yourself.

If you can't find out the name of the deceased, consider getting advice from a solicitor who may instruct a probate genealogist themselves. This is likely to be cheaper.

2 ASSESS WHETHER THE FEE IS FAIR

To decide whether the fee is fair, ask how much the estate is worth and how many heirs there are. Or ask how much the fee would be in pounds.

If the heir hunter won't say, you can find out the estate's value yourself by getting a copy of the grant of representation (in England and Wales), if there is one, from the London Probate Registry or a district registry for £5. This is a document, issued by the Probate Service, giving someone the authority to deal with the assets of an estate.

Visit www.justice.gov.uk and search for 'probate' for more information.

3 VISIT THE BONA VACANTIA WEBSITE



Visit the Treasury Solicitor's bona vacantia website at www.bonavacantia.gov.uk to see if the estate has been advertised there. If it has, you can make your claim directly to the Treasury Solicitor if it is still handling the estate, or it can put you in touch with the administrator if not.

4 REPORT THE FIRM
If you are unhappy with how you have been treated by an heir hunter, report it to your local trading standards office. See www.tradingstandards.gov.uk or call 0845 404 0506.

Outrageous fees

In 2009, Mr M was visited at his home by two representatives of an heir hunter firm who told him he was entitled to a share of the estate of a deceased relative. They did not tell him who it was, how he was related to them or the value of the estate.

He was asked to sign a contract agreeing to pay the firm 40% of his inheritance, plus VAT and expenses. Mr M did not believe he was entitled to anything, so thought he would have nothing to lose by signing the contract.

Later, Mr M was told that the deceased relative was an aunt he had not known existed. He also decided that the fees the firm wanted to charge him were way over the odds and found out from the solicitor handling the estate that it was worth £240,000.

Mr M wrote to the firm challenging the charges they were making, but was told it wouldn't negotiate. He eventually received a letter saying the firm would be taking about £150,000 in fees, including expenses of

£35,000, leaving just £64,000 once all other costs had been paid.

As there were only five missing beneficiaries in total, the work involved in finding them could have cost just a few thousand pounds if charged on a time-spent basis.

Mr M and the other beneficiaries have asked Trading Standards to look at the charges.

