

Brethertons BIG FAQs Series

Financial Planning

After suffering a life changing injury, your financial situation may change dramatically. That position will always benefit from early assessment and may of course change again on receipt of compensation wither on an interim or final basis. A specialist solicitor will often need to seek expert financial advisor input in connection with how the claim is pursued, but alongside that input accessing independent financial advice and assistance is always advised.

Who needs Financial Planning support?

Financial Planning support can be of value to clients who are pursuing a life changing injury claim from an early stage. claim. The upheaval a life changing injury causes to the injured person and often their family's financial situation and the amount of compensation in issue is likely to be such that financial advice and assistance will be especially important to all Claimants engaged in pursuing compensation claims. Managing and preserving usually substantial sums of money necessary to meet lifelong medical, care, therapies, equipment, and accommodation needs is not something many are clients will be ready and or able to undertake.

What is Financial Planning?

Financial compensation attempts to put the client in the financial position that they would have been in had the injury not happened. It is also awarded to reflect the pain suffering and loss of amenity endured, the past losses and indeed the future losses sustained by the client. Sometimes the award will be a lump sum; sometimes it may be part lumps sum and part 'periodic payment' where an annual sum is paid to meet ongoing care and related costs the Claimant is likely to incur for the rest of their lives. To avoid overcompensating a Claimant a lump sum payment is paid with reference to complex actuarial calculations around life expectancy and the cost of living.

Inevitably then, the successful Claimant will need to make choices about how to protect and preserve their compensation to best meet short- and long-term needs. Independent financial advice from someone experienced in helping life changing injuries clients is essential in navigating all that is involved when compensation is paid in these cases.

Why is Financial Planning important?

In our experience of working with people who have suffered life changing injuries, very few are comfortable with dealing with what by any measure will usually be a life changing amount of money paid as compensation in a successful claim.

Whilst most move seamlessly to engaging with experienced independent financial advisors, the fear of spending anything or of spending everything of a sum needed to last a lifetime is never far away, especially for those who are seem less sure about engaging yet more help. Friends and associates who hear about the compensation well-meaning or otherwise can often befuddle the client and there is a risk then of their making what seem like strange decisions in relation to the money received via the litigation process.

Managing a considerable sum of money recovered to meet extensive lifelong needs and where sensible investment is vital to preserve that sum of money demands specialist financial planning input. Navigating how to prioritise spending needs and investment priorities, and dovetailing that with estate planning and tax advice, and even employment advice (where the client may be employing carers for example) is not something many could undertake successfully without specialist advice and support.

Where can I find out more about Financial Planning?

We can recommend financial advisors who we know have helped clients previously. It is always entirely your decision as to whether you wish to make contact and engage with those we recommend. We do not enter financial arrangements with those we recommend. Our only interest is to ensure those we recommend our clients contact can give those clients the specialist advice and support that is needed after life changing injuries.

The independent financial advisor we recommend will look to engage with you without charge for the initial meeting and to better understand your needs and to then set out how they may be able to help you.

It is important that you find someone you feel comfortable with, and, crucially, someone who has experience in helping people manage the unique challenges faced by those who have recovered substantial sums of compensation after suffering life changing injuries.

When is Financial Planning needed?

Financial Planning can be important from the very earliest stage post injury. By engaging with an advisor at an early stage your financial position can be reviewed and there are many occasions where the independent financial advisor has been able to help address an immediate issue quickly and effectively that might otherwise have persisted and caused even difficulty and greater hardship.

Financial Planning assistance is of particular importance on receipt of an interim payment of damages and ahead of settlement/final award of compensation; and of course, on receipt of the final settlement/award of compensation..

How much does help with Financial Planning cost?

Financial Planning does come with a cost. You will have to pay for the advice and may have to pay charges on some financial products you use. Your financial advisory should make those charges clear to you when you engage with them. In our experience, most clients find that the charges are more than covered by the value added to the sums being managed and invested.

If you would like any more information or have any questions, please contact:

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‘We help achieve financial security and enable independence after spinal cord injury’