

Best Practice solicitor referral to FIAM

Communication and information are crucial to achieving a rapid and effective financial settlement for a separating couple. Many individuals opt to instruct a solicitor to help them to negotiate a settlement. Before the terms of a settlement can be discussed, it is crucial that the client and the solicitor each understand what can be achieved with the available assets.

Attendance at a FIAM gives every person facing divorce an opportunity to discuss and explain their understanding of the family's financial circumstances. It provides a safe space in which the nature and extent of the asset base can be discussed. Crucially, a couple can hear together the financial options that are open to them from a professional who (unlike a solicitor) is qualified to give financial advice.

Such a discussion at an early stage of a discussion about settlement can be invaluable. A couple can learn, for example, how their pensions can be shared between them, when pension benefits can be taken and how those benefits can be taken whether as a lump sum or an income and how much those benefits are likely to be in real terms.

If both solicitors are supportive of the attendance at a FIAM at an early stage in negotiations, there is every chance that this will set the tone for the discussions and that a more co-operative approach will be taken throughout the case.

It is naïve to suppose that every person faced with divorce is willing to present a full and clear picture of their financial circumstances and to discuss those circumstances in the hope of reaching a fair settlement. Such an individual will need to understand the legal requirement to do so and the (potentially criminal) consequences of failing to do so. It is part of the solicitor's duty to explain those requirements to the client and to ensure that full and clear disclosure is given. Again, attendance at a FIAMs is likely to show the reluctant spouse the benefits of unlocking the financial potential of the asset base in a constructive manner to mutual benefit.

Further information available at www.fiams.co.uk