



A SAFE
PAIR OF HANDS

Clients experiencing 'sudden wealth'

A GUIDE FOR PROFESSIONAL ADVISERS



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FOREWORD

KEITH RICHARDS

CEO, CONSUMER DUTY ALLIANCE

Receiving a significant financial windfall is often seen as an entirely positive event. But time and again, we see that sudden wealth can create real challenges for individuals — particularly where it arrives unexpectedly, follows a sense of loss, or lands with people who are unfamiliar with managing large sums of money.

In many cases, sudden wealth places people into vulnerable circumstances, even if only temporarily. The emotional impact, the pressure of decision making, changing family dynamics, and the fear of getting things wrong can all combine to heighten risk at precisely the moment individuals need stability and clarity.

In line with the FCA's expectations around vulnerability and Consumer Duty, this guide is one of a pair of free to download resources designed to support better outcomes for people experiencing sudden wealth. It is intended to help advisers recognise how a sudden change in financial circumstances can create or exacerbate vulnerability, and how the advice process may need to flex in response.

Professional advisers play a critical role at these moments. Acting as a safe pair of hands is not just about technical expertise —



it is about judgement, empathy, and knowing when to slow things down. This guide draws on real-world experience to highlight common risks, behavioural responses, and practical considerations, helping advisers to support clients thoughtfully through what can be a destabilising period. Alongside this practitioner guide, we have produced a complementary consumer-facing guide that advisers can share with clients. Together, these resources are designed to help individuals better understand the challenges they may face, while reinforcing the value of professional, regulated advice at a time when it matters most.

Sudden wealth is becoming increasingly common. Getting the response right — from the very first conversation — is essential. I hope this guide supports advisers in delivering the good outcomes that clients deserve.

WHO SHOULD READ THIS GUIDE?

This guide is written for professional advisers who want to deepen their understanding in relation to clients experiencing a sudden increase in wealth, to deliver good outcomes at what can be a complex and emotionally charged time.

It will be particularly relevant for financial planners, financial advisers, investment advisers and wealth managers, but it will also be useful for related professionals

such as solicitors, accountants and tax advisers who may encounter clients whose circumstances — or vulnerabilities — have changed as a result of sudden wealth.

While every client's situation is different, this guide focuses on the practical, behavioural and emotional challenges advisers are most likely to encounter, and how the advice process can be adapted to provide an appropriate and supportive response.

ABOUT THE AUTHOR

Robin Melley is the Chairman of the Financial Vulnerability Taskforce and a practising financial planner, with extensive experience and technical expertise in advising clients who experience sudden wealth, from all age groups, including minors through to those in later life, lacking mental capacity.

Robin is a Certified Financial Planner™, a chartered financial planner, a SOLLA Accredited Later Life Adviser and a registered Trust and Estate Practitioner with the Society of Trust and Estate Practitioners (STEP). He holds the STEP Diploma in Advising Vulnerable Clients and is a Member of the Expert Witness Institute (EWI).

Robin is the Founder and Managing Director of Matrix Capital Limited, a Chartered Firm™ of Financial Planners.

They held an exclusive appointment with NS&I for eight years, advising the monthly Premium Bonds £1m jackpot prize winners. This provided Robin and his team with extensive first-hand experience of supporting individuals from all age groups and backgrounds, who experience sudden wealth, including clients in highly vulnerable circumstances.

This guide has been written on a pro bono basis.



WHAT IS ‘SUDDEN WEALTH?’

Sudden wealth is a term that most people instinctively understand, but it can arise from a wide range of circumstances. These include receiving a £1m NS&I Premium Bond jackpot, winning the lottery, a significant online gambling payout, an unexpected inheritance, proceeds from the sale of a business, or a substantial compensation payment for medical negligence or personal injury.

The key characteristics are:

- ➔ A person has received a significant amount of money.
- ➔ It was unexpected or was much more significant than expected.
- ➔ The person is not used to dealing with large amounts of money.
- ➔ It occurs suddenly.

WHAT HAS ‘SUDDEN WEALTH’ GOT TO DO WITH VULNERABILITY?

Although externally viewed as a positive event, a rapid shift in financial capacity can trigger complex behavioural, emotional, and relational challenges.

Sudden wealth creates a profound and often destabilising life transition for clients who may have lived quite a modest lifestyle up until this point.

THE ROLE OF THE FINANCIAL ADVISERS

Financial advisers play a critical role in helping clients stabilise, process, and eventually steward their new wealth with clarity and confidence.

This section outlines the key syndromes, behavioural responses, and advisory considerations that arise when clients encounter sudden financial acceleration.

Whilst it is accepted that some people remain calm, considered, and resourceful, they are in the minority. Most people immediately say and do things that either potentially place them in a detrimental position or exacerbate an already vulnerable set of circumstances.

UNDERSTANDING SUDDEN WEALTH SYNDROME

Sudden Wealth Syndrome (SWS), a concept introduced by psychologist Dr. Stephen Goldbart¹, describes the emotional and psychological difficulties some individuals face when they acquire substantial wealth unexpectedly. It frequently presents as adjustment difficulties, anxiety, loss of identity, and in some cases, depressive symptoms.

For practitioners, recognising SWS as a legitimate behavioural response (not a character flaw) is crucial.

Clients often experience the following:

- Heightened stress due to rapid lifestyle disruption
- Limited internal resources to process the transition
- Uncertainty around personal identity, purpose, and future goals
- Difficulty managing complex financial decisions under emotional strain

These challenges can directly influence decision making capacity and risk appetite, often impairing financial judgement during the critical early period of wealth transition. This section outlines the key syndromes, behavioural responses, and advisory considerations that arise when clients encounter sudden financial acceleration.

IDENTITY DISRUPTION AND ROLE DISPLACEMENT

A sudden shift in financial status can trigger a crisis of identity. Clients may feel disconnected from their previous social groups or become uncertain about their role in family, community, or professional environments.

This is common among clients who:

- Inherit substantial estates
- Exit a business or career abruptly after liquidity events
- Receive compensation or settlements linked to trauma or loss

Financial planners may observe clients articulating uncertainty such as *“I don’t know who I am now”* or *“my life no longer feels recognisable.”*

This underscores the need for values-based discovery, reflective exercises, and structured life-planning conversations as part of the advisory process.

¹ https://en.wikipedia.org/wiki/Sudden_wealth_syndrome

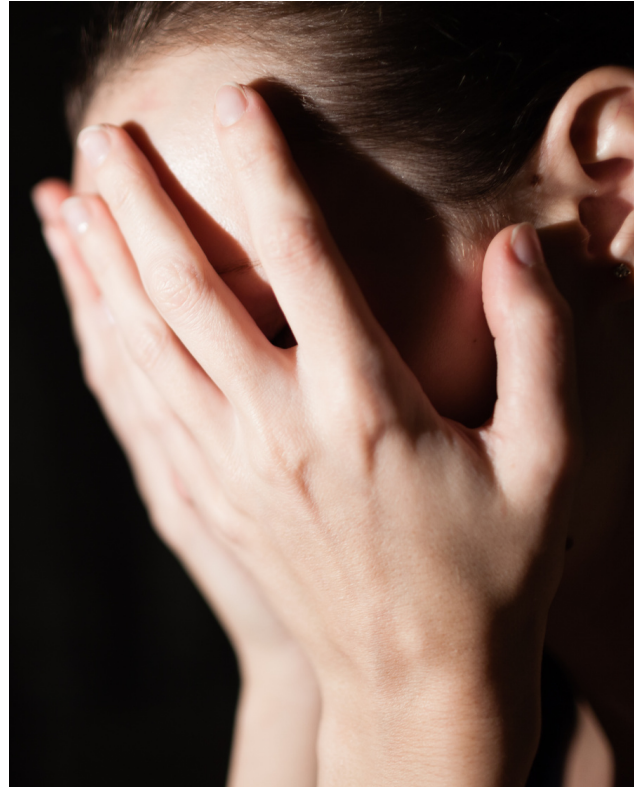


FINANCIAL IMPOSTER SYNDROME

A subset of SWS is financial imposter syndrome where clients struggle to accept their new financial reality and feel undeserving of their wealth. This often manifests in behaviours such as:

- Underspending relative to true capacity
- Retaining old habits inconsistent with their new situation
- Avoiding financial decisions for fear of “being found out”
- Delaying personal care or lifestyle improvements

Financial advisers can support these clients through normalisation, education, and gradual exposure to financial decision-making.



BEHAVIOURAL AND EMOTIONAL RESPONSES TO SUDDEN WEALTH

THE HONEYMOON PHASE

Initially, clients often experience excitement, relief, or euphoria. This phase is generally short-lived and followed by a recalibration period where psychological strain becomes more apparent.

GUILT, ANXIETY, AND EMOTIONAL CONFLICT

Particularly common with inheritances or money linked to loss, clients may experience:

- Guilt about benefiting financially
- Anxiety about managing the wealth responsibly
- Stress from changed family dynamics
- Fear of judgment from peers or loved ones

Advisers may need to slow decision making and encourage emotional processing before implementing long-term strategies.

ISOLATION AND LOSS OF PURPOSE

Clients who stop working or exit a business abruptly often struggle with the loss of structure, purpose, routine, and social identity. Wealth alone does not solve these gaps. Structured life-planning and coaching referrals can be invaluable.

FEAR, PARANOIA, AND LOSS AVERSION

Some clients become disproportionately concerned about:

- Being exploited by others
- Making irreversible mistakes
- Losing the entire fortune

This may lead to hyper-vigilance, impulsive withdrawal from professional advice, or reluctance to disclose their situation.

SECRECY AND SELF-ISOLATION

Clients may become secretive about their wealth, either to protect themselves or because they feel misunderstood. Over time this can lead to:

- Reduced social engagement
- Sleep disturbance
- Depression or self-neglect
- Withdrawal from support networks

Financial advisers should recognise secrecy not as resistance, but as a self-protective mechanism.

FRIVOLITY AND HIGH-RISK BEHAVIOURS

Some clients respond with impulsivity, excessive consumption, or destructive habits such as:

- Gambling
- Substance misuse
- Extreme overspending
- Pursuit of high-risk investment schemes

These behaviours require sensitive intervention, clear boundaries, and often interdisciplinary support from therapeutic professionals.

RELATIONSHIP DISRUPTIONS AND SOCIAL COMPLEXITY

Sudden wealth often reshapes personal relationships more dramatically than clients expect. Common patterns include:

- Jealousy or resentment from friends
- Increased financial expectations from family
- Encroaching behaviour from distant relatives or acquaintances
- Suspicion of motives both justified and unjustified
- Relationship breakdowns due to mismatched expectations or new power dynamics

Financial advisers should guide clients on:

- Establishing personal boundaries
- Communicating wealth changes thoughtfully
- Structuring gifts and family support mechanisms
- Using formal financial structures (trusts, family governance, spending policies) to depersonalise decisions.

CORE PRACTICE PRINCIPLES OF ADVISERS

To support clients effectively, advisers should integrate the following approaches:



Stabilise before strategising

Slow down major financial decisions. Use interim holding strategies, cash management, and safe harbour planning until the client regains emotional equilibrium.



Incorporate behavioural finance insight

Recognise that emotional turbulence may temporarily impair rational decision-making. Create an environment that supports clarity rather than accelerates choices.



Implement a multi-disciplinary and collaborative support network

Collaborate with other suitably qualified professionals including tax advisers and solicitors to create a holistic support structure. It may also be appropriate to refer to counsellors or therapists



Adopt values-centred discovery and life planning

Help clients connect their wealth to identity, purpose, and long-term wellbeing. This reduces anxiety and encourages thoughtful decision making.



Establish governance and guardrails early

Use policies, trusts, spending rules, and advisory frameworks to help clients feel safe and in control.

THE FCA'S VIEWS ON VULNERABILITY

Advisers will be aware of the FCA's guidance for firms on the fair treatment of vulnerable customers², which sets out four key drivers of vulnerability:

- Health
- Life events
- Resilience
- Capability

We would also suggest that 'abuse,' which is defined in law maybe a fifth driver. People experiencing 'sudden wealth' will certainly have had a 'life event' that may cause vulnerability.

Also, depending upon the person's overall circumstances, they may be suffering from poor health, lack capability and have poor resilience. They may also be victims of abuse.



The purpose of the FCA's guidance is to help regulated advisers dealing with clients who are in vulnerable circumstances, to achieve the same quality of outcome that they would have achieved had they not been in vulnerable circumstances.

For regulated advisers (such as financial planners, financial advisers, and investment advisers) particular care is needed in following the FCA's guidance to ensure compliance with the requirement to Treat Customers Fairly. Remember that vulnerability is not synonymous with poverty!

2. <https://www.fca.org.uk/publication/finalised-guidance/fg21-1.pdf>

HOW CAN 'SUDDEN WEALTH,' MAKE PEOPLE FEEL?

Based on my own experience of advising NS&I Premium Bond jackpot winners, there is a whole range of emotional responses.

It's a shock when the news is initially received. Some people almost faint, some people are convinced it's a scam and become angry and defensive, some people are overjoyed and blurt the news out to whoever they happen to be with at the time, causing later problems for themselves.

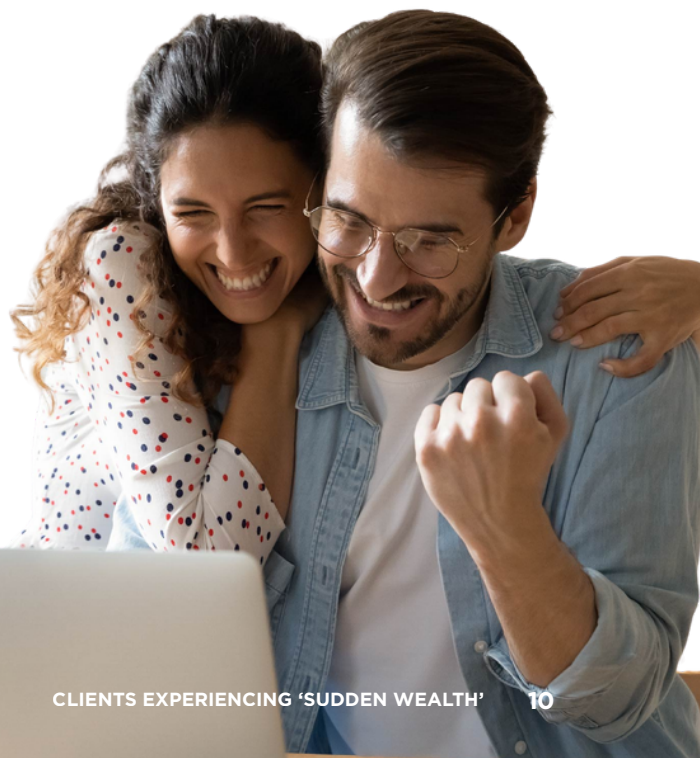
Once the initial shock subsides, clients may begin to experience more complex emotions, including fear, anxiety, sadness, and guilt. While these reactions may seem counterintuitive in the context of a significant financial gain, they are entirely understandable. Professional advisers are accustomed to working with large sums of money, but for many individuals this is unfamiliar territory. Empathy is therefore essential, alongside a genuine effort to understand the experience from the client's perspective.

Negative feelings can also be made far worse because of kneejerk reactions to their sudden change of circumstances.

A common pitfall is that individuals make immediate promises to family members or friends about gifting money, only to regret those commitments later.

This often happens once they begin to understand the wider financial, tax, and emotional implications of what they have promised. The resulting conflict can create significant emotional strain, sometimes leading to anxiety, disrupted sleep, and strained or broken relationships.

While this may sound bleak, it does happen. As professional advisers, it is therefore important to remain alert to these potential emotional responses and to use our skills and experience to help clients navigate the early stages of sudden wealth safely and thoughtfully.



COMMON MISTAKES

Here are some of the more common pitfalls that sudden wealth clients have encountered:

→ Telling people and jeopardising their anonymity

Many people who experience sudden wealth feel an immediate urge to share the news with family members, friends, or colleagues often doing so in the moment, simply because others are present when they first receive the news.

This can create significant difficulties. There are numerous examples where early disclosure has either placed individuals in vulnerable circumstances or compounded existing challenges. It can also increase the risk of fraud, scams, and financial abuse.

→ Not putting the cash in a safe place

Banks and building society deposits are only protected up to the first £120,000 per account holder under the Financial Services Compensation Scheme (FSCS)³

People may also have agreed to marketing preferences that allow the bank or building society to approach them with other products and services, resulting in possible unwanted approaches from other companies within the banking group with their own sales targets to meet.

In smaller towns or villages, bank staff may personally know the customer or even be connected to them, which can raise concerns about privacy where individuals wish to keep their good fortune confidential.

→ Promising or making gifts without understanding the ramifications

As noted previously, this can create both emotional and relational difficulties. Clients may make gifting promises before fully understanding the implications, later finding themselves conflicted between withdrawing a commitment they regret or honouring it despite the detriment it may cause. There can also be technical consequences, particularly where gifts are made before appropriate structures such as a discretionary trust are properly established.

→ They don't know what they don't know

Many individuals, particularly those without prior experience of investing or an established relationship with a financial adviser, may have limited awareness of the issues and opportunities that accompany a sudden increase in capital.

They may also feel uncertain or cautious about seeking professional advice, including what different types of advice involve and how fees are structured. It is not uncommon for people to be unsure whether they need financial planning, investment, legal, or tax advice or how these services fit together leaving them unsure of where to begin.

³ <https://www.fscs.org.uk/what-we-cover/>

→ Hasty decisions and irrational behaviour

One example of this is purchasing high value assets, such as property or vehicles, without fully considering the long-term costs of ownership. Larger homes and prestige vehicles typically carry significantly higher ongoing expenses, including maintenance, insurance, and running costs.

In some cases, these commitments are funded directly from capital rather than being supported by a sustainable income strategy. Over time, this can erode capital and may leave individuals needing to borrow to maintain the asset or sell it earlier than planned, potentially at an unfavourable price.

→ Making unwise investments without professional advice

This risk can be heightened where individuals have already given up their anonymity, increasing the likelihood of unwanted approaches from people promoting business ventures or unregulated investment opportunities.

For some, suddenly acquiring significant wealth can feel unfamiliar and difficult to contextualise, which may influence decision-making at a time when emotions are already heightened. As with many financial decisions, emotion can play a greater role than logic during periods of change. In hindsight, and often after taking professional advice, individuals may recognise that earlier decisions were made without a full appreciation of the risks involved, potentially leaving them in a more vulnerable position.

→ Estate planning and wills

A substantial windfall can move someone from having little or no exposure to inheritance tax (IHT) considerations to a position where their estate may face a significant IHT liability. This change can be both unexpected and complex.

Many people may not have a valid will in place, or their existing arrangements may no longer reflect their changed circumstances. As a result, estate planning can quickly become an unfamiliar and important area of consideration, requiring careful thought and, in many cases, professional support.

CLIENTS IN HIGHLY VULNERABLE CIRCUMSTANCES

The Vulnerability Charter⁴ makes it clear that vulnerability is not an inherent personal trait or a permanent human condition; rather, it arises from an individual's circumstances. That said, it also recognises that some people may quite properly be considered vulnerable, such as those who have lost mental capacity.

It is therefore helpful to recognise that individuals who experience sudden wealth are likely to be in vulnerable circumstances, even if only temporarily.

Adopting a precautionary approach and viewing new clients through a vulnerability lens can help advisers provide appropriate support and act as a safe pair of hands.

There are also certain groups of people who experience sudden wealth who are, by their circumstances, highly vulnerable and require additional care and consideration from professional advisers, including:

- **MINORS**

In most circumstances where money is being received by a child under the age of legal capacity (i.e., 18 years of age) the funds are typically held within an express trust. However, there is one exception to this, which is NS&I Premium Bonds.

Up until age 16 years, a child's Premium Bonds are held by a nominated parent (or responsible adult) which includes any prizes associated with the holdings.

Once the child reaches the age of 16 years, they take legal ownership of their Premium Bonds. Up until that age, the child is the 'beneficial' owner and the nominated parent, has 'legal' ownership. This situation places a fiduciary obligation upon the nominated parent towards the child. In other words, the relationship between parent and child takes on another additional dimension of 'trustee' and 'beneficiary.'

There have been many children over the years that have received a £1m jackpot prize from their Premium Bonds and there are several potential pitfalls that this creates.

What does 'fiduciary obligation' mean?

Very simply, the nominated parent has a duty to look after their child's money for the benefit of the child. This establishes a trustee and beneficiary relationship between the parent and child.

Someone in a fiduciary position has a general duty to be loyal, honest, and to have integrity; and to act in good faith, be transparent and accountable. A fiduciary must not allow their personal interests to conflict with the interests of the person(s) to whom they owe a fiduciary duty.

It is very important for a person in a fiduciary position to take their duties and responsibilities seriously. They also need to understand that it is a personal duty and one which cannot normally be delegated.

⁴ <https://www.consumerduty.org/working-groups/financial-vulnerability-taskforce/about-the-fvt-charter>

The duties are set out in law⁵ (both in legislation and through common law) and there may be serious consequences if someone in a fiduciary position fails to carry out their duties.

Once a fiduciary obligation has been established, the duties apply regardless of the amounts involved. However, if the child is for example in the very fortunate position of winning a larger amount on their Premium Bonds, then advisers should be aware that there are several powers and duties that will need to be considered with even greater care and diligence.

A person in a fiduciary position is effectively acting as a trustee and will need to consider their powers and duties, which include the power to invest.⁶ Advisers should also be aware that the trustee has certain other obligations in relation to investments, which include considering the suitability⁷ of any investment and the requirement to take advice from a suitably qualified adviser.⁸

At some point, the trustee may wish to pay income or capital out for the benefit of the child. There are several important considerations that they would need to be aware of and adhere to however that are set out in The Trustee Act 1925.^{9 10}

What could go wrong?

Where a trustee fails to fulfil their fiduciary duties towards a beneficiary, there is a breach of duty under the law. These may include:

- i. Failing to invest in an authorised manner
- ii. Making an unauthorised or secret profit
- iii. Failing to distribute the correct amounts to the correct people
- iv. Making a substantial unauthorised purchase, such as buying property

Where a breach occurs, a beneficiary has the right to take legal action. In these circumstances, this could mean a child bringing a claim against a parent, which can have serious and lasting consequences for family relationships. In addition, where a parent or guardian misuses a child's funds, this may also constitute a criminal offence.¹¹

So, as a professional adviser, you need to be alert to suggestions from a parent of a child receiving a £1m Jackpot prize that they are considering using the money for their own purposes (i.e., paying off the mortgage on the family home) or sharing some or all their child's money with a sibling or other family member or wanting to invest inappropriately.

Hopefully, this guide will help advisers to make the parent (i.e. the trustee) aware of their obligations and advise them accordingly.

5 S.1 Trustee Act 2000
6 S.3 Trustee Act 2000
7 S.4 Trustee Act 2000
8 S.5 Trustee Act 2000
9 S.31 Trustee Act 1925
10 S.32 Trustee Act 1925
11 S.4 Fraud Act 2006

- **COGNITIVE IMPAIRMENT OR LACKING MENTAL CAPACITY**

It is not uncommon for advisers to support clients who have received sudden wealth and who may have lost mental capacity or be showing signs of cognitive impairment.

Clients in these circumstances should be regarded as highly vulnerable and may require additional care, specialist knowledge, and a particularly sensitive approach.

They may be at increased risk of scams, fraud, or financial abuse, sometimes involving people close to them, such as family members, carers, neighbours, or friends. As a result, advisers need to take particular care in how support and advice are provided.

It is also important to establish whether the client has a valid lasting power of attorney (LPA) for finance and property, or an enduring power of attorney (EPA), to confirm who if anyone has the legal authority to act on their behalf.

There is a common misconception that a 'next of kin' can step in and act for someone else, but has no legal basis in law. The only people who have the legal authority to act on behalf of someone else is either an attorney appointed by power of attorney, or a deputy appointed by the Court of Protection.

Points to consider →

- i. In which jurisdiction client has established either an LPA or an EPA, obtain an authorised copy and understand who has been appointed as an attorney(s) and gain an understanding of any preferences and instructions issued by the donor.
- ii. Be prepared to guide the attorney(s) on their obligations under the Mental Capacity Act 2005 (MCA) particularly concerning the principles¹², the need for them to always act in the donor's best interests¹³ and the restrictions that apply to making gifts on behalf of the donor.¹⁴
- iii. If the client has mental capacity but has not established an LPA or an EPA, encourage them to do so (straightaway if there are signs of cognitive impairment) and collaborate with a suitably qualified solicitor or trust and estate practitioner, who can advise on the establishment of an LPA for finance and property.
- iv. If the client lacks mental capacity and does not have an EPA or an LPA established, an application will need to be made to the Court of Protection for the appointment of a deputy; and this will need to be granted before a planner is formally appointed and before any advice can be given.

12 S.1 MCA
13 S.4 MCA
14 S.12 MCA

A HOLISTIC APPROACH AND COLLABORATION ARE VITAL



The very nature of vulnerability demands a holistic and often a multi-disciplinary approach to achieve the best possible outcomes for clients.

Professional advisers are well versed in the benefits of holistic financial planning and collaborating with other professional advisers. However, where someone is in vulnerable circumstances, there is a much greater emphasis on having a holistic and collaborative approach from an early stage in the advice process.

With scale often comes complexity. There are likely to be a range of financial planning issues to address, including estate planning and wills, later life planning and LPAs, inheritance tax, capital gains tax, income tax, gifting, trusts, pensions, and investments to name a few.

Advisers should be aware of their scope of practice and ensure that they build a team of professional advisers to provide a collective safe pair of hands for the client.



HELPING CLIENTS IN VULNERABLE CIRCUMSTANCES

Here are a few examples of dealing with sudden wealth clients:

1. IDENTIFYING FINANCIAL ABUSE

One key advantage that a financial planner or adviser has over other professions is the regular contact and the nature of the relationship that is developed over time with a client.

Solicitors and other legal professionals tend to only hear from clients when they need a standalone package of advice (e.g., a divorce, a property purchase or to write a will). Accountants tend to deal with businesses and meet with them annually to prepare their accounts and submit their tax returns. However, a financial planner or adviser, providing ongoing advice and review, is having regular contact with clients and often their family members and other advisers.

As a result, financial planners and advisers may be well placed to notice indicators that financial abuse could be a concern. Please see the vulnerability support area of the Consumer Duty Alliance website for a range of useful resources.¹⁵

2. ATTORNEYS BEHAVING BADLY

Professional advisers need to understand the obligations placed upon attorneys and deputies, which are set out in the Mental Capacity Act 2005 (MCA).

This may also create a conflict of interest for the professional adviser, where they are perhaps being asked by the attorney to facilitate a decision that they do not believe is in the donor's best interest.

It is vitally important that they understand the law on these matters, or collaborate with a professional adviser that does.

There are several steps that a professional adviser can take to help safeguard a victim of financial abuse, including reporting the matter to the Office of Public Guardian (OPG) to investigate their concerns under the confidential whistleblowing procedure. In extreme circumstances, the OPG may apply to the courts, who may direct that an LPA or an EPA is revoked where the donor cannot revoke it themselves and where the court is satisfied that the attorney has behaved (or proposes to behave) in a way that is not in the donor's best interests.

Any conflict of interest should be identified and disclosed, avoided if possible, and handled professionally if they cannot be avoided.

3. WHERE THE CLIENT MAY LACK MENTAL CAPACITY

The professional adviser must establish that the client has the capacity to enter into contracts to implement any advice.

Unless the adviser is qualified to undertake mental capacity assessments, they will need

¹⁵ <https://www.consumerduty.org/helpful-resources/guides-support>

to collaborate with a healthcare or social care professional for them to undertake an assessment and confirm (or otherwise) that the client has mental capacity before proceeding.

This can be a particularly challenging situation for advisers, especially when explaining to a client that a capacity assessment may be required. However, it can be helpful to explain that, given the significance of the decisions being made, an independent capacity assessment can provide reassurance that those decisions are robust and unlikely to be challenged in future. Framing the assessment as a way of protecting the client's wishes — by providing confirmation of capacity at that point in time — can help position it as a safeguard rather than a barrier should those decisions later be questioned.

How do you tell someone they do not have mental capacity and cannot proceed with a transaction?

It's never easy to deliver bad news but here are some tips from Caroline Bielanska, a solicitor and trainer for STEP's Advance Certificate in Advising Vulnerable Clients.

1. Deliver the news in person
2. Be honest
3. Be sensitive to how your opinion will make the client feel
4. Speak slowly and clearly
5. Maintain eye contact
6. Put the client at ease; initially make small talk

7. Find the client's starting point. Do they remember why they came to see you?
8. Do they recall seeing a doctor (if a medical assessment was needed) and do they remember why this was needed?
9. You may need to remind the client that they wanted to enter into a legal/financial transaction and that there were doubts as to whether they understood all that was required in law to do so?
10. Most people need a warning that they are to hear bad news – 'I'm sorry but I don't have good news.'
11. Then explain it in more detail – 'it seems your memory is not good enough to be able to go ahead with this transaction at this moment in time.'

It can also be helpful to avoid using the term 'mental' when having these conversations. Instead, advisers can explain that the courts may be able to take matters forward on the client's behalf, framing this as a supportive and protective step rather than a judgement.

Where possible, ensuring the individual is supported by a trusted friend or family member can also help them feel more at ease and less isolated during what may be a difficult discussion.

IN SUMMARY

While receiving sudden wealth can be a positive and life-changing experience, it can also bring unexpected challenges for individuals and their families. Beneath the surface, clients may find themselves navigating unfamiliar emotional, practical, and financial complexities that can be difficult to manage without appropriate support.

Professional advice often delivered collaboratively by suitably qualified and experienced advisers plays a vital role in helping clients make sense of their new circumstances and move forward with confidence.

Providing a safe pair of hands requires not only technical competence, or the willingness to refer where matters fall outside an adviser's expertise, but also the interpersonal and judgement based skills that support good decision making, particularly where clients are vulnerable to some degree. This is especially important when advising those in more complex or sensitive situations, such as minors, older clients, or individuals who may lack mental capacity.

This guide cannot cover every aspect of advising clients who experience sudden wealth, but it aims to highlight key considerations and encourage a thoughtful, well supported approach. We hope it has helped to set you on the right path.

Robin Melley TEP
Chairman, Financial Vulnerability Taskforce