

Next of kin lose out on inheritances as local authorities outsource heir hunters

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Bereaved relatives could be missing out on thousands of pounds in inheritance as local authorities outsource the job of locating next of kin.

When someone dies without a will and no family member comes forward to sort out their affairs, guidelines state that the Treasury Solicitor should list the unclaimed estate publicly online.

Professional “heir hunters” then use this list to locate relatives, operating in competition with one another and taking a percentage of the estate as commission.

However, experts have now warned that, owing to increasing administrative demands on the Treasury Solicitor, local authorities are taking it on themselves to track down heirs before the Treasury Solicitor is notified.

Anglia Research, a genealogy firm, has said some councils are hiring heir hunters on an exclusive basis, diluting competition in the market. It has warned that people could be ripped off by high fees and may be unaware that they could get a fairer deal elsewhere.

Following a number of Freedom of Information (FOI) requests, Anglia found there was a 90pc increase in the number of councils going against the best practice for dealing with lost legacies in 2016-17.

When questioned by the firm, a number of authorities said they believed they had a statutory obligation to find next of kin, that the Treasury Solicitor expected them to have made an initial effort before reporting an unclaimed estate, or that hiring an heir hunter was the quickest way to deal with an unclaimed legacy.

Hector Birchwood of Celtic Research, another genealogy firm, said his company was receiving more claims than ever.

He said: "I suspect the Treasury Solicitor is being swamped. It may be asking councils to do some of the legwork to nip some of the claims in the bud. By not listing cases publicly you reduce the efficiency of the market and reduce the quality of service for consumers. With only one heir hunter, the cases may not be solved, and erroneous fees could be charged."

Telegraph Money understands that several heir hunter firms use FOI requests to local authorities to get their hands on unclaimed estate details before they are placed in the public domain, cutting out rivals.