



Do pensions pose pressures to family lawyers?

A spouse's pension can be allocated to the other party in cases of divorce, so can family lawyers afford to ignore the complex process of pension valuation? Ash Sanger, head of pensions analysis at Hazell Carr speaks to Nick Gillies about her consulting work with family lawyers facing strains on their time and expertise ...

Ash Sanger, a solicitor who has joined the actuaries Hazell Carr as head of pensions analysis, says: "A conveyancer wouldn't proceed without a surveyor's report, a PI lawyer would want medical reports. Should a family lawyer proceed without knowing what the parties' pension entitlements are?"

Sanger has moved from the Thames Valley law firm Willmetts and Co, where she was a family lawyer herself, to set up a consultancy for solicitors affected by the Welfare Reform and Pensions Act 1999. In December 2000 part of that came into force saying that a spouse's pension could be allocated to the other party in a divorce. Sanger adds: "Even if the parties decide they are not going to share they need to look at the pension situation."

"The trouble is", she says, "lawyers are not pensions experts. Calculating the value of pensions is very complex. Also it goes along with investment advice, which lawyers are reluctant to give." Even at its most basic, Sanger says: "There's the question of off-setting it against the value of the matrimonial home."

Assessing the value of a pension involves finding out who has the pension, asking them a number of questions, and calculating the position from their answers. That isn't difficult, surely? "No," Sanger says, "but it takes time. When you think that a senior family lawyer is going to charge-out at £110 per hour, by the time they have written the letters sending for documents they have already spent £300. Because of the work Hazell Carr does we already know what the pensions companies are doing and we have programs to calculate the position."

The work Hazell Carr does is connected with the pensions mis-selling debacle, where people were encouraged to leave occupational pension schemes. Hazell Carr was set up to calculate the loss pensioners had, because the Government requires it to be repaid. "In theory that work is now coming to an end," Sanger says, "though in practice we can see it continuing. But the firm wants to diversify, and this is an obvious area."

Actuaries are often seen as expensive and recondite, the accountancy equivalent of barristers. This is work that could be done by independent financial advisers, surely? "They won't have the resources we have," Sanger claims. "Because we've had to computerise most UK pensions we have and most of the information ready to hand and a large data collection team who know what the information means, and the forms, and a calculator. We can give a fast and independent result."

Sanger was chosen partly because she has an MBA, which she calls "very unusual for a non-corporate lawyer. I did it because of the frustration of knowing the law but not knowing how to manage people and structure the business." Also, she says, a lawyer rather than an actuary was needed, Hazell Carr decided, "because you need a lawyer to speak to lawyers." (03/05/01)