

Case Study

Generating an income following a property sale



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Mr S came to me having recently sold a property in Hertfordshire. This freed up a large amount of capital. After making various gifts, this still left significant capital to invest. In addition, Mr S also had a final salary pension scheme, offering a good level of income, plus a money purchase pension worth around £300,000.

Simon Prestcote, Chartered Wealth Manager, Barnet, North London

Current situation

Mr S was aware of some financial issues, including:

- How investment markets worked in general
- The ability to transfer out of his final salary pension scheme
- The need to protect his pensions against the lifetime allowance
- The impact of inheritance tax

He also understood that leaving the money in a bank and drawing from it made little sense and would see his funds decrease. He was also aware of precisely what he might need going forward.

For a free initial consultation contact Simon Prestcote on 0208 275 1160 or email sprestcote@lonsdaleservices.co.uk

How Simon added value with his independent financial advice

□ Identified the starting point

At the initial meeting Mr S understood his current financial position. Simon Prestcote explained which assets were available to provide income for him, what additional gifts might be made now and his options for the final salary pension and money purchase pension.

□ Agreed client costs and income requirements

Simon Prestcote discussed financial priorities with the client, both in terms of what he might spend, but also wider goals such as how to minimise inheritance tax. Mr S appreciated he was in a fortunate position and that he probably didn't have any reason to worry, but he hadn't thought how much the rest of his life might cost him. Talking through this helped clarify his long-term costs.

□ Lifetime Financial Plan to model cash flow

Having determined where Mr S was on his Lifetime Financial Plan and agreed his financial priorities, Simon Prestcote used cash-flow modelling to show what kind of returns were required to achieve his financial goals. Clearly these were achievable in this situation. Mr S was assessed as a lower than average risk investor, and as he didn't need to achieve stretching targets, lower risk investments were recommended.

□ Recommended a solution to achieve financial goals

As a qualified independent financial adviser, Simon Prestcote was able to weigh up the benefits and disadvantages of the various investment options that he thought were appropriate, and match them against Mr S's financial targets.

□ Actioned the recommended investment plan

Simon Prestcote set up the investment plan for Mr S, building a sensible, diverse range of investments designed to achieve the necessary financial goals. By meeting Mr S annually Simon Prestcote will ensure that any changes to Mr S's circumstances are reflected in his investment plan.

Key considerations for an individual generating an income following a property sale

- Review your current financial position and provide this information to your independent financial adviser
- Identify your financial objectives and goals and agree your investment timescale
- Consider using cash-flow planning tools to achieve your financial goals

Summary

The client is now comfortable with the financial solutions proposed, and he has already started to relax and enjoy retirement.

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