legal & financial matters

Interested in investing?

WITH £430 billion sitting in cash accounts that could potentially be invested. Here are some ideas on how to get started.

Starting an investment habit can feel daunting for some savers. Especially as money held in cash savings often feels like a "safer" option.

But over the longer-term, money held in investments may generate higher returns – although it's also important to bear in mind that the value of investments can go down as well as up.

Recent analysis from Barclays suggests many people are holding money in cash savings, when they could – potentially – be dipping a toe in the investments market.

The bank, which looked at Financial Conduct Authority (FCA) data to make its calculations, estimates that overall, as many as 13 million UK adults are holding onto £430 billion of "possible investments" in cash savings.

It says the calculation reveals the scale of the opportunity, if more people took the step of investing. Barclays also says that its figures are a "conservative estimate", as it is based on savers who already hold more than six months' income in cash savings.

In general, it's usually a good idea, if possible, to hold several months' worth of savings as readily-accessible cash – often known as an 'emergency fund'. This is so you have some money within easy reach in the event of a financial emergency, for example if someone loses their job, their personal circumstances suddenly change, or their home needs an urgent repair.

But, why aren't more people investing?

Further research for Barclays suggests that one in five (21%) people who currently don't invest say they wouldn't know how or where to start.

This ranges from 38% of people in the North West of England and 28% living in the Midlands, to 19% of people in the South West of England. A fifth (20%) of people in Scotland, London and the East of England say they wouldn't know where or how to start saving, as do 26% in the South East.

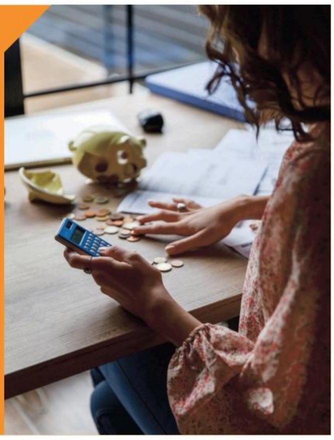
Of those who don't currently invest, more than four in 10 (43%) think it is too risky and are worried they would "lose all their money".

Watch out for scams...

It's also important to be on your guard against investment scams, which often start by someone making contact out of the blue or on social media. If you deal with an unauthorised firm, you won't have the protection of the Financial Ombudsman Service (FOS) or the Financial Services Compensation Scheme (FSCS) if something goes wrong.

The Financial Conduct Authority (FCA) has a "warning list" of firms on its website: **fca.org.uk**.

You can also check the FCA's register of authorised firms.



TO help budding first-time investors, Clare Francis, savings and investments director at Barclays Smart Investor, has five key tips.

1. Save for the short term, invest for the long term

Clare says: "It's recommended that you keep around six months' worth of monthly take-home pay in cash savings, to cover any short-term needs or emergencies. Once you've created this savings fund, consider investing any cash that's left over for your long-term goals, as this could earn you better returns over the long term."

2. Consider diversifying to 'spread' risk

"First time investors will often put all their money in a single company's shares, but this is quite a high-risk strategy as your fortunes are dependent on the performance of that one business," says Clare.

"Try to spread your investments across various companies, regions and industries, as this can help even out the size of losses and gains," she suggests. "If you're unsure where to start, many providers will offer ready-made investment funds – a diversified selection of shares and bonds that are packaged up into one product, based on the level of risk you're comfortable to take."

Make the most of tech to track your investments too – whether it's in your banking app alongside your current account and cash savings or within the app of another financial services provider.

3. Try to avoid 'knee-jerk' reactions

Clare stresses it's important to try not to obsess over market movements. She says: "One of the main reasons that people don't invest is a concern that 'risk of loss' means risk of losing all the money you've invested.

"The reality is that the value of investments will naturally fall as well as rise over time, as markets don't just move in a straight line. Ultimately, it's time 'in' the market that matters, not 'timing the market' – try to leave your money invested for at least five years, to give yourself the best chance of riding out any dips.

4. Consider investing little and often

Budding investors can potentially smooth out the risks from investment volatility by dripping smaller amounts of money in over time, so it goes in during periods when markets are up – and when they're down.

"Many people transfer money into a savings account every month," says Clare.

"When you are starting to invest, you can do the same – setting up a direct debit or regular investment can be a useful way of getting into new habits and help smooth out any nerves around stock market volatility."

5. Make the most of your tax allowances

The tax year starts on April 6 and ends on April 5, and savers have certain allowances that run over the year, such as the ability to newly save or invest up to £20,000 into a tax-efficient ISA. Some people may want to consider taking financial advice when considering investments.

Contributed content

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• *Emily Drew, Michal Kampa and Merrin Kitcher*

Scott Bailey LLP celebrates growth and new qualifications

WE at Scott Bailey are excited to celebrate the qualification of two new solicitors: Emily Drew and Michal Kampa, and Merrin Kitcher as a Chartered Legal Executive.

These achievements underscore the firm's commitment to developing talent, as recognised when we were awarded New Forest Business of the Year Award, and the Award for Training and Development last year.

Emily Drew joined Scott Bailey in 2022 and has now qualified as a Company and Commercial Solicitor working alongside Ben Ironmonger, Partner. Emily's hard work and dedication have been recognised throughout her training contract, and she was even a finalist for the New Forest Business Partnership Award for Young Person in Business last year. When not busy with legal matters, you can find Emily playing right-back for the Lymington Town Ladies FC or diving into a good book.

Michal Kampa joined the firm in 2023 and has quickly made his mark as a Litigation Executive, whilst completing his SQE (a relatively new method to qualify as a solicitor). Michal works alongside Azmi Quraishe, Partner, and specialises in property litigation, debt recovery, and contract disputes. Outside the office, he can be found ballroom dancing or spending time outdoors.

Merrin Kitcher has been part of the Scott Bailey family since 2013, working alongside Philip Salt, and recently qualified as a Commercial Property Chartered Legal Executive. Merrin focusses on commercial property transactions and was actually a finalist in the South Coast Property Awards for Young Property Person of the Year last year. Merrin loves painting and playing netball in her free time.

Scott Bailey continues to grow and develop, expanding our team and client base, while maintaining a reputation for high-quality legal services. If you think you could add to our fantastic team, why not have a look at our careers page.

With offices in Lymington and Lyndhurst, we offer a wide range of legal expertise to both individuals and businesses across the region. If we can be of assistance to you in your legal matters, get in touch today.

THE HONOURABLE TRUSTEE

A trustee is a person or body appointed to look after money or other assets on behalf of beneficiaries. Being a trustee is an honour although the role comes with many responsibilities.

You should, of course, read through the trust documents to identify the nature of the trust, the beneficiaries, any limitation of powers, and to understand the intention of the trust.

You cannot fulfill your duties as a trustee unless you also understand the nature of the trust assets and liabilities, including taxation, and that there should be liquidity to meet those known liabilities.

There are some areas of risk that should be considered before agreeing to become a trustee.

It is reasonable for trustees to seek advice regarding technical issues, especially investment of trust monies, taxation, registration, and accounting. If you offer such advice professionally, you may not be able to charge your usual fees to the trust if you are also acting as a trustee, unless expressly allowed by the trust documents. Generally, trustees do not receive remuneration for their role except for legitimate expenses. Any unauthorised benefit to a trustee may be a breach of trust.

Decisions that trustees take must be unanimous, except for pension trustees, and each trustee is personally liable for the decisions they take in that capacity. Such liability is not automatically limited to the trust assets, although many trust deeds will limit the liability accordingly.

Even after a trustee has retired, they remain personally liable for events during their trusteeship but they may seek an indemnity from the continuing trustees if retiring from their role.

So why agree to be a trustee with all these risks? The best reason is because you have been asked, honoured, and trusted to do so.

Contact us today for expert advice on Wills, Trusts and Estates.

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