BECKY TAYLOR FAMILY MEDIATION

FREE GUIDE · FINANCIAL SETTLEMENT

Financial Settlement Guide

Dividing assets, debts, and pensions fairly during separation.

INSIDE THIS GUIDE

- What financial remedy covers and why it matters
- Full financial disclosure — what it means
- How assets, debts, and pensions are divided
- Spousal maintenance and child support
- Making your agreement legally binding

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What Is Financial Settlement?

Financial settlement (also called financial remedy) is the process of dividing your money, property, pensions, and debts when you separate or divorce. It covers everything you own together and individually, as well as future financial obligations like maintenance.

Financial settlement includes

- **Property** — the family home, buy-to-let properties, land
- **Savings and investments** — bank accounts, ISAs, stocks, shares
- **Pensions** — workplace pensions, private pensions, state pension
- **Business interests** — company ownership, partnerships, self-employment assets
- **Personal possessions** — cars, jewellery, furniture
- **Debts** — mortgages, loans, credit cards, overdrafts
- **Maintenance** — spousal maintenance and child maintenance

> "A fair settlement is one you both feel able to live with — not necessarily one that is exactly 50/50."

Full Financial Disclosure

Before any financial settlement can be reached, both parties must provide full and frank disclosure of their finances. Without full disclosure, any agreement reached may be challenged later.

What you need to disclose

- **Income:** Payslips, tax returns, benefit statements, rental income
- **Property:** Title deeds, mortgage statements, property valuations
- **Savings:** Bank statements (usually last 12 months)
- **Investments:** ISAs, shares, bonds, crypto assets
- **Pensions:** Pension valuation statements (Cash Equivalent Transfer Value)
- **Business:** Accounts, business valuations if self-employed or company owner
- **Debts:** Credit card statements, loan agreements, overdrafts
- **Expenses:** A detailed budget of monthly living costs

> **Honesty is a legal requirement**
>
> Hiding assets or failing to disclose finances can lead to criminal charges for fraud. Mediation and court both require honest, complete disclosure from both sides.

How Are Assets Divided?

There is no fixed formula for dividing assets. Courts and mediators consider several factors to reach a fair outcome. The starting point is often equal division, but this can vary significantly depending on your circumstances.

Factors considered

- **Needs:** What does each person need to live and house any children?
- **Income and earning capacity:** Current and future earning potential
- **Standard of living:** The lifestyle enjoyed during the marriage
- **Age and health:** Physical or mental health issues affecting earning ability
- **Contributions:** Financial and non-financial (e.g., childcare, homemaking)
- **Length of marriage:** Shorter marriages may see more separation of assets
- **Children's welfare:** Paramount concern — housing and stability for children

Property options

- **Sell and split proceeds:** Clean break — both can move on
- **One person buys the other out:** Requires remortgaging or savings
- **Deferred sale:** Keep the home until children finish school, then sell
- **Transfer ownership:** One person gets the home, other gets pension/savings

Pensions and Maintenance

Pensions are often one of the most valuable assets in a marriage and must be included in financial settlement discussions.

Pension options

- **Pension sharing order:** Divides the pension at the time of divorce
- **Pension offsetting:** One keeps pension, other gets more of property/savings
- **Pension attachment order:** Payments from pension when it is drawn (rare)

Spousal maintenance

Ongoing payments from one spouse to the other to meet living costs. Usually applies when there is a significant income disparity. Can be for a fixed term or until remarriage/death.

Child maintenance

Separate from spousal maintenance. Usually calculated via the Child Maintenance Service (CMS) or agreed privately. Based on the paying parent's income and number of children.

Making It Legally Binding

Any financial agreement reached through mediation is not automatically legally binding. To make it enforceable, you must apply for a **Consent Order** through the court.

> **What is a Consent Order?**
>
> A Consent Order is a legal document approved by the court that turns your mediated agreement into a binding order. It protects both parties and prevents future claims.

Why you need one

- Makes the agreement **legally enforceable**
- Provides a **clean financial break**
- **Prevents either party** making future claims
- **Protects your children's inheritance**
- Can be used to **sell or transfer property**

Your solicitor will draft the Consent Order based on your mediated agreement and submit it to court for approval (£50 court fee).

Common Questions

Do we have to split everything 50/50?

Not necessarily. While equal division is often the starting point, the final split depends on needs, contributions, and the factors listed earlier.

What if my ex is hiding money?

Full financial disclosure is mandatory. If you suspect dishonesty, your solicitor can apply for court orders to obtain financial information.

Can I keep the family home?

Possibly — if you can afford to buy out your ex-partner's share or offset it against other assets. Courts often prioritise housing for children.

Ready to discuss your financial settlement?

Book a free, no-obligation call to explore how mediation can help you reach a fair agreement.

BOOK A FREE 30-MINUTE CALL

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