

RICH FEEL NO PRESSURE TO LEAVE INHERITANCE

Handing down wealth to the next generation is not an obligation for today's rich according to the latest Wealth Watch research from Lloyds TSB Private Banking. Over half (54 per cent) of those rich people surveyed admitted that they felt no responsibility to leave a financial legacy to their loved ones.

Wealth Watch, Lloyds TSB Private Banking's research exploring the attitudes of the rich compared to the general public, found that the population at large also appear to believe that there is a trend towards leaving less inheritance. Only a quarter of the general public expect to gain from someone's will while the remaining three quarters (72 per cent) have no anticipation at all.

Social factors are clearly affecting the public's expectancy of receiving an inheritance, with two thirds (62 per cent) agreeing that people today have less expectation of inheritance on account of people living longer. And, despite huge increases in house prices, only a third (33 per cent) believe that there is more expectation of inheritance on account of people being wealthier and making money from property.

Mark Cheshire, director, Lloyds TSB Private Banking, says: "The rich seem to be under no compulsion to pass on their wealth to the next generation, but whatever they expect to happen, it is still important to arrange inheritance tax planning. They may not feel obliged to bequeath money to their loved ones, but they certainly won't want to leave it to the tax man."

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Of those rich people surveyed who felt they had a responsibility to leave a financial inheritance, their obligation is sizeable. A quarter (24 per cent) feel under compulsion to leave a whopping half a million pounds (£500k) or more.

When it comes to having a view on the way in which the beneficiaries of their estates spend the money, the rich are remarkably generous in their preferences. Two thirds (65 per cent) said that they were happy for those to whom they left money to spend it on whatever they wanted. Only one in ten (10 per cent) would prefer them to invest it generally, whilst 10 per cent said they would like the money to be invested in property and eight per cent would like their legacy to be spent on education.

Even though the Wealth Watch research shows that people generally have a low expectation of gaining a financial legacy, the rich, despite their lack of compulsion, still think their nearest and dearest expect to be left inheritance. Two thirds (63 per cent) of those questioned agreed that they thought that the beneficiaries of their wills anticipate money.

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Notes to Editors:

- 1,008 members of the general public were surveyed by ICM in October 2004
- 100 high net worth individuals were surveyed by Continental Research in October 2004

For more information:

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