Use this fact sheet to:

- find out some of the steps to take after someone dies;
- understand if you may be liable for someone’s debts when they die;
- understand how home ownership is affected by a person’s death;
- find out what kind of bills and debts might need dealing with; and
- find out who to contact to sort matters out if you need help.

Steps to take after someone dies

Register the death

The death needs to be registered at the correct register office very soon after it happens. There are rules about which register office to use. See www.gov.uk and search for ‘register a death’.

Tell Us Once

The ‘Tell Us Once’ service passes information about a death to most government organisations. You report the death once and then the Tell Us Once service tells most government departments. Check if the Tell Us Once service is being used in the area where the person passed away. Go to www.gov.uk and search for ‘Tell Us Once’. The information you find will tell you which organisations to contact to report the death if the Tell Us Once service is not available.

Funeral expenses

If you are arranging a funeral and you are on a low income, you may be able to get help with paying the funeral expenses from the Social Fund. How much you get depends on your circumstances. For more information, go to www.gov.uk and search for ‘funeral payments’.

The estate

When someone dies, their estate is made up of the assets and debts that they have left behind.

Assets include:

- property and land;
- money in bank accounts; and
- personal possessions.
Information:

**insolvent estates**
An estate is described as insolvent if the debts are greater than the value of the assets.

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**Who should sort out the estate?**

The person who deals with an estate is known as the personal representative (PR).

If the person who has died left a valid will, it will say who should sort out the estate. Even if a will says that someone should sort out an estate, they still need to make a special application to court to confirm their legal right to do this. The right to deal with an estate is called probate.

If the person who has died has not left a valid will, people close to them may be able to apply to court to get permission to sort out the estate. The law sets out people who can do this in order of priority, including any surviving husband or wife, children, father or mother and so on.

The PR must pay debts before any payments are made to people named in any will. If people named in a will are paid before debts, the PR can become personally liable for the debts left behind.

Once creditors have been paid, PRs can distribute what’s left according to the will. If there is no will, there are legal rules about how this should be done.
Insolvent estates

Insolvent estates can be complicated and difficult to deal with. You may decide not to try to become a personal representative (PR), but to get a solicitor to sort things out. Contact us for advice about how to find the right type of solicitor.

Creditors are paid in set order of priority. If this is not done correctly, a PR can become personally liable.

Creditors could apply for an insolvency administration order. This is a special type of bankruptcy which some creditors may try to use after someone has died.

Creditors may use an insolvency administration order to get the benefit of certain types of property that have been left behind. Not all creditors make this type of application, but if they do, they must apply within five years of the date of death.

Who is liable for debt after death?

If someone dies, their debts cannot be recovered if:

- the debts were in their sole name;
- there were no guarantors on any of the debts; and
- they have not left any assets behind.

Information:

guarantors

A guarantor is someone who has legally agreed to pay someone else's debt if that person falls behind on payments. The guarantor has to sign an agreement.

Information:

insolvent estates

An estate is called 'insolvent' if the total debts are greater than the total value of the assets. For example, if someone dies and has debts but doesn't leave behind any property or money, their estate would be insolvent.
When debts remain after death

Joint debt after death
If the person who dies had debts in joint names with someone else, the surviving person will be responsible for paying the whole amount of these debts.

Guarantors
If someone signed as a 'guarantor’ for the debts of someone who has died, the guarantor will be responsible for paying the whole amount of the debts.

Property and different debt types after death

The following sections explain:

- when certain bills and debts may still have to be paid after someone has died;
- when joint assets may be at risk after one owner dies; and
- when you might need further help to deal with assets and debts after someone has died.

Property

If the person who has passed away has left a property which was jointly owned with someone else, there are two different ways that it could be owned.

Tenants in common
Each owner has a specific share of the property. The shares will usually be set out in the deeds. When one owner dies, their share does not automatically pass to the surviving owner. The deceased person’s share will form part of the estate and will be available to pay creditors and those named in any will.

Joint tenants
Each owner owns all of the property and when one owner dies, their share automatically passes to the other owner. It does not form part of the estate available to creditors. Therefore, the property is not taken into account when working out whether the estate is insolvent. See the earlier section Insolvent estates. If the estate is insolvent the creditor could apply for an insolvency administration order within five years of the date of death. If they do this, they can also apply to court to recover the deceased person's share of the property. Creditors do not apply for insolvency administration orders very often. However, if a creditor threatens to do this, any surviving owner may need to try to negotiate with the creditor to prevent them making this application. The surviving owner could offer to pay a debt by instalments or offer a lump sum. This is a complicated area. Contact us for advice.
Checking how property is owned

You can use the Land Registry website to check how a property is owned. See www.gov.uk and search for Land Registry. There is a small charge for this service.

What happens to rented property after death?

- If there is someone else living in the property, they may be able to take over the tenancy. Joint tenants who live in the property as their main home automatically take over a tenancy.
- In some circumstances a husband or wife, partner or a member of the tenant’s family may be able to ‘succeed’ or inherit the tenancy, if they have been living there when the tenant died.
- Contact us for advice about how to find the right type of help on how death may affect tenancies. Alternatively, see Useful contacts at the end of this fact sheet.

What happens to energy bills after death?

- If there is jointly owned or jointly rented property, the person still living there will be liable to pay any gas or electricity arrears if their name was on the bill.
- If you name is not on the bill and the energy company tries to argue that you have benefited from the energy supply and so should pay the bill, contact us for advice.

What happens to water bills after death?

- A joint occupier will automatically be liable for any arrears, even if their name is not on the bill. They will also be responsible for the ongoing bill.

What happens to council tax arrears after death?

- A partner of the person who dies will be liable for any council tax arrears if they were living in the house, even if their name is not on the bill.
- If the person was not named on the bill, the council will have to send a new bill in their name before they can recover any outstanding council tax. They will also be responsible for the ongoing bill, but can claim a 25% discount if they are the only adult in the house.

What happens to benefit overpayments after death?

- If someone who dies was claiming benefits, make sure that the Department for Work and Pensions (DWP) and the council know that they have passed away. This can be done through the ‘Tell Us Once’ service. See the earlier section Steps to take after someone dies.
- Sometimes the DWP may say that they have paid the person who died too much benefit. This means there will be a debt called a benefit overpayment.
- It is important to understand why the DWP or council say that a benefit overpayment has happened. Contact us for advice about whether their decision is correct.
If the benefit overpayment has been worked out correctly, it can be recovered from the estate.

What happens to hire purchase agreements after death?

- Hire-purchase agreements are usually used to buy cars. The goods do not belong to you until you make the final payment.
- Check the agreement to see if it is a hire-purchase agreement before returning the goods to the creditor and contact us for advice.
- Check to see if there is an insurance policy that pays off the agreement when the person dies. If there is an insurance policy, the credit agreement may be paid off and the car would become part of the estate.
- Dealing with a hire-purchase agreement after someone dies can be complicated. Contact us for advice about finding the right type of help.

What happens to credit debts after death?

- Credit debts include credit cards, overdrafts, unsecured loans and catalogues. They can be recovered from the estate.

Further advice

Dealing with an estate after someone has died can be complicated. It is very important that you follow the correct procedures. You may need to get further advice. See Useful contacts for details of organisations that may be able to help you.

Useful contacts

**GOV.UK**
For information about the steps to take after someone dies
 www.gov.uk/after-a-death
For information about dealing with someone’s affairs after they have died.
 www.gov.uk/wills-probate-inheritance

**HMRC bereavement helpline**
For help with tax after someone dies
Phone: 0300 200 3300

**HMRC Deceased estate helpline**
For specialist advice about income and capital gains tax on someone’s estate.
Phone: 0300 123 1072

**Law Society**
The independent professional body for solicitors. You can use their website to search for solicitors that specialise in different areas of law.
Phone: 020 7320 5650
 www.lawsociety.org.uk

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My Money Steps is our free, independent and confidential online debt advice service. My Money Steps will help you work out a budget and give you a personalised action plan setting out practical steps to deal with your debts.
 www.mymoneysteps.org

Freephone 0808 808 4000
 www.nationaldebtline.org
Dealing with the debt of someone who has died

Fact sheet no. 21 EW Dealing with the debt of someone who has died

National Debtline endeavour to keep our fact sheets as up-to-date as possible, however, we cannot be held responsible for changes in legislation or for developments in case law since this edition of the fact sheet was issued.


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