

Press release – 24 September 2019



The Bank of Mum and Dad

Do they really know the implications of their financial help?

As the Bank of Mum and Dad continues to play a pivotal role in helping first time buyers, it is essential that families become aware of the financial considerations and legal implications when helping their loved ones onto the property ladder.

Research carried out earlier this year by the Family Building Society and the London School of Economics, confirmed that whilst parents are happy to help their children financially, there is rarely any discussion about the exact terms of this financial support or consideration about the longer term financial and legal implications.

Two new simple guides, published today by Family Building Society and written in conjunction with their expert trusted partners: 'Bank of Mum and Dad – A Financial Guide' and the 'Bank of Mum and Dad – A Legal Guide', provide important information on the legal and financial aspects of this family help and how to avoid any potential pitfalls.

The financial guide helps families understand the implications of their financial support and additional planning they may need to take into account, whilst the legal guide highlights the legalities of such support and important areas families may need to consider.

- Can a child's partner acquire an interest in the home despite making little or no financial contribution?
- What could be the impact of Inheritance Tax?
- Joint ownership - what are the implications of Stamp Duty Land Tax?
- How and when should you act as a guarantor?
- How should you reflect it in your Will?
- If a lender dies does the loan become a taxable matter?

Keith Barber, Business Development Director, Family Building Society said: "Our recent research has highlighted there is a minefield of unexpected consequences when helping children onto the property ladder. These new guides are an answer to this ever increasing problem and can really help parents understand the implications of any financial support they give.

We have now produced no fewer than four guides on the subject of the Bank of Mum and Dad, which can really help families through every step on lending to their loved ones. With proper

preparation and planning, families can ensure they protect their assets and have that added peace of mind should the worst happen.”

The ‘Bank of Mum and Dad – A Financial Guide’ and the ‘Bank of Mum and Dad – A Legal Guide’ are available here: www.familybuildingsociety.co.uk/bomad-guides

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About Family Building Society

The Family Building Society, launched in July 2014, is a trading name of National Counties Building Society.

1. National Counties Building Society is the UK’s eleventh largest building society, with over 50,000 members and £2.2bn of assets. Operating from its head office in Epsom, Surrey, the Society employs approximately 150 people and offers a range of competitive savings and mortgage products throughout the UK.
2. National Counties Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
3. Eligible deposits with Family Building Society are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK’s deposit guarantee scheme.