

**Article by Stephen King, partner and head of Dispute Resolution and Emily Gailey solicitor in Dispute Resolution at Payne Hicks Beach** first featured on Spears online on 22 January 2016  
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# SPEAR'S



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## Luxury lifestyle no guarantee of a luxury inheritance

**Emily Gailey** and **Stephen King** ask if a claim for reasonable financial provision from a deceased's estate can accommodate a luxurious lifestyle following the Wooldridge case



Recently the eyes of the popular press have been focused on the County Court hearing of Mrs Thandi Wooldridge - widow of construction tycoon Ian Wooldridge - as she has sought to claim an additional c.£3.75 million from her late husband's estate.

Mr Wooldridge, who died in a helicopter crash in Northern Ireland in 2010, left an estimated £10 million. This included the family home in Surrey, which is currently worth c.£4.25 million, and various other assets of which Mrs Wooldridge apparently received around **£**1.6 million.

However, and this is the point at which she has come in for criticism in the tabloids, she is now arguing that this figure is not enough and at last week's hearing before Judge Karen Walden-Smith she sought the additional sum on the basis that she could not otherwise maintain what is, admittedly, a lavish lifestyle. Her stepson, Charlie Wooldridge, has been disputing her claim and has argued that the future of the family business would be profoundly jeopardised by such a pay-out.

Yet, there is no inherent reason why a luxurious marital lifestyle should be treated any differently by the courts. The relevant legal principles applying to bereaved spouses state that the court, when considering whether to make an order, should not look at what is strictly required for the widow or widower's maintenance, but rather at what it would have been reasonable for the claimant to receive in all the circumstances of the case. This is a more generous standard than that applied to any other category of applicant who would, contrastingly, be restricted to reasonable provision for their maintenance.

In order to make this assessment of reasonableness the courts must look at and balance various factors, such as the financial resources and needs of the applicant, the financial resources and needs of any other beneficiary of the estate, the size and nature of the estate, the duration of the marriage or civil partnership, and significantly, what provision the spouse would have received if the marriage had terminated in divorce instead of death.

Helpfully for Mrs Wooldridge, when the court comes to assess the spouse's financial needs it has been established that what is reasonable will be judged by reference to the life which the spouse lived with the deceased, not an objective standard. Therefore, there is no reason why the court should not take a luxurious lifestyle into account, if the estate can sustain it.

An annual expenditure of £372,000 per annum (as Mrs Wooldridge is claiming) will not be automatically discounted as ridiculous if it can be successfully balanced with the other factors. Moreover, the 'deemed divorce' test means that the court has to think about the claimant's provision in relation to the 'yardstick of equality' - I.e. that a spouse would normally hope to be entitled to at least a half share of the assets on marital breakdown, unless there are good reasons for the contrary such as one party's needs not being met.

These are, however, only two among many factors and there may be other elements which impose a limit on any payment the court can make to Mrs Wooldridge. Although the couple may have had a luxurious lifestyle £10 million is not, in this context, an extravagantly large estate and the needs of her stepson and indeed her son (who was separately represented) may compete with hers. It is a fact that in limited estates, with competing claims, there is always less scope to be generous to the spouse as claimant. Mrs Wooldridge also has some other resources, such as the £1.9 million compensation payment she received following her husband's death.

Therefore, it is clear that a spouse bringing a claim for what seems to be an extravagant sum is not automatically preposterous when it genuinely reflects the couple's lifestyle, and the estate is large enough to cope. However, in the Wooldridges' dispute this is not necessarily the case, and it will be interesting to see who the Judge favours when she hands down her judgment.

*Emily Gailey is a solicitor and Stephen King a partner and Head of Dispute Resolution at Payne Hicks Beach. They both specialise in Contentious Trusts.*