

## FIAMs within the collaborative setting

It would be difficult to argue successfully that people should not have health checks. Even when you believe everything is fine a health check will provide a thorough assessment and if something is discovered this can lead to further investigation or a referral to a specialist. Either way it means that you are aware of an 'issue' and can take steps to either rectify or manage the problem.

A FIAM (Financial Initial Assessment Meeting) is a financial health check that is best carried out early in the collaborative journey. The FIAM is carried out by a Financial Neutral within a collaborative meeting and in its simplest form is essentially an assessment of the matrimonial assets. These are likely to be a combination of property, savings, investments, pensions and debts.

The Financial Neutral would be provided with an overview of the assets prior to the meeting to ensure that the FIAM is focussed and relevant to the parties. (There could be a generic FIAM without information being provided but this is unlikely to provide the benefits of a focussed FIAM due to the very high level that would need to be adopted.).

During the FIAM the Neutral will do (some or all) of the following :-

- Explain the difference between the assets (e.g. liquid, illiquid)
- The impact that tax could have in reducing the values (e.g. CGT / Income Tax)
- The potential ways that the above could be mitigated
- Explain the features of different types of pensions (Defined Benefit / Defined Contribution / State Pension)
- Explain the options around Pension Sharing, offsetting and attachment.
- Outline the pros and cons of the above.
- Give an overview of mortgage options
- Show the benefits of cashflow forecasting to sense check potential agreements

By providing this overview to both parties (and their lawyers) it will assist in rectifying any knowledge imbalance and also correct any misconceptions that are in the room. From this point the Neutral would either become an integral part of the collaborative meetings or be in the wings waiting to be called upon if required. It may be that a 'specialist' is required and the Neutral can assist with this instruction.

If a PODE report is required the Neutral could draft the letter of instruction to ensure that the report is focussed on the specific requirements of the parties. The Neutral can also act as 'interpreter' for a PODE report or can be a sounding board throughout to ensure that any agreements are workable and achieve the objectives in so far as this is possible.

Without a FIAM problems could occur within discussions that could either derail the process totally or lengthen it because steps need to be retraced to find a solution to a problem that was unknown at the start.

A Financial Neutral should be a regulated financial adviser who can evidence a wide range of knowledge and also an awareness of how the divorce process works. If there is not one available in your area you should seek highly qualified advisers who are working with other family lawyers.

*This article was written by Ian Hawkins and was initially published by Resolution.*