



Savings/debts and divorce

What's the starting point with savings and getting divorced?

Savings and debts need special attention during divorce.

The first step is to clarify exactly what savings you have got and whether there are any penalties for releasing that money. Again, with debts you need to know what you have and whether they are being repaid regularly.

If you have any doubt, consult your bank or an independent financial adviser. They will be very happy to help you.

How do we sort out our savings?

While it can seem like the obvious thing to divide any savings equally, it is often not the case. It may be the case that some or all of the savings need to be used to meet your family's needs, such as housing, moving costs or a new car.

Sometimes there are difficult arguments about savings. If one of you has brought property or other money into your marriage, or inherited it, then this might need to be treated differently. It is likely to come down to whether or not there is enough to meet the reasonable needs of you and your partner and the children without having to dip into financial resources that have come from outside your marriage "partnership".

What do we do about our debts?

It is important to get a grip on all the debt – yours and your spouse's. It may be necessary to pay off the debt by using savings. Debt counselling can be effective in this situation.

If you think that you or your partner's financial position is so serious that there is a risk of bankruptcy, it is essential that you take legal advice as the impact of insolvency/done bankruptcy in a divorce is complex and urgent action may be required.

What do I need to consider next?

The most important thing is to get expert advice to ensure you are managing your money situation in the correct way. Ensure that you are financially secure for the next few months so that you are sorted for the short term.

It is also important to get legal advice on how best to manage the finances during divorce proceedings.