

Looking to the future – digital assets



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INCREASINGLY, the things that have value in our lives - whether that value is financial or simply sentimental - are digital. Unfortunately the law has not yet adapted fully to dealing with digital assets.

This can cause issues when people die or when they otherwise become unable to deal with their affairs. Passwords should be kept secret but, without them, how do our loved ones gain access to our digital photos, online accounts, social media, cryptocurrency? Are they legally entitled to have access?

Because this is a relatively new problem there is often not a simple solution. In an increasingly security-conscious world some companies will not allow access to anyone other than the account holder, even if they are no longer around. While most issues can usually eventually be resolved this can often take a long time - difficult, particularly for grieving family members.

There have been several high-profile cases in the media, many of which have sadly involved the deaths of young people. Grieving parents' pleas

to unlock their children's iPhones and Facebook accounts have, in some cases, led to court battles. Other cases have highlighted significant financial loss - it has recently been estimated that billions of pounds worth of cryptocurrencies have been lost following the deaths of those with sole access to accounts.

Companies - and the law - are adapting and will continue to do so. In the meantime, there are practical steps that can be taken now to protect against issues in the future:

- Check your will and power of attorney - do they give your executors and attorneys the power to have access to your digital assets, including the power to update, maintain or close accounts?
- Consider what you hold electronically. If something is important to you, you should consider what is to be done with it on death and how this will happen. In the case of your most important assets, approaching the company in order to ascertain what will be required on death or incapacity may be appropriate.

- Remember that digital assets with financial value will form part of your estate for inheritance tax. Your future planning should take this into account.

The importance of digital assets is only going to increase but these are often overlooked when people are considering their future planning. Since this is likely to affect most of us in years to come, getting the right advice now is essential to avoid issues in the future.

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