



Robert Neill MP
Chair of Justice Select Committee
House of Commons
London
SW1A 0AA

18 February 2016

Dear Bob,

GOVERNMENT PROPOSALS FOR PROBATE FEES

I am writing to inform you of a consultation we are launching today containing proposals for changes to probate fees.

In the Spending Review the Ministry of Justice was allocated £700 million investment in Her Majesty's Court and Tribunal Service ('HMCTS'). This will transform our courts and tribunals, reducing complexity in language, processes and systems; helping people reach the best resolution for them; minimising the steps that people need to go through to obtain justice; and improving access to justice. We will invest in better facilities and use technology to reduce paperwork, so that we create a courts and tribunals service fit for the modern age.

At the same time, we must reduce the burden on the taxpayer of running our courts and tribunals. In meeting our Spending Review settlement, all parts of the Ministry of Justice must contribute to the national effort to reduce the deficit and restore the government's finances to surplus. The courts and tribunals service cost £1.8 billion in 2014/15, but only £700 million was received in income. This leaves a net cost to the taxpayer of around £1.1bn in one year alone.

Our consultation on probate applications sets out reforms designed to increase income for a more sustainable courts and tribunals service and to introduce a more progressive fees regime. Probate applications are currently charged a fee of £155 if made by a solicitor and £215 if paid by an individual ("personal applications"). These fees apply to estates worth £5,000 or more. We propose raising this threshold from £5,000 to £50,000, lifting 30,000 estates out of the need to pay a probate fee altogether. The proportion of estates paying no fee would rise to 57%.

Above that threshold, we propose that the probate fee increases in line with the value of the estate. Estates worth over £50,000 but below £300,000 would see their fee rise to £300, a modest increase of £85 on the current maximum fee of £215. 84% of estates would pay £300 or nothing and 94% of estates would pay £1000 or less. The maximum fee of £20,000 would only be paid by the very wealthiest estates, worth more than £2 million. The fee would never exceed 1% of the value of the estate and in many cases it would be considerably less.

We also want to see a simpler, more streamlined process for probate applications, moving from a paper-based to an online system. This will make the Probate Service much easier to navigate so the experience of the bereaved is as simple and hassle-free as possible, reducing worry for executors at what is often a

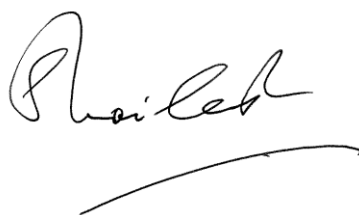
very difficult and distressing time, and enabling most applications to be completed online and, we hope, without expensive professional advice.

These proposals are progressive, with lower value estates lifted out of paying any fee at all and other estates only paying more as the value of estate increases. They are also necessary, making a significant contribution to reducing the deficit and enabling investment which will transform the courts and tribunals service.

Court fees are never popular but they are necessary if we are, as a nation, to live within our means. These proposals would raise around an additional £250 million a year, which is a critical contribution to cutting the deficit and reducing the burden on the taxpayer of running the courts and tribunals.

Full details of the Government's proposals are set out in the consultation document which has been published on the gov.uk website and is attached to this letter. We will formally update the Houses via Written Ministerial Statement at the earliest opportunity.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Shailesh', with a long horizontal flourish underneath.

SHAILESH VARA