Pennymatters
THE MODERN APPROACH TO FINANCIAL ADVICE

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Giving money or valuable possessions to loved ones

54% of over-55s have no record of gifts given in the previous seven years

Giving money or valuable possessions to loved ones can be a generous way to provide support, but failing to keep track of those gifts could leave families facing an Inheritance Tax (IHT) headache later. New research shows that 54% of over-55s who have given a financial gift in the past seven years have kept no record of it[1].

The research found that only 13% have recorded their gifts in a secure, backed-up place, such as a spreadsheet, accounting software or a secure notes app, while 15% have made informal notes on paper or on their phone. This lack of documentation could make it harder for executors to establish what was given, when and to whom.

WHY KEEPING RECORDS MATTERS

When someone dies, executors may need to complete HM Revenue & Customs' IHT400 form to report the estate's value, alongside IHT403 to disclose relevant lifetime gifts. Without accurate records, completing the paperwork can be more difficult and may lead to delays or additional queries from HMRC.

Many people have also lost track of how much they have given. Just 31% of over-55s who have made a financial gift in the past seven years know the exact amount, while 45% can only provide a rough estimate and 24% have no idea.

GIFTS CAN BE WORTH MORE THAN EXPECTED

Among those who knew the exact amount or could estimate it, the average value of gifts over seven years was £42,056. A fifth (21%) had given £50,000 or more, highlighting why keeping detailed records can be particularly important.

Nearly half (48%) said they did not keep records because their gifts were not large enough to warrant keeping them, while 47% did not realise records were necessary. A further 21% relied on their memory.

WHAT COUNTS AS A FINANCIAL GIFT?

There is also widespread confusion about what constitutes a gift for IHT purposes. Three in five (59%) over-55s did not know that furniture, jewellery and antiques can count, while 55% were unaware that shares listed on the London Stock Exchange may also be included. Meanwhile, 32% were unaware that giving away a house, land or buildings can be relevant.

Keeping a clear record of the amount, date, recipient and relationship can help executors provide the information required by HMRC. Records should be securely backed up and stored where the executor can access them.

PROTECTING LOVED ONES FROM FUTURE STRESS

Gifting can provide valuable support to family and friends, but poor record-keeping can create unnecessary complications, potentially delaying probate and payments to beneficiaries. Allowances or exemptions may also be missed if gifts cannot be evidenced.

Keeping a clear, up-to-date record of gifts can give executors a clearer picture of an estate and help ensure the correct information is provided to HMRC. This can make the administration process smoother and reduce the risk of additional stress for loved ones at an already difficult time. ■

HAVE YOU GIVEN AWAY SIGNIFICANT SUMS OR ASSETS, OR ARE YOU CONSIDERING DOING SO?

Maintaining good records of your gifting arrangements will help reduce the risk of complications for your loved ones in the future. Professional guidance also provides reassurance that your records and wider estate planning are in order. Obtaining professional advice will ensure your gifting records are accurate, securely stored and up to date. To find out more, please contact us.

Source data:

[1] Research conducted by Canada Life among a nationally representative sample of 2000 UK adults between 17–20 February 2026. The sample includes 998 adults aged 55 and over.

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