

## Making arrangements for an ISA or a Collective Investment Account following a death



*We understand that when someone you know passes away, dealing with their financial affairs can be challenging. This guide explains the next steps if they held an ISA or a Collective Investment Account with Quilter.*

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## What is an ISA?

Quilter's Individual Savings Account (ISA) allows investors to hold a range of investments, such as collective investment funds, in a tax-efficient way. Investment returns within the ISA are not subject to Income Tax or Capital Gains Tax. All UK individuals can contribute up to the annual ISA subscription allowance each tax year (£20,000 for the current tax year). The allowance is reviewed by the Government each year.

## What is a Collective Investment Account?

Quilter's Collective Investment Account (CIA) allows investors to hold a range of investments, such as collective investment funds. Unlike with an ISA, there's no annual limit to contributions but the CIA doesn't receive the same beneficial tax treatment as an ISA. Investment returns within the CIA could result in a personal tax liability, for either Income Tax or Capital Gains Tax, and associated reporting through a self-assessment tax return.

## What happens when the owner of an ISA or a CIA dies?

This brochure explains Quilter's process, who can receive the proceeds following the death of the account holder, and the options available to them.

### *Joint CIAs*

Our Collective Investment Account can be held in joint ownership. Where the first of two joint owners dies, the ownership of the CIA automatically passes to the survivor (this type of joint ownership is known as joint tenancy). To update our records in this instance we need to see the death certificate. Because there is nothing else you need to do, this brochure does not cover this situation in any further detail and is designed to assist where the last account holder has died.

## How to notify us of a death

If you haven't notified us already, the simplest way is to go online. Just go to our website [quilter.com](https://www.quilter.com) and search for '**Notifying us of a bereavement**'. Complete the details on screen and submit them direct to our dedicated Bereavement Team. Alternatively, you can notify us of a death by:

- ▶ calling us on **0808 171 2626**
- ▶ writing to us at:

**Bereavement Team**  
**Quilter**  
**SUNDERLAND**  
**SR43 4JP**

**Please let us know the person's name, date of death, account number (where known), and include the death certificate if the death has been registered.**



- ▶ References to spouse throughout this brochure also mean civil partner.
- ▶ The terminology used for describing the process of administering an estate on death is based on English law. Scotland and Northern Ireland use different terminology, however, the general principles involved remain the same.

# Who inherits the money when the account owner dies?

*This will depend on whether the account holder made a Will or not.*

## If a Will is in place

Writing a Will means the deceased specified exactly how they would like their assets to be distributed after death. It will also have named Legal Personal Representatives known as executors of the Will.

Someone can act as an executor even if they're going to inherit something from the Will. An executor is often a close relative, such as a spouse, adult child, or other family member.

The person making the Will can appoint up to four executors so that the responsibility is shared, but all decisions must then be made jointly. A professional (such as a solicitor) might act as executor on their own or with other family members together. Often, at least two executors are appointed. No one has to accept the responsibility of being an executor, even if named. If someone does not want to perform this role, they can apply for renunciation (this means that they permanently give up their role and legal responsibility to apply for probate).

As an executor, you are legally responsible for carrying out the instructions in the person's Will and handling their estate.

### This includes:

- ▶ registering the death and getting a **death certificate** (and sharing it with companies such as Quilter)
- ▶ getting copies of the last known Will
- ▶ arranging the funeral
- ▶ taking responsibility for assets (including property, bank accounts, and investments with Quilter)
- ▶ paying any outstanding bills and notifying local authorities
- ▶ valuing the estate (we'll help with this by providing valuations of Quilter investment accounts at the date of death)
- ▶ paying any Inheritance Tax (IHT) to HMRC
- ▶ applying for grant of representation, also referred to as grant of **probate**
- ▶ distributing the estate, including what to do with the Quilter investment accounts.



### Death certificate

This proves that the death has been registered. It is a certified copy of the entry in the official register of deaths. It has to be purchased. It is important to ask for additional copies of the death certificate as you will need a copy for each bank or investment provider (such as Quilter). Without enough death certificates, sorting out the estate could take longer, and extra certificates are more expensive to purchase at a later stage.

### What is probate?

Probate, or the grant of probate, is the legal document obtained when there is a Will. It gives the executor(s) the legal right to deal with the estate of someone who has died. When there is no Will, the administrator(s) will apply for 'letters of administration'.

These documents are required to give authority for executors to deal with the estate, including finalising the financial and legal processes for property, personal possessions, bank accounts, building societies, shares and investments, and distributing proceeds to the beneficiaries. Some financial institutions may provide access to money prior to probate being granted. As each institution can set its own requirements, you will need to enquire with each one to see if this option is available.

## If no Will is in place

If a person dies without having made a Will, then they are said to have died 'intestate'. Instead of the people responsible for administering the estate being named, someone must apply to be an 'administrator'. An administrator is responsible for dealing with an estate (as described opposite for executors). They should apply for letters of administration (similar to applying for probate) before they can deal with an estate.

As there is no Will outlining the deceased's wishes, an administrator is responsible for distributing the estate in line with the Laws of Intestacy. These are explained in the table below:

Scenario	England and Wales	Scotland	Northern Ireland
<b>Not married or in a civil partnership, no children or grandchildren</b>	In order of preference: <ul style="list-style-type: none"> <li>- Parents</li> <li>- Siblings</li> <li>- Children of siblings</li> <li>- Step siblings</li> <li>- Children of step siblings</li> <li>- Grandparents</li> <li>- Parent's siblings</li> <li>- Children of parent's siblings</li> <li>- Parent's step siblings</li> <li>- Children of parent's step siblings</li> <li>- The Crown (or Duchy of Lancaster or the Duke of Cornwall).</li> </ul>	In order of preference: <ul style="list-style-type: none"> <li>- Parents and siblings</li> </ul> <p>The estate is divided into two halves. One part is divided equally between the parents and the other part is divided equally between the siblings. If there are no parents, then the siblings receive that part and vice versa.</p> <p>If there are neither parents nor siblings:</p> <ul style="list-style-type: none"> <li>- Aunts and uncles</li> <li>- Children of aunts and uncles</li> <li>- Grandparents</li> <li>- Siblings of grandparents</li> <li>- Remoter ancestors, generation by generation</li> <li>- The Crown.</li> </ul>	In order of preference: <ul style="list-style-type: none"> <li>- Parents</li> <li>- Siblings</li> <li>- Children of siblings</li> <li>- Grandparents</li> <li>- Parent's siblings</li> <li>- Children of parent's siblings</li> <li>- Parent's step siblings</li> <li>- Children of parent's step siblings</li> <li>- The Crown (or Duchy of Lancaster or the Duke of Cornwall).</li> </ul>
<b>Married or in a civil partnership, no children</b>	Surviving spouse/civil partner takes the whole estate.	Surviving spouse/civil partner takes the whole estate.  However, if there are surviving parents or siblings of the deceased, then their entitlement is reduced.	Surviving spouse takes the whole estate but must survive the deceased by 28 days.  However, if there are surviving parents or siblings of the deceased, then their entitlement is reduced.
<b>Not married or in a civil partnership, but with children</b>	Estate is split equally between all living children.	Estate is split equally between all living children.	Estate is split equally between all living children.
<b>Married or in a civil partnership, with children</b>	Surviving spouse/civil partner gets: <ul style="list-style-type: none"> <li>- £322,000</li> <li>- All personal possessions</li> <li>- 1/2 of the remaining estate.</li> </ul> <p>The remaining 1/2 split between the children of the deceased.</p>	Surviving spouse/civil partner gets: <ul style="list-style-type: none"> <li>- The house up to a value of £473,000</li> <li>- Furniture up to £29,000</li> <li>- Up to £50,000 cash</li> <li>- 1/3 of any remaining estate.</li> </ul> <p>The remaining 2/3 is split between the children of the deceased.</p>	If the spouse/civil partner survives the deceased by 28 days, they get: <ul style="list-style-type: none"> <li>- Assets and property up to £250,000</li> <li>- All personal possessions</li> <li>- 1/3 of the remaining estate.</li> </ul> <p>The remaining 2/3 is split between the children of the deceased.</p>

# Options available where the deceased held an ISA with Quilter

*There are two options available for accessing the money within the ISA.*

1

## Claim the cash value of the ISA

Ask for the value of the ISA to be paid to a nominated bank account. Following payment, the money can be distributed in line with the Will or Laws of Intestacy.

2

## Transfer the investments to beneficiaries without selling them

A beneficiary's options are different depending on who inherits the ISA:

**Where the ISA is left to a surviving spouse**, the investments can be moved into an ISA in their name, and they benefit from the same tax-efficient treatment. The section below provides more information.

**Where the ISA is left to someone other than the surviving spouse**, the ISA investments can't be moved to an ISA in the beneficiary's name. Instead, the investments can be moved to a Quilter CIA. This still retains the investments held, but once transferred they no longer benefit from the tax efficiencies of the ISA.

3

## Additional options for the surviving spouse of an ISA investor

When an ISA investor dies, their surviving spouse is entitled to make an Additional Permitted Subscription (APS) into their ISA, over and above their own annual ISA allowance.

The additional amount allowable is limited to either of the following, depending on which is higher:

- ▶ the value of the deceased's ISA as at the date of death
- ▶ the value of the deceased's ISA when one of the following events happens:
  - administration of the deceased's estate is completed
  - the third anniversary of the death
  - closure of the account.

The Additional Permitted Subscription can be used with the options referred to above, as follows:

### *Cash lump sum investment*

If the value of the ISA is paid out (option 1 above), the surviving spouse can still invest up to the APS allowance using cash lump sums within three years of the deceased's death (or 180 days after the estate's administration is complete, if later).

### *Transfer inherited ISA investments without selling them*

If the surviving spouse inherited the deceased's ISA, the investments held within it can be transferred into an ISA in the name of the spouse without selling them (option 2 above).

### *Allowance transfer to another ISA manager*

The surviving spouse can use the APS allowance with a different ISA manager by contacting their preferred ISA manager, who will instruct us to transfer the allowance. This option only moves the allowance, not the ISA itself. The proceeds of the ISA held with Quilter would still need to be paid out, or transferred to a CIA, in line with options 1 or 2 above.



If you would like any more information about any of these options, please get in touch with us.

# Options available where the deceased held a CIA with Quilter

*There are two options available for accessing the money within the CIA.*

**1**

## Claim the cash value of the CIA

Ask for the value of the CIA to be paid to a nominated bank account. Following payment, you can distribute the money in line with the Will or Laws of Intestacy.

**2**

## Transfer the investments to beneficiaries without selling them

Where a beneficiary of the CIA would prefer to continue to hold the investments within it, the investments can be transferred to a CIA in their name without selling them.



If you would like any more information about either of these options, please get in touch with us.



# Will there be tax to pay?

## Inheritance Tax

Inheritance Tax (IHT) is a tax charged on an estate following death. Some assets may be exempt – for example, money held in a UK-registered pension scheme is usually exempt from IHT. The value of any ISA or CIA with Quilter at date of death would be included within the estate for IHT purposes (unless exempt).

The Legal Personal Representatives of an estate submit a report of the total value of the estate to HM Revenue & Customs (HMRC). The rate of IHT is 40%. However, IHT is not usually charged on the whole estate. Every individual has an allowance called the 'nil-rate band' (currently £325,000) and no IHT is payable below this amount. Some people may also benefit from an additional nil-rate band, known as the 'residence nil-rate band'. It's only when the value of the estate exceeds these nil-rate bands that the excess value is taxable.

To establish if there's IHT to pay, you need to value the money, property, and possessions (the 'estate') of the deceased. You must do this before applying for grant of representation.



If you would like to understand more about IHT and valuing an estate, please see our brochure *'Your guide to Inheritance Tax and Trusts'*, which is available to download from our website [quilter.com](http://quilter.com) (search for *'Guide to IHT'*).

You can also visit the Government website [www.gov.uk](http://www.gov.uk) for more information (search for *'How to value an estate for Inheritance Tax and report its value'*).

## Income Tax

The Legal Personal Representatives are responsible for the two Income Tax returns outlined below, as well as settling the tax owed to HMRC for both.

1. The Income Tax owed based on the income the deceased earned in the tax year of their death	2. The Income Tax owed on income earned after death
<ul style="list-style-type: none"> <li>▶ Income prior to death is likely to include salary and/or pension.</li> <li>▶ Income prior to death should be reported and is taxable on the deceased.</li> <li>▶ Where an <b>ISA</b> was held, any income earned within it does not have to be included in the deceased's final year's income assessment.</li> <li>▶ Where a <b>CIA</b> was held, any income (interest, dividends, and fund manager rebates) earned up to the date of death would need to be reported with other income for the deceased in the tax year of death. We will supply this information to the Legal Personal Representatives.</li> </ul>	<ul style="list-style-type: none"> <li>▶ This is likely to be income from investments or rental property.</li> <li>▶ Income after death needs to be included within an 'estate return', which covers the income and gains during the period of administering the estate. This is taxable on the estate.</li> <li>▶ Following death, the <b>ISA</b> retains its tax-efficient status for up to three years. It is therefore unlikely that any income earned after death will need to be reported or be liable to Income Tax. After three years, if the ISA remains in place, the tax efficient treatment is removed. Income is taxed in the same way as a CIA (see below).</li> <li>▶ Income earned on a <b>CIA</b> after death will need to be reported within the estate tax return. We will also provide details of such income to the Legal Personal Representatives.</li> </ul>

## Capital Gains Tax (CGT)

CGT applies where an asset is sold (disposed of) for more than it was bought. The increase in value is referred to as the gain. As with Income Tax, there are two elements to this:

1. Gains made during the tax year of death.
2. Gains realised by selling assets (including investments) after death, during the administration period.

When calculating gains under point 2, under a rule called 'deemed disposal', when somebody dies, the amount their asset is deemed to have been bought for is uplifted to the value at the date of their death for CGT purposes. This has the effect of meaning that CGT only applies to any increase in the value of the asset from the date of death until it is sold.

### For example:

- ▶ The deceased purchased an investment property five years ago for £200,000.
- ▶ The property is worth £242,000 at the date of their death.
- ▶ The property is then sold for £245,000 after death, during the administration period.
- ▶ The Legal Personal Representatives' gain is limited to £3,000. This is the increase in the value of the property between the date of death and the sale date. There is also no gain to report against the deceased in the year of death.

### *How does CGT apply to an ISA?*

- ▶ Any gains made within this tax-efficient product do not have to be included in the tax assessment for the deceased's final year.
- ▶ Following the account holder's death, the ISA retains its tax-efficient status for up to three years. It is therefore unlikely that any gains realised after death will need to be reported or be liable to CGT. After three years, if the ISA remains in place, the tax-efficient treatment is removed. Gains realised after this are taxed in the same way as a CIA (see below).

### *How does CGT apply to a CIA?*

- ▶ Any gains on disposals (sales) made up to the date of death would need to be reported with other gains and losses for the deceased in the tax year of death.
- ▶ CGT would only be due where net gains (gains less losses in the same tax year) exceed the CGT annual exempt amount, currently £3,000.
- ▶ Where the deceased had made losses in a previous tax year, they might be able to 'offset' these against any net gain above, reducing or avoiding CGT in the tax year of death.
- ▶ The deceased's financial adviser can obtain a CGT report for the tax year up to the date of death, where required.
- ▶ If the cash value of the CIA is paid out, the investments within it are sold as part of the process. This could realise a gain or loss since the date of death, which would need to be included within the estate return.
- ▶ Legal Personal Representatives receive a single CGT annual exempt amount (shown above) for the entire administration period and, where gains exceed this, CGT is due at 24%.
- ▶ If the investments are transferred to one or more beneficiaries instead, then there is no CGT disposal on the transfer for the Legal Personal Representatives. Instead, each beneficiary is deemed to have received the investments at the date-of-death value. The beneficiaries are liable for future gains from this point.

# Quilter's claim process – summary

1

**We'll update our records, marking the account holder as deceased, once we have been notified.** Correspondence will be turned off and scheduled transactions, such as Direct Debits or regular withdrawals, will be cancelled.

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2

**We'll send you a 'bereavement pack' explaining the options (as described earlier) and what we need for each option.** This may be different from the information required from other financial institutions.

In this pack we'll ask you for the:

- ▶ death certificate
- ▶ grant of representation/probate
- ▶ relevant claim form, depending on the option required.

We may also ask for some additional documents for identification checks.

The requirements listed above apply to an ISA and CIA only. We may have different requirements for other products offered by Quilter, for example a pension or onshore investment bond.

Like most companies, we do offer the opportunity to access the money held with Quilter prior to/without a grant of representation. However, this simplified process is offered at our discretion depending on the value of the investments held with Quilter, and the complexity of the estate as a whole. We will explain whether this is an option within your bereavement pack.

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3

**When we have the information we need, we will:**

- ▶ pay the claim proceeds to the nominated bank account, and/or
  - ▶ transfer the investments to the beneficiary.
- 

4

**We'll confirm when the process is complete.**



If the deceased's estate owes IHT and you are looking at options around funding this, speak to us about our IHT pre-payment process to see if Quilter can assist.



## Further information

### *Advice and guidance*

We strongly recommend that you seek advice from a professional financial adviser. They can discuss your needs and advise which option is the most suitable for you.

### *Bereavement Advice Centre*

If you want more information about administering the estate of someone who has died, there are a number of resources available. One of these is the Bereavement Advice Centre, which supports and advises people on what they need to do after a death.



Visit: [bereavementadvice.org](https://www.bereavementadvice.org)

### *Bereavement support*

The National Bereavement Service team is committed to providing comprehensive information and advice to bereaved people. They are there to help with the practical aspects of bereavement, as well as sourcing the emotional support you may need.



Visit: [thenbs.org](https://www.thenbs.org)



Phone: 0800 0246 121



If you need any information from us about the ISA, CIA, or our bereavement process, please call us on **0808 171 2626**.

### Need additional help reading documents?

More and more of our investors are using screen-reading software as a quick and easy way to read their documentation if they are blind, partially sighted, or dyslexic. Alternatively, we can write to you in several alternative formats, such as large print, braille, audio, and OpenDyslexic font.

Find out more about screen readers, accessing your documents online, and our alternative format options at [www.quilter.com/document-help](http://www.quilter.com/document-help).

**The value of investments and the income from them can go down as well as up.**

**You may not get back as much as you invested.**

**This document is based on Quilter's interpretation of the law and HM Revenue & Customs practice as at February 2026. We believe this interpretation is correct, but cannot guarantee it. Tax relief and the tax treatment of investment funds may change.**

### *quilter.com*

*Please be aware that calls and electronic communications may be recorded for monitoring, regulatory and training purposes and records are available for at least five years.*

*Quilter is the trading name of Quilter Investment Platform Limited which provides an Individual Savings Account (ISA), Junior ISA (JISA) and Collective Investment Account (CIA) and Quilter Life & Pensions Limited which provides a Collective Retirement Account (CRA) and Collective Investment Bond (CIB).*

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