



The digital age and passwords – is your executor equipped to handle your affairs?

The digital age is upon us and no aspect of life – or death - remains unaffected.

In the “good old” days most information sharing was paper based and therefore, when the time came to wrap up a person’s affairs upon death it was a relatively straight forward exercise for the experienced executor.

According to David Knott of Private Client Trust, the fiduciary services division of Private Client Holdings, all that was required was for your executor to go through your current (paper) mail and filing cabinet to ascertain where your investments and banking accounts were domiciled, what your income tax return contained and where monies might be owing on trade accounts. All documents of title were also hard copy recorded.

These days however it is far from easy as most correspondence and invoices are dispatched via email and your computer or tablet is invariably password protected. Likewise, any monthly portfolio valuations, bank statements, income tax information and insurance details would have a further layer of another unique password protection once access to your computer had been obtained. With foreign exchange control restrictions also having been relaxed, it is common for one to hold investments world -wide, also password protected.

“Without these passwords it is extremely difficult for your executor to access details of assets and possible claims against your estate,” warns Knott. “In some instances the executor might even overlook assets if a clear record is not easily found.”

“Before too long, one has accumulated a number of varying passwords. As different institutions demand passwords containing varying numbers of letters, upper case, numerals or special symbols, one soon needs to record these passwords somewhere and instinctively one records them within a special folder on your computer or tablet, thinking that they are quite safe there.”

“However, should you lose your computer or smartphone all your passwords are also lost. In addition, even worse than this loss, a bigger threat comes from a cyber hacker who need not even enter your

property to steal your passwords. The first indication of cyber crime would be when your accounts have been cleaned out.”

“Private Client Holdings suggests that you record all investment passwords within a battered book which lives on a book shelf in your study,” says Knott. “No burglar would waste time going through a pile of books to find items of value when he could merely grab the flat screen TV, the computer and other valuables. A trusted family member or close friend should know the computer access password so that following your demise, your computer may be accessed by the executor and the battered password book recovered from the bookshelf. The efficient administration of your estate may then get underway.”

“Incidentally, Wills must still be paper based and must comply with all the formalities. We are still some way away from digital Wills or video Wills being accepted by the courts,” concludes Knott.

Ends

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