

Transfer of Digital Assets on Death

When someone dies, they may leave property and cash assets, although it is becoming common-place to also leave digital assets. Digital assets are becoming increasingly more valuable and important as individuals conduct much of their lives through the digital sphere – a virtual existence!

Digital assets can include social media accounts, music or book download collections, photographs, videos, email accounts and blogs and even virtual currencies such as Bitcoin as well as online bank accounts and investment account. Most digital assets have little value, but some may have significant monetary or sentimental value. Have a think about the digital assets you may have and you will probably be surprised by how much there is. Do you have information or photographs stored on a laptop or tablet that is password protected for example. Do you own a kindle or iTunes account where books or music are stored? Do you have online share accounts or betting accounts? Would any of your family or friends be able to access all of this information in the event of your death? Identifying digital assets can be virtually impossible in some instances with the absence of any paper records unless another individual is aware of their existence. Even if another individual had knowledge of these assets it may still prove incredibly difficult to gain access to them.

This problem is magnified by most online service providers having their own terms of business with particular emphasis on privacy legislation which prevents anyone other than the account holder having access. Some individual service providers such as Google and Facebook have already developed their own policy following an account holder's death and these should be checked before you make your own plans.

So what can be done to manage these assets and ensure they are dealt with during the administration of your estate? Here are some practical steps we believe you should consider.

Digital Assets List

You should collate as much information as you have regarding all of your digital assets including user names and passwords. You should consider the safest method to record this information which may include separate lists for usernames and passwords. Equally you should consider who should hold this information or have access to it as it is, of course, very sensitive.

There are now some companies that provide products and services such as Cirrus Digital and Legacy Locker where on payment of a fee you can upload and store personal information which can be emailed to a nominated contact upon your death. There are also other providers who can store your information in a restricted digital storage facility and you can provide the access code to your Executors.

When preparing a list you should also include any bank or investment accounts which are solely dealt with online as these are often difficult to trace if they produce no paper statements.

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Make a Will

When you make a Will you appoint Executors who you trust to manage the administration of your estate after you have died, and this will include the management of your digital assets. You may then wish to give these Executors access codes or provide details of where you have stored your list of digital assets.

You can also include clauses in your Will that specifically deal with the distribution of your digital assets.

Provide clear instructions

You may have particular instructions you would like your Executors to carry out, for instance deleting certain accounts or continuing certain accounts.

You may wish to provide specific instructions on how you would like your death to be notified on social media accounts or blogs for instance.

You can record these specific instructions in a Letter of Wishes attached to your Will.

Keep records updated

The final point is to always keep your affairs under regular review and ensure records are kept up to date, particularly with digital assets where you may change passwords or usernames more regularly than standard accounts.

Management of your digital assets can be extremely complex and advice should be sought to effectively deal with these as part of your general estate planning.

For further information please contact our Tax, Trusts and Estates Team.