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Mortgage approvals at highest level for more than a year

The number of mortgage approvals has reached its highest level for more than a year, according to figures released by the Bank of England (BoE).

The Bank's latest Trends in Lending report showed that approvals for home loans rose from 44,169 in May to a total of 47,584 in June. It was the fifth successive monthly rise. The report says the figures suggest that mortgage lending for house purchase may continue to strengthen in coming months.

The findings are backed up by separate research by the Council of Mortgage Lenders which showed that gross mortgage lending reached £12.3bn in June – the highest for six months and a 17% increase on the June figure of £10.5bn.

This partly reflected seasonal factors but the BoE report points to a growing sense of optimism. "The Royal Institution of Chartered Surveyors' new buyer enquiries balance has continued to rise in recent months, indicating that demand for mortgages for house purchase may rise further. And the major UK lenders have reported rising applications for house purchase mortgages."

The Land Registry reported that house prices rose by 0.1% in June - the first monthly rise since January 2008.

It is still early days, of course, but the various findings from different sources are encouraging and suggest that the worst may be over and we can now look forward to some stability in the housing market.

It's thought that these early signs of recovery will tempt many sellers back into the market. If so, they should be aware that the procedures have changed considerably over the last two years.

Sellers must provide a Home Information Pack (HIP) for potential buyers as soon as a property is put on the market. The HIP must have an index and include various documents such as an Energy Performance Certificate - which grades the property's energy efficiency - the terms of sale, proof of title and boundaries from the Land Registry, and the results of local searches.

Sellers must also include a Property Information Questionnaire covering areas such as the property's service charges, flood risk information, structural damage, gas and electricity safety and parking arrangements.

Please contact Christopher Jackson or Ian Armstrong if you would like more information about HIPs or any aspect of buying and selling a property.

Children win the right to inherit their mother's estate

Four children who were cut out of their mother's will because she suffered from delusions which poisoned her mind against them have won the right to inherit her estate.

The woman owned a farm which the children expected to be passed on to them when she died. However, she made a will leaving most of her estate to a charity.

The children challenged the will on the basis that their mother had lacked testamentary capacity – that is, the necessary mental capacity and understanding required to make a will valid.

They said their mother suffered from a mental disorder which caused delusions and led her to falsely believe that they had done nothing to help her and that she had not assured them they would inherit the farm. They submitted that, far from behaving improperly towards her, they had supported her and she had been quite dependant on them.

They were able to provide an expert who attested that the mother had been suffering from a paranoid personality disorder.

The court held that the mother had been suffering from an abnormal paranoid disability. She had probably believed that the allegations she had made about her children were true. However, this was because her natural maternal instincts and affections had been perverted by her mental illness. The disorder caused delusions which made her cut them out of her will.

It followed that she lacked testamentary capacity and there was a strong moral obligation to leave the estate to the children. The grant of probate – the court order giving executors authority to act on behalf of an estate – was revoked and the children will now be able to inherit.

Please contact Christopher Jackson if you would like more information about wills and probate.

Why it pays to be reasonable when a relationship breaks down

The need for couples to communicate and behave reasonably when their relationship breaks down was highlighted in a recent case before the Court of Appeal.

It involved a cohabiting couple who had to settle various financial matters when their relationship ended. The man issued proceedings for the repayment of loans and possession of some of their property. The woman disputed the loans and made a counter claim that the property was owned equally.

She then tried to make the process easier by asking her former partner to take part in mediation and alternative dispute resolution procedures. These procedures are designed to help couples reach amicable settlements and so avoid the cost and stress of going to court.

However, her former partner refused several offers to take part. The woman then made an offer that the property should be split 55% - 45% in his favour but that too was refused.

The matter was then scheduled to go to court but on the day of the hearing, her former partner decided to abandon his claim. An order was made on the basis that the property was owned equally and his claim in relation to the loans was dismissed.

It meant that he ended up accepting a worse settlement than the one he had been offered when his former partner was trying to get him to take part in mediation sessions. Now he is even more out of pocket because the Court of Appeal has ruled that he should pay his former partner's costs.

The court ordered him to do so because he continued with the proceedings right up to the day of the hearing and then abandoned his claim at the last moment.

It is not uncommon for attitudes between couples to harden once their relationship breaks down. However, it is always better for both sides to get good legal advice and then try to behave reasonably to make the process as easy and as fair as possible. Good solicitors will be able to provide various methods to help arrive at an amicable settlement which in most cases will prevent the need to take matters all the way to court.

Please contact Patrick Troy or Amanda Worger if you would like more information.

Mother wins appeal over where her son should live

A mother has won her appeal against a court order that her son should continue living with his father instead of returning to live with her.

The couple had separated when their son was two years old. The boy then lived with his mother until he was nine. She was then diagnosed as suffering from exhaustion and she agreed that her son should live with his father until she recovered.

The father applied for a residence order so his son could live with him permanently. The mother opposed this and was supported by a welfare officer. The court hearing took place seven months after the boy had started living with his father.

The officer said the boy had indicated that he would prefer to live with his mother. He was aware that his mother was pregnant and he wanted to be back with her at the time of the birth.

The officer felt this was a sub-conscious desire to reassure himself of his position within the family.

The judge heard from both parents but not the welfare officer or the boy. He decided that the boy was settled with the father and granted the residence order.

The Court of Appeal has now overturned that decision. It held that the judge was wrong to reject the welfare officer's recommendation without hearing evidence from her. He had also been wrong in not giving sufficient weight to the fact that the boy wanted to return to his mother.

Please contact Patrick Troy or Amanda Worger if you would like more information about family law.

Motorists still wasting money on unnecessary insurance

Millions of motorists are still wasting money on unnecessary legal expenses insurance despite a campaign launched three years ago to alert people to the problem.

The insurance usually costs between £15 and £20 and is tagged on to motor policies to cover such things as personal injury claims. The Motor Accident Relief Society, the charity which began the campaign to highlight the issue, estimates that the needless insurance costs drivers £270m a year.

The charge is seen by many as a way for large insurance companies to earn more money out of the unwitting motorist.

In fact, the driver is really being subjected to a double blow. The first point is that he doesn't need any legal expenses insurance. If he does ever need to make a personal injury claim he'll find that most solicitors will handle it on a no win, no fee(or conditional fee) basis which doesn't cost him anything.

The second problem is that when the motorist comes to make a claim using his legal expenses insurance, he will find his case is farmed out to a solicitor chosen by the insurance company.

What he may not realise is that the solicitor assigned to him may have had to pay a fee of about £600 or £700 to the insurance company for the privilege of taking on the case.

It means that the solicitor is already badly out of pocket before he even starts working on the claim. In those circumstances, he may not provide the best possible service because of the cost of paying to take the case on.

The system works very well for insurance companies because they get paid when they sell the insurance and then get paid again when they sell the case.

The only real loser is the motorist who ends up paying excessive fees for what may be a poor service that he didn't require in the first place. He would be better off keeping his money and then if ever he needs to make a claim, approaching a solicitor who will deal with the case on a no win, no fee basis.

If you would like further information about pursuing a claim arising from a road traffic accident, please contact Martin Crossley.