Family Solutions™

Your Solution, Your Way

My divorce is underway or finished – why do I need a financial order?

Even though your divorce has been finalised, or you're almost there, a financial order is important because it legally settles financial matters between you and your former spouse. Without one, your financial ties remain open, meaning either of you could make a claim against the other in the future.

Here's why a financial order is recommended:

1. Legally Ends Financial Claims

- Without an order, your former spouse could try to claim a share of your current or future assets (e.g., inheritance, lottery winnings, or an increase in income). It is very situation-specific, but even an attempt to claim could be costly and time-consuming for you.
- Even years after divorce, your former spouse could still make a financial claim unless a consent order or clean break order is in place. Claims remain open unless you have a final and binding agreement in place.

2. Confirms Your Decisions

- If you and your former spouse have made decisions about separating your finances informally, or perhaps through your lawyers or mediation, a court order makes it legally binding. You'll then each have certainty about who needs to take what steps, and when. The future will be clearer for each of you.

3. Pensions Arrangements

- If pension sharing is involved, a financial order will be required by the pension fund administrators, so that they can implement the transfer from one fund to the other.

4. Maintenance

- A financial order can include details of how much maintenance is to be paid, when and for how long. It might be important to have this in an order, for example, if you are making a mortgage application.
- If maintenance is for children, it cannot be enforced by a court unless it is contained within the order*. Otherwise, the Child Maintenance Service is responsible for setting maintenance.

5. Divides Assets Fairly

- If you aren't able to make decisions together, the court will make them for you based on all the circumstances of your case. Having financial order ensures assets like property, pensions, savings, and investments are divided fairly.

- This involves a formal application to the court, which will then set a timetable for you each to follow. It can be lengthy and costly to deal with the finances through the court.

6. Disclosure

- It is expected that you will each make full and frank disclosure to each other about your financial situation. Where there are difficulties with non-disclosure, or you may have concerns about the information you've received, the court can investigate and order specific steps to be taken. This gives each of you peace of mind that the decisions made, are the best ones for your circumstances.

7. Complicated finances

- Many families have complex financial arrangements. For example, there may be offshore trusts and investments, business interests, properties abroad, debt or significant tax issues. In these cases, it's even more important to look at all the available options and implications, often with specialist advisors. Having orders may be required to help implement your decisions in other countries and jurisdictions.

And if we don't have any assets or pensions?

Then a clean break order can confirm this and prevent future claims.

It's recommended to seek legal advice so that you understand the implications of having (or not having) a financial order, so that you're fully protected.

Additional help and information is available here -

www.gov.uk

www.familymediationcouncil.org.uk

www.resolution.org.uk

www.supportthroughcourt.org

www.advicenow.org.uk/family-court

**this is subject to a one year rule, please take legal advice.*

Nothing in this guide is a substitute for independent legal advice.

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