

\$10b in misplaced assets – could some be yours?

LOST PROPERTY

Michelle Bowes

When Melbourne man Andrew Robertson received a call from asset research firm Worthington Clark informing him they'd found \$28,000 worth of shares in his name, his first instinct was that he was being scammed.

"The fellow said, 'Don't hang up, this is not a scam call, you've got some assets, some shares that you haven't realised are there,'" Robertson, 75, says.

After that initial call in mid-2024, the company, which tracks down lost or unclaimed financial assets and returns them to their owners, found more shares in Robertson's name – worth closer to \$100,000 – in a range of companies, including AMP, Westpac and Commonwealth Bank.

Robertson says he had forgotten about the shares, which his mother had purchased and he had inherited after her death in 2013.

While it's difficult to imagine how someone could lose track of valuable financial assets, Nandie Bryant, chief product and marketing officer of Worthington Clark, says that it is more common than you may imagine.

She adds that in many cases people have no idea they own the lost assets in the first place, something that could happen if someone receives an asset via an inheritance, but is never located for ownership to be passed to them.

"It's very hard to keep track of something you don't know exists."

Worthington Clark estimates there are

around \$10 billion of lost or unclaimed assets – such as shares, dividends, insurance, bank accounts and even property – in Australia.

And this figure doesn't include lost or unclaimed super, of which there was an estimated \$18 billion at June 30, 2024, according to the Australian Taxation Office.

Assets can also become "lost" due to a change in personal or corporate circumstances such as a divorce, a change of address, a move overseas or, in the case of shares, a corporate restructure, takeover or delisting, Bryant says.

If you ever get a tap on the shoulder from Worthington Clark it might just be your lucky day.

Nandie Bryant, Worthington Clark

In the past financial year, Worthington Clark recovered \$50 million of lost assets in Australia and reunited them with owners around the world.

The average amount returned per owner was \$25,000, and the largest category of assets recovered were shares and dividends, Bryant says.

Among those the firm has found lost assets for are prime ministers, British peers and even a Nigerian prince, Bryant claims.

"What's fascinating about our business is



Discovering you have lost assets can provide an unexpected – but not unwelcome – windfall.

ILLUSTRATION:
BETHANY RAE

who you cannot find; there's a former member of MI5 who we managed to find but cannot get to contact us, and several millionaires walking the streets unbeknownst to us and them – so if you ever get a tap on the shoulder from Worthington Clark it might just be your lucky day," she says.

Under unclaimed money laws, after a period of time organisations are required to send inactive or unclaimed bank accounts, shares, investments and life insurance policies to the Australian Securities and Investments Commission.

Lost and unclaimed financial assets can also end up in the hands of state-based revenue authorities, such as the State Revenue Office in Victoria or Revenue NSW.

You can search for these assets on ASIC's Moneysmart website and state revenue websites, while lost super can be found via

the ATO or through your myGov account.

ASIC puts the value of lost assets in Australia at \$2.3 billion, but Bryant says not all lost assets are sent to ASIC, and based on its own asset-monitoring system, Worthington Clark puts their worth at \$10 billion.

If you know you own something you've lost track of, private companies like Worthington Clark can be engaged to find it. More commonly, the company uses its system to find assets and then tracks down the owner.

Assets can either be passed on in the form of shares, or the company can sell the asset on the owner's behalf and provide a monetary payout, which is typically paid two to six weeks from first contact.

A success fee, which varies based on the type of asset, its value and location, as well as the owner's location and the complexity of the recovery, is deducted from the payment. **SI**

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Lessons families can learn from Murdochs

As the family evolves through marriages, divorces, remarriages and a third generation reaching adulthood, and as family member plans, aspirations and goals change, succession plans may need to be revisited. "Structures don't remain as appropriate for as long as people think. Decades go on, things change, and you need to be revisiting your structures and thinking, are they still fit for the next 10 years?" Fleeer adds.

2 Consider the pros and cons of a court resolution | If an agreement everyone is happy with is difficult to reach, families should try to find a solution in mediation rather than in the courts, Griffin says.

Not only does this prevent the airing of the family's dirty laundry in public, it reduces the amount lost to legal fees.

"It is much better for the parties to resolve any dispute privately and with their advisers so that the pie is not reduced by solicitors' and barristers' fees," Griffin says. "Some costs are also avoidable if assets can be restructured rather than sold."

But if reaching an agreement is proving difficult, legal proceedings can "be a good mechanism in some situations to accelerate the discussions", Fleeer says.

"The courts are there to help us solve these intractable problems, so I wouldn't always see [a resolution in] court as a failure in a family business because sometimes that gets them to a good result."

3 Control the sale of assets | If assets need to be sold to divide money between family members, it is better for all parties financially if fire sales can be avoided, and sales can be timed to occur during good market conditions to maximise prices.

Griffin says this is another reason to keep disputes out of courts, which can order the immediate sale of assets. "It can be damaging for relationships if one successful child has deeper pockets and can buy a legacy holiday home at auction (or before) and exclude who he wants," he says.

Fleeer agrees court orders tend to be a very blunt instrument in separating family assets. "While I don't think people should think of court as a failure, you would still always prioritise a mediated outcome because you get the flexibility about terms and structure and timing and ensure that it can be managed to maximise value for everybody," Fleeer says.

4 Prioritise family harmony | In many cases, succession is not solely about the money. It's a time when long-standing jealousies or childhood disappointments can surface, and Griffin says family divisions created by succession can carry on through numerous generations.

Given the potential for succession to create extended family conflicts, it may be necessary to give ground on the finances for the sake of keeping the peace, Fleeer says.

This may necessitate the selling of assets in order to divide them. "Many families will prioritise keeping the assets together to the detriment of family harmony."

5 Consider a sibling pre-nup | Given how predictable a dispute among family members can be when long-held emotional assets are being transferred, Griffin says families should consider a "pre-nup for siblings". Known in Australia as financial agreements, he says it is better for siblings to agree on who will value the assets, as well as the basis for any discounts, delayed payments or sales processes when they are on good terms and not when they are at odds.

6 Separate the business from the money if needed | If some siblings are working in the family business and others are simply shareholders, the succes-



Christine Fleeer says court proceedings can help families break deadlocks, but they are a "blunt instrument".

sion of both control and wealth can be more complex, Fleeer says.

"It's very hard to execute successfully where you've got one sibling running the business and the other siblings are shareholders because they'll have different views on the business," she says.

Even in cases where more than one sibling (or all of them) work in the business, it's unlikely they will have made equal contributions to it, she adds.

In cases where siblings can't agree on the direction of the business, it may be better to try to separate the wealth from the business. In cases where the two are inextricably linked, a sale may be required.

7 Don't assume equality | Garrett says the "normal assumption" that all siblings should receive an equal share of a family's business or wealth is "one of the biggest myths" in succession planning.

It's also not recognised by the court, which is more likely to consider each sibling's financial position if they are making a ruling on dividing assets, he says.

Griffin says this notion of equality can be complicated if not all siblings are working in the family business or if those that are doing so are earning a salary that is less than market rate. "It can lead to resentment and the family employee being fragile or touchy," he says.

Promises that they will be compensated with a higher stake in the business when ownership passes may not have been made known in the family and documented in writing, which can complicate matters at the point of succession.

Griffin says such claims for promissory estoppel and breach of promise that are not backed up by appropriate documents leave families in an uncertain position that can often only be resolved in court. **SI**