

Who do you trust with your digital information?

“Digital technology is so broad today that it encompasses almost everything. No product is made, no person moves and nothing is collected, analysed or communicated without ‘digital technology’. Given its overwhelming ‘value’, digital technology has become an integral part of our lives,” says Louis Rossetto, founder and former editor-in-chief of *Wired* magazine.

Before the digital age, we maintained paper records in a file in a filing cabinet or desk drawer. When someone passed away, all a family member had to do was locate the file and hand it to the appointed executor. And, important documents, investment statements and policy documents were delivered by post, for easier filing.

Given the ubiquity of digital technology, these documents are now either emailed (with password protection), available on a password-protected app or retrieved from a service provider’s platform, which requires login credentials. As a result, most of us store our information either on our laptops or via a cloud storage facility, tax information is accessed via our e-filing profiles and banking information on banking apps or personal profiles.

It is easy to see how quickly one can amass a long list of usernames and passwords – the average person has between 10 and 50 credentials to maintain. This is in addition to the passwords or biometric access protection on our phones or iPads.

Who do you trust to access your digital information, if something happens to you?

What impact has digital technology had on estate planning?

Without access to records and information that is digitally stored, it can be difficult for an executor to know who to contact regarding a client’s assets and potential claims against an estate. In some instances, an executor may overlook an asset if a record cannot be found.

Safe password storage can be challenging, and we know it is not a good idea to write your passwords down at the back of a notebook, but who can, or should access this vital information if you are not able to? With the introduction of dual-factor authentication, your password and username may not even be enough to give someone access to your information.

There are several password lockers, such as OnePass, Enpass, Authenticator or you can store your credentials in your Apple,

Google or Microsoft account. Most of these lockers allow you to export data, but then what? How does an executor access this information, which is critical for efficient estate administration?

“You could create a shared folder to store what we at Private Client Trust call your ‘going away file’ information, which contains the important information to be accessed on your death and how to access it (where to find the correct passwords, etc). We do, however, advise great caution when it comes to who this file is shared with,” says Sarah Love, a Fiduciary Specialist at Private Client Trust.

An alternative that the fiduciary team at Private Client Trust recommends is a comprehensive estate planning exercise with a fiduciary professional. “In this way, we can ensure that all your affairs are in order and that access to information is shared with the right people on your death,” says Love.

During the estate planning process, a fiduciary professional will collect all the necessary information regarding a client’s assets, liabilities and policies. “This puts us in a sound position to administer the estate as we know what is included. This also provides the client with a solid base for drafting their Will,” says Love. Private Client Trust regularly partners with CERTIFIED FINANCIAL PLANNERS®, enabling them to effectively assist their clients with their estate planning needs in a digital age.

“While saving and storing important information digitally is highly appropriate, don’t forget that your Will must still be signed with a pen on paper and must comply with the formalities of the Wills Act for it to be valid,” cautions Love. ■

If you would like to speak to a fiduciary professional about your client’s estate planning needs, please contact Sarah Love, CFP®, at sarah@privateclient.co.za or visit www.privateclienttrust.co.za.



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