



SQE2 sample question and discussion of answer

Case and matter analysis (Wills and Intestacy, Probate Administration and Practice)

Reviewed November 2025

Candidates will undertake 16 assessments in SQE2. To pass SQE2 candidates will need to obtain the overall pass mark for SQE2.

This sample question and discussion of answer is an example of a case and matter analysis assessment. This is a computer-based assessment and candidates will have 60 minutes to complete the task.

For further details, see the SQE2 Assessment Specification.

Please note that the sample questions are provided to give an indication of the type of tasks that candidates could be set. They do not represent all the material that will be covered in SQE2.

Future questions may not take exactly the same format.

Question and additional candidate papers

Email to Candidate

From: Partner
Sent: 5 November 2024#
To: Candidate
Subject: Jacob Marsh

We have recently been instructed by Jacob Marsh. I spoke with Jacob yesterday and he would like advice about the following matters.

Caroline's Will Trust

Jacob's wife, Caroline Marsh, died on 30 October 2024. Jacob and Caroline had been married for 12 years and had no children together. Jacob has two adult daughters from his first marriage, Laura and Claire. Caroline had two adult sons from her first marriage, Wayne and Michael.

Caroline's estate has been administered by her executors, Akhil Gupta and Rebecca Odeje. They have provided a copy of Caroline's will, which is attached to this email. The executors have just completed the administration and are now holding the residue of the estate as trustees under the terms of clause 4 (the 'Will Trust'). Jacob is one of the beneficiaries. The assets held are worth approximately £280,000 and comprise an investment portfolio of quoted stocks and shares worth £170,000 and bank accounts containing £110,000.

Jacob would like to understand a bit more about his entitlement under the Will Trust. In particular:

- He is considering asking the trustees to give him a lump sum of £30,000, which he plans to use towards improvement works on his house. (Jacob is the sole owner of this house.) Jacob mentioned the works to his stepchildren, with whom he usually gets on well, and he was therefore a little upset to receive the attached email from Wayne.
- He wants to know if it is possible to amend his own will to leave his interest in the Will Trust to Laura and Claire when he dies.

Inheritance Tax on proposed lifetime gift

Jacob also sent me an email yesterday (attached), requesting some Inheritance Tax advice regarding a lifetime gift that he is considering making to his daughters. I have had time only to look briefly at this email, so you will need to read it carefully before completing your analysis.

Advice and analysis required

I have arranged to see the client next week. Before our meeting, I intend to send him a letter containing preliminary advice on the questions listed below. I would like you to prepare a report which I can use for reference when I prepare my letter.

Please write a report for me using the information provided in this email and the attachments. You should ensure that your advice and analysis address the following questions:

- 1. With reference to Caroline's Will Trust:**
 - a) To what extent can the trustees provide financial support for Jacob in respect of his planned house improvement works?**
 - b) Could Jacob leave his interest in the Will Trust to his daughters in his will?**
- 2. What should we advise Jacob in respect of the proposed lifetime gift?**

You are not required to consider any personal or trust taxation matters in respect of question 1 about the Will Trust.

Thanks

Partner

ATTACHMENTS:

1. Copy will of Caroline Marsh (extract only)
2. Email from Wayne Jones
3. Email from Jacob Marsh

Note to Candidates:

You do not need to deal with client care matters (including costs) or money laundering issues.

Please do not record your name on the answer template.

END

Attachment 1

Copy will of Caroline Marsh (extract only)

This is the last will of me **CAROLINE MARSH** of 45 Sunny Lane Liverpool L3 5TG

1. I revoke all former Wills and Codicils made by me
2. I appoint **Akhil Gupta** of Howden Solicitors 137 Main Street Liverpool L1 8KL and my friend **Rebecca Odeje** of 12 Long Down Lane Liverpool L5 7GH jointly to be the trustees and executors of my will (my '**Trustees**')
3. Subject to the payment of my debts funeral and testamentary expenses I give all my real and personal estate not hereby or by any codicil hereto otherwise disposed of (the '**Trust Fund**') to my Trustees to hold on trust
4. My Trustees must hold the Trust Fund on the following trusts:
 - 4.1 To pay the income of the Trust Fund to my husband **Jacob Marsh** ('**Life Tenant**') for life
 - 4.2 Subject to clause 4.3, during the Life Tenant's lifetime, the Trustees may at their discretion pay to the Life Tenant for his benefit any capital of the Trust Fund
 - 4.3 The total value of capital paid to the Life Tenant during his lifetime under clause 4.2 cannot represent more than 30% of the value of the Trust Fund (such amount to be determined with reference to the value of the Trust Fund upon transfer to my Trustees under clause 3)
 - 4.4 Subject to clauses 4.1–4.3, when the Life Tenant's interest ends my Trustees must hold the Trust Fund on trust for my sons **Wayne Jones** and **Michael Jones** in equal shares absolutely
5. Schedule 1 forms part of this will and has effect as if set out in full in the body of this will and any reference to this will includes Schedule 1
6. When exercising their powers under this will the Trustees do not have to consider the interests of any beneficiary except the Life Tenant

...

Schedule 1

...

12. Power to make loans

My Trustees may make loans to any beneficiary from the Trust Fund on any terms that they consider appropriate (including being interest free and unsecured)

13. Trustee remuneration

A trustee acting in a professional capacity is entitled to receive reasonable remuneration out of the Trust Fund for any services that they provide to or on behalf of the trust

14. Trusts of Land and Appointment of Trustees Act 1996

Section 11 of the Trusts of Land and Appointment of Trustees Act 1996 (which obliges trustees of land to consult certain beneficiaries and give effect to their wishes) does not apply to my Trustees

...

Dated this *10th* day of September 2016

Signed by the said **CAROLINE MARSH** in our joint
presence and then by us in hers

Caroline Marsh

Lindsey Jones

34 Powerscroft Street
Manchester
M17 3LP

Terry Jones

34 Powerscroft Street
Manchester
M17 3LP

Note to Candidates:

This is an extract from a copy of the original valid will as admitted to probate.

Only clauses 1–6 and paragraphs 12–14 of Schedule 1 of the will are reproduced. You may assume that any content which has been omitted has no relevance for the purposes of this assessment.

END

Attachment 2

Email from Wayne Jones

From: Wayne Jones
Sent: 24 October 2025
To: Jacob Marsh
Subject: Building works

Dear Jacob,

I hope you are well.

I wanted to write and explain how I feel about the trust under Mum's will.

I know we have all found it difficult to come to terms with her death, but it's been particularly hard for me and Michael.

I hope you won't take this the wrong way, but I have thought about what you said recently about Mum's trust paying for your house refurbishment, and I don't think this is a good idea. Personally, I don't see why the trust should pay for your house renovations when you have savings of your own that could be used. It also seems too soon after Mum's death to be taking on this type of project! If we all took large amounts of money from the trust it wouldn't take long before the money was gone, and I'm sure that's not what Mum would have wanted.

Anyway, I thought it would be best to be honest with you. I am happy to chat about this in person if you think that would be useful.

Best wishes,

Wayne

END

Attachment 3

Email from Jacob Marsh

From: Jacob Marsh
Sent: 4 November 2025
To: Partner
Subject: Gifts for my children

Dear Partner,

I hope you are well.

I have recently asked for your help regarding the trust set up under my wife's will, but I was hoping you could also advise me in respect of my own estate.

Caroline's death has made me think carefully about my personal situation. I have a will that leaves most of my estate to Laura and Claire, but I would like to know what you think about an idea I had regarding my house.

I want to reduce the amount of Inheritance Tax that will be payable after I die. I have been told that if you give away some of your assets while you are alive this can save Inheritance Tax when you die, provided you live for seven years afterwards. I have some savings, and I could make some cash gifts, but I am fit and healthy (and confident I will survive for many more years!). I'd rather not give much of this money away in case I need it later on. However, I would be happy to transfer my house (worth just over £1 million) into the name of my two daughters now, as an alternative to giving them cash. At least that way I will no longer own such a valuable asset.

If I did transfer the house to my daughters, I would want to carry on living there. I trust my daughters completely and know that they would never ask me to leave my home! They are happy living in their own houses in any event. It's just a thought at this stage but it would be helpful to know your view on this proposal.

I look forward to hearing from you.

Yours sincerely,

Jacob

END

Discussion of answer

KEY LEGAL POINTS

These include the following:

Note that exact citations (e.g. provisions of the Wills Act 1837 or Inheritance Tax Act 1984) are not required.

To what extent can the trustees provide financial support for Jacob in respect of his planned house improvement works?

- Jacob is the life tenant entitled to the income generated by the trust fund.
- Jacob has no right to trust capital and the trustees have no obligation to give him money beyond trust income.
- The trustees have express discretionary powers to advance or loan capital to Jacob.
- The power to advance capital is limited to 30% of the trust fund.
- Loans may be made interest free and on any terms the trustees determine.
- The trustees do not need to consider the interests of the other beneficiaries when deciding whether to exercise their powers.

Could Jacob leave his interest in the Will Trust to his daughters in his will?

- Jacob's life interest terminates on his death so he cannot leave it in his will.
- The capital passes to the remainder beneficiaries, Wayne and Michael.

What should we advise Jacob in respect of the proposed lifetime gift?

- If Jacob gives his house to his daughters but continues to live there rent-free, he will make a gift with reservation of benefit ('GROB').
- The value of the house on the date he dies will be included in his estate and no IHT saving is achieved. Jacob should be advised against this.
- It will not be a GROB if Jacob pays market rent to his daughters.

SAMPLE ANSWER

A sample answer is provided below. This answer is an example of a candidate who would be assessed as clearly passing the competency requirements of the case and matter analysis assessment. This answer is not perfect nor a model answer and there are further points which could be made.

Summary

You have asked me to prepare a report considering several questions raised by our client, Jacob Marsh. Jacob is the life tenant of a trust established by the will of his late wife, Caroline Marsh. He is seeking our advice on whether he can receive financial support from the trust fund during his lifetime and whether his interest in the trust fund can be left to his children upon his own death. Separately, he has also asked us to consider the inheritance tax implications (IHT) of a proposed lifetime gift of his house. I have considered each of these issues below.

Background information

Caroline's estate is held on trust in accordance with clause 4 of her will. Jacob is the life tenant and his stepchildren (Caroline's sons), Michael and Wayne, are the remainder beneficiaries (in equal shares).

The trust fund is worth around £280,000. We have not been given information about the amount of income produced by the trust fund. This is something we may need to check with the client.

Jacob has a good relationship with his stepsons, Michael and Wayne. He also has two daughters, Laura and Claire. He intends to leave most of his own estate to Laura and Claire. We do not have full details of the client's estate at present, but he has told us that he has a house (held in his sole name) worth just over £1 million.

Analysis of client questions

1. Trustee powers in relation to Jacob

Jacob is planning home improvement works and is considering asking the trustees for a lump sum payment of £30,000 to fund these works.

As the life tenant of the trust fund, Jacob does not have a vested interest in the capital of the trust fund, so the trustees have no obligation to grant this request.

However, under clause 4.2, the trustees have the power to pay him capital. Clause 4.3 limits this to 30% of the overall capital. We should check how much the trust fund was worth when it was first transferred to the trustees, as the 30% is calculated on that date. However, 30% of the current value is £84,000, which is comfortably more than £30,000. The trust fund currently has around £110,000 in cash, so the trustees do have access to sufficient cash to make a payment of £30,000 if they choose to.

Advancement of capital is at the trustees' discretion, so Jacob can't force them. It may also cause conflict with his stepchildren. We have seen an email from Wayne indicating that he's not happy about the request.

As an alternative, Jacob could ask the trustees to lend him £30,000. They have the power to do this under para 12, schedule 1 of the will. The stepchildren might be happier with this.

2. Can Jacob leave his interest in the trust to his children via will?

Jacob only has an interest in the trust income. On his death, his interest ceases and the capital vests in Wayne and Michael. His interest under the trust therefore will not be part of his estate and is incapable of passing via his will. He cannot leave it to Laura and Claire.

3. Jacob's plans to make a lifetime gift

Jacob has also asked us for advice on the IHT implications of a proposal to transfer legal title to his house to Claire and Laura. He is considering ways of reducing IHT on his death and is aware that there can be IHT benefits to making gifts more than seven years before death. He has suggested transferring the house into his daughters' names but intends to still live there.

The client should be advised that this would not have the intended tax benefits because it would be a gift with reservation of benefit ('GROB'). Even if he survives for more than seven years, it will be part of his taxable estate when he dies.

The GROB rules would be avoided if Jacob pays fair market rent to his daughters, but he should bear in mind that he would no longer own the house. Although he has a good relationship with his daughters, he would be vulnerable if circumstances changed.

ANALYSIS

Why has the sample answer clearly passed the assessment?

The following guidance is not intended to be prescriptive but will help you to understand why the sample candidate would be graded as clearly passing in relation to the assessment criteria for the assessment.

The assessment criteria

The assessment criteria for case and matter analysis are as follows:

Skills

1. Identify relevant facts.
2. Provide client-focused advice (i.e. advice which demonstrates an understanding of the problem from the client's point of view and what the client wants to achieve, not just from a legal perspective).
3. Use clear, precise, concise, and acceptable language.

Application of law

4. Apply the law correctly to the client's situation.
5. Apply the law comprehensively to the client's situation, identifying any ethical and professional conduct issues and exercising judgment to resolve them honestly and with integrity.

The sample answer in relation to the criteria above was clearly competent for the following reasons:

SKILLS CRITERIA	
Identify relevant facts	The candidate has identified the key facts that are relevant to the analysis. For example, the fact that Jacob has been named as life tenant and his stepsons are the remainder beneficiaries.
Provide client-focused advice	The candidate advises the client on the practical risk of being vulnerable to changing circumstances if he makes a lifetime gift to his daughters.
Use clear, precise, concise and acceptable language	The candidate has set out the advice and analysis clearly and concisely, using language that is appropriate for a partner, but which is also in a format that can easily be adapted to contribute to the letter of advice to the client.

<i>LAW CRITERIA</i>	
Apply the law correctly to the client's situation	The candidate has identified the relevant fundamental legal principles and applied them correctly to the facts of the client's case. For example, the candidate acknowledges that Jacob is entitled to income but not capital, meaning that his interest ceases on death and prevents him leaving his trust interest to his daughters.
Apply the law comprehensively to the client's situation, identifying any ethical and professional conduct issues and exercising judgment to resolve them honestly and with integrity	The candidate's legal analysis is sufficiently detailed in the context of the client's case. For example, the candidate refers to the relevant clauses of the will to explain the trustees' power to advance capital to Jacob, and draws on the information provided about the value of the trust fund to determine whether it is possible to advance the amount requested. The candidate also highlights where additional information might be needed to confirm the analysis.