

Holy Matri-money – 280,000 recent divorces delayed due to money struggles

- To mark Divorce Day (6th January), Legal & General has revealed that one in six recent divorces (280,000 -17%) were delayed for financial reasons
- Divorce hits hard: annual incomes drop by an average of £9,000 in the first year after a separation
- 40% of divorcees believe the process is financially unfair, yet only 7% seek financial advice
- Nearly 900,000 divorced people in the UK have forgotten to update their will to exclude a former flame

New research from Legal & General Retail to mark Divorce Day¹ (Monday 6th January) – where family lawyers report a spike in inquiries following the festive season – has found that 280,000 recent divorces were postponed due to financial pressures. This means that 17% of all divorces that happened in the last five years were deferred because of money worries.

Couples across the country stalled their separation because of income concerns (13%), rising living expenses (12%) and the cost of divorce (12%).

Divorce shrinks incomes by 30%

However, once couples did part ways, they were often worse off financially. On average, half of all divorcees (45%) see their incomes shrink in the year after divorce, by an average of 30%. This can leave someone with £9,229 less a year to live on as they face increased expenses from living costs (29%), separation costs (23%) and even from taking time off work to deal with the emotional fallout of breaking up (18%).

Just the cost of the divorce alone comes with a £2,500 price tag and one in seven people (15%) will go into debt to fund it.

Divorces are ‘financially unfair’ but lack of advice leads to separation slip-ups

In two out of five divorces (41%), people felt that it wasn’t an equal divorce financially, with one party being favoured. Despite this, just 7% of people will consult a financial adviser as part of their divorce, leaving many vulnerable to money missteps that could have long-term consequences.

The research highlights the most common financial pitfalls for separating couples as they untangle their assets:

- **Waiving rights to pensions:** While divorcing couples often consider the value of their family home (50%), just 13% consider pensions when dividing assets with their partners and 23% actively waive their rights to the value of their pension. This can have a huge impact in later-life, particularly if one partner stayed at home to take on childcare, or other caring responsibilities, during the marriage, leaving them with less in their own retirement pot.
- **Leaving yourself open to a future financial claim:** Only 31% of people who have divorced have signed Clean Break Orders, leaving two-thirds (69%) exposed to future financial claims from their ex.
- **Forgetting to update your will:** One in 10 people who have divorced (897,000 - 11%) has either delayed or forgotten to remove their ex-partner from their will, risking unintended inheritance disputes. Many people have also forgotten to remove their former spouse as the beneficiary to their pension (11%) or life insurance (10%).

¹Opinium Research conducted 2,945 online interviews of UK adults who are divorced. The research was conducted between the 25th October and 12th November 2024

Paula Llewellyn, Chief Customer & Strategy Officer, Legal & General Retail: “We understandably focus much of our energy on the emotional side of separation but, as our research shows, money is an important factor that shouldn’t be ignored. Not only are people having to stay in marriages longer, because of their finances, but they are also facing increased struggles once they go it alone.

“A divorce is as much a dissolution of a legal contract as it is the end of a relationship. If you’re going through a divorce careful planning is essential to protect your future and, if you are having to delay your plans, use the time to get your finances in order – we’ve produced a [financial health check](#) tool to help you.

“As a starting point:

- Set a realistic budget that accounts for your new living costs but also any legal fees, shared debts or ongoing commitments
- Make sure you have a complete understanding of the costs you’ll incur as you divorce and make sure it covers everything, such as a Clean Break Order, to protect your finances in the future
- Review all your assets, including pensions, to ensure nothing is overlooked in the settlement
- Update important documents, such as your will and life insurance policies, ensuring your named beneficiary reflects your new circumstances

“There are lots of things to consider and a qualified financial adviser might be the best person to speak to to make sure nothing is overlooked and that the divorce is fair and equal for all involved.”

-ENDS-

Notes to editors

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We have a highly synergistic business model, which continues to drive strong returns. We are a leading international player in Institutional Retirement, in Retail Savings and Protection, and in both public and private markets through our Asset Management division. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

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