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✨ Guides

The First 90 Days After an Inheritance: A Plain English Guide

Someone has left you money. Alongside the grief, there's often a strange pressure to do something sensible with it, and fast.

You don't need to. The costliest inheritance mistakes tend to happen in the first few weeks, when emotions run high and decisions get rushed. This guide splits the first 90 days into three simple stages, so you know what matters now and what can wait.

When does day one start? When the money actually lands in your account. Sorting out someone's estate (called probate) often takes months, so don't spend anything before it arrives.

The 90-day plan at a glance

Days 1 to 30	Days 31 to 60	Days 61 to 90
Pause and protect Keep it safe, say no to pressure, and tell the benefits office if you need to.	**Get the facts** Work out what you've inherited, the tax rules for each part, and clear costly debts.	**Make a plan** Build a safety net, use your tax-free allowances, and decide what the rest is for.

Days 1 to 30: Pause and protect

Make no big decisions. Nothing about an inheritance needs doing on day one. Give yourself room to grieve before you commit to anything.

Park it somewhere safe. An easy-access savings account in your own name is fine for now. Our best cash savings accounts page shows where the top rates are. If a bank or building society goes bust, the Financial Services Compensation Scheme (FSCS) protects up to £120,000 per person, per banking group.

💡 Little-known nugget

Bigger sums are covered for six months. Money from an inheritance can be protected up to **£1.4 million for six months** from when it becomes yours. So there's no need to scatter it across lots of banks straight away. After six months, the normal £120,000 limit applies again, so have a plan by then.

Watch out for scams. Fraudsters look for people who've just come into money. Be wary of anyone who gets in touch out of the blue with an investment idea, and walk away from anyone rushing you. Before handing money to a firm, check it's on the FCA register, the official list of firms allowed to offer financial services.

On benefits? Tell them now. For Universal Credit, savings under £6,000 don't count. Between £6,000 and £16,000 your payments go down, and over £16,000 you usually can't claim at all. Report the change straight away, or you may have to pay money back later.

Days 31 to 60: Get the facts

Work out exactly what you've inherited. Each type comes with its own rules.

What you inherited	What to know
Cash	Interest above your personal savings allowance (£1,000 a year for basic-rate taxpayers, £500 for higher-rate) is taxed. From April 2027, the tax on savings interest rises to 24%, 44% or 49%, depending on your income. Our Personal Savings Allowance Calculator shows whether you'll pay tax on yours.
Shares or funds	You only pay capital gains tax (tax on the profit when you sell) on any rise in value since the date of death. Growth during their lifetime is wiped clean.
A house or flat	You don't pay tax to receive it. If you later sell it for more than it was worth when they died, you may owe capital gains tax, and you must report and pay it within 60 days of the sale.
A pension	Different rules again. The big one is whether they died before or after their 75th birthday. Our guide Inheriting a Pension: The Rules Most People Get Wrong explains it. Think they had old pensions nobody knows about? Our free pension finding service can help track them down.

Clear expensive debts. Credit cards, overdrafts and car finance usually cost far more in interest than savings earn, so paying them off is a guaranteed win. Our Loan Repayment Calculator shows how much interest you'd save. Mortgages are less clear-cut. Check for early repayment fees first, though many lenders let you overpay a set amount each year for free.



💡 Little-known nugget

You can pass it on as if they'd left it to someone else. If you don't need the money, a **deed of variation** lets you redirect some or all of it, for example to your children. It's treated as if the person who died left it to them directly, so it doesn't count as a gift from you for inheritance tax. It must be done **within two years of the death** and signed by anyone who loses out.

💡 Little-known nugget

Lost your husband, wife or civil partner? You can pay extra into your own ISA (a tax-free savings or investment account), on top of the usual £20,000, up to the value of their ISAs. It's called an additional permitted subscription, and you get it even if their ISA was left to someone else.

Days 61 to 90: Make a plan

Build a safety net first. Keep a few months' worth of essential spending in easy-access savings, so a broken boiler never forces you to sell investments at a bad time. Our guide to building an emergency fund shows how much to aim for.

Shield it from tax. You can put up to £20,000 a year into ISAs, and any interest or growth inside is tax-free. The planned cut to £12,000 for cash ISAs was scrapped in the Budget on 28 October 2026, so all £20,000 can still go into cash if you prefer.

💡 Little-known nugget

Two years' allowances in a few months. The ISA allowance resets every 6 April. Inherit now and you can use this tax year's £20,000 before 5 April 2027, then next year's £20,000 from 6 April. A couple could shelter £80,000 between them in a matter of months.

Give longer-term money a job. Cash suits money you'll need in the next few years. For money you won't touch for five years or more, investing has historically had a better chance of beating rising prices, though investments can fall as well as rise. Our Compound Interest Calculator shows how growth can build over time.

Think about your pension. Paying in earns tax relief, which is a top-up from the government. That can make it one of the most tax-efficient homes for spare money, within limits linked to your earnings.

Torn between overpaying your mortgage, investing and topping up your pension? Our Mortgage Overpayment vs Investing vs Pension Calculator compares all three using your own numbers.

Spend a little of it. Many people find that setting aside a small slice for something meaningful, a trip or a memorial, makes it easier to be sensible with the rest.

Update your own plans. An inheritance changes what you'd leave behind. Check your will, and the forms that say who gets your pension. Our Inheritance Tax Calculator shows whether your own estate could now face a bill.

The 30-second test



Tick any that apply to you:

- [ ] I have more than £120,000 sitting with one bank or banking group
- [ ] I've inherited a property, shares or a pension, not just cash
- [ ] I receive Universal Credit or another means-tested benefit
- [ ] I'm thinking about passing some of it on to family
- [ ] I have debts and I'm not sure which to clear first
- [ ] I honestly don't know what I want this money to do

None ticked? You can probably handle this yourself. Follow the three stages above and take your time.

One or two? Get the facts in writing before you act. A free first chat with an adviser can help you check the numbers.

Three or more? There's real money riding on the order you do things in. This is exactly what advisers are for.

Your next step

If the test pointed you towards advice, book a free, no-obligation chat with one of our partner advisers. You'll find out where you stand and what it would cost, with no pressure to go further.

This guide is for education only and isn't financial advice. Tax rules depend on your circumstances and can change. Speak to a regulated financial adviser before making decisions about an inheritance. The value of investments can go down as well as up, and you may get back less than you put in.



Book a Free Call

investinginsiders.co.uk

Sources

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Tax when you sell property: inherited property, GOV.UK

Change a will after a death, GOV.UK

ISAs: transfer of benefits to surviving spouse or civil partner, GOV.UK