

Factsheet

Trustees not acting
appropriately

Trustees not acting appropriately

In our experience in advising in claims against errant Trustees, we have collated the following examples of behaviour which could be deemed inappropriate.

These are set out below;

1. **Breach of trust** – this may arise where the trustee has failed to follow the terms of the trust document which has resulted in an undesirable outcome for one of or all beneficiaries or the trust itself.
2. **Absent trustee** – on occasion, trustees have been reported to fail to fulfil their duties and obligations whilst acting as a trustee, whether this be causing unnecessary delay, lack of communication or lack of action or even as above, breaches of trust.
3. **Uncooperative trustee** – if the trustee is refusing to co-operate with other trustees or deal with legitimate enquiries from beneficiaries and provide them with information about the trust to which they are entitled this may be an indicator of a trustee acting inappropriately.
4. **Biased trustee** – if a situation arises where a trustee appears to be improperly favouring some beneficiaries over others this would constitute inappropriate behaviour as trustees are duty bound to ensure they act in the best interests of all beneficiaries and to act unanimously in favour of the trust.
5. **Conflict of interest** – if the trustees personal interests conflict with the interests of the trusts. Trustees are under a duty to remain impartial in their position as trustee and therefore should not at any point allow conflicts of interest to impact the management of the trust or distribution of trust assets.
6. **Overcharging** – if it appears that a trustee of the trust is charging excessive amounts for their services.
7. **Failing to act properly** – if a trustee makes poor investment decisions or is negligent in their actions.
8. **Not exercising their discretion properly** – the trustee ignores the settlor's wishes completely or does not take into account other relevant information before exercising their discretion
9. **Personally benefiting from their position as a trustee** – if you have concerns that a trustee is abusing their position in order to personally benefit from the trust this is a breach of their duties to act in the best interests of the trust and its named beneficiaries.

If you are experiencing issues with a trustee of a trust under which you are a beneficiary, or you have concerns regarding the management of the trust and wish to discuss your options, please do not hesitate to contact us.



Fact sheets, commentaries, case studies and the IDR Law Almanack a central record of all of our enquiries can be found on the [IDR Network](#).

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