

Landmark Civil Partnership Case: the City Analyst, a West End Actor & a £1.7m Settlement

A City Analyst, Mr Lawrence earning £390,000 per annum is challenging at the Court of Appeal the financial settlement of £1.7m awarded to his ex-civil partner Mr Gallagher, a West End Actor and former star of Priscilla Queen of the Desert (who earned, intermittently, £100,000 per annum).

The couple's civil partnership lasted only 7 months, but they cohabited for 11 years. Before they met, Mr Lawrence had purchased a London pad close to the Thames for approximately £650,000 but which increased substantially to some £2.4m. At the start of the relationship, Mr Gallagher had assets totalling a maximum of £40,000. From their relationship the couple jointly owned a 5-bedroomed cottage in West Sussex worth approximately £900,000.

During their relationship Mr Gallagher worked sporadically, devoting much of his time to a home making role, where his lawyers explained he "helped create and maintain a lovely home in the flat in various ways – soft furnishings, planting on balconies, improvement of layout and fixtures, redecoration". Mr Gallagher's QC told the Court of Appeal how the couple had always talked about the London pad as their pension and their enjoyment of it was heightened by the efforts Mr Gallagher made to it.

Mrs Justice Parker, in giving her judgment in June 2011 had thought their assets in total to be worth approximately £4m from which Mr Gallagher was awarded approximately 42% - £1.7m.

Mr Lawrence's QC suggested the settlement was "flawed" and that the London pad should have been excluded, meaning Mr Gallagher would have received £620,000.

Court of Appeal judges, Lord Justice Thorpe, Lord Justice Moss and Mr Justice Ryder have reserved their judgment, which will follow in due course.

Same Sex Couples – the Law

New law, which came into force on 5 December 2005, enabled same sex couples to have their relationship registered. The financial implications meant they would be treated in the same way as married couples for tax purposes and in relation to many benefits. A civil partnership can only be ended by death, dissolution or annulment. The grounds for dissolution are very similar to those for a divorce.

If you have any questions arising from this discussion and would like to talk about any issues relating to civil partnerships, please call Rachael Oakes, Head of Henmans LLP Family Team on 01865 781181.