

Helping someone to manage their financial affairs

The person you are caring for may need help to manage their financial affairs. The nature of their illness will of course dictate the sort of help they need. A person who is frail or ill may need someone simply to collect their money from a bank, building society or post office.

If someone lacks the mental capacity to manage their own affairs they will need another person to deal with everything – making decisions, making claims and managing money. Mental capacity is the ability to understand and retain information, enabling you to make your own decisions.

Banking and building society transactions

If the person you are caring for **has mental capacity** to make their own decisions, there are several ways in which you might access money on their behalf. These could include:

Basic bank account

This is an account with limits on what can be done, e.g. not going overdrawn.

Joint accounts

Joint accounts allow named account holders to have equal access to funds. To operate a joint account, both parties need to be fully accountable for running the account.

If you are a joint account holder and the other joint account holder subsequently loses mental capacity, you do not automatically have the right to access this account unless you have Lasting Power of Attorney, Enduring Power of Attorney or an order from the Court of Protection.

Standing orders

These are set up by the account holder and give the bank instructions to transfer an exact amount of money to another account on a regular basis.

Direct debits

Direct debits give a company permission to take money out of your account on an agreed date. Direct debits are likely to be used to make payments which may vary e.g. utility bills.

Third party mandates

This is a document and formal arrangement that tells your bank or building society to allow access to your account by another person – a ‘third party’. Terms of the mandate will state the extent of access which is available to the third party – for example, some banks and building societies do not provide card and PIN access to third party mandate holders.



Ordinary Power of Attorney

An Ordinary Power of Attorney can only be arranged when someone is able to make their own decisions regarding their finances and is often just for a temporary basis.

An Ordinary Power of Attorney should not be confused with a Lasting Power of Attorney (LPA) or an Enduring Power of Attorney (EPA). To find out more go to our Lasting Power of Attorney factsheet.

As a carer, you may be the person appointed, known as the ‘attorney’, to manage the finances of a ‘cared for’ person. An Ordinary Power of Attorney may be appropriate if you need to act for someone for a temporary period – to cover a hospital stay or convalescence, for example. They can be arranged through a solicitor or the paperwork can be purchased from specialist stationers.

Banks should also offer people additional support to access their money if they need it. This might include (but isn’t limited to):

- providing information and letters in easy to read formats
- allowing different forms of ID if a person does not, for example, receive bills in their name
- allowing banking in a branch rather than only offering online or telephone banking
- using a chip and signature card if a person has difficulty recalling their PIN number

Appointees

An appointee acts on someone else’s behalf to manage their finances relating to **benefits**. An appointee can be an individual, usually a close relative or friend, or an organisation such as a firm of solicitors or a local authority. Appointees must be over 18. An appointee acts in place of the claimant, taking over the same rights and responsibilities.

Becoming an appointee

In the first instance, prospective appointees must contact the office which deals with the relevant benefit. This could be the Department for Work and Pensions (DWP) who deal with most social security benefits, Revenue and Customs for Tax Credits or a local authority for Housing and Council Tax benefits.

Attendance Allowance (AA)

Tel: 0800 731 0122; Textphone: 0800 731 0317

Disability Living Allowance (DLA) for those born on or before 8 April 1948

Tel: 0800 731 0122; Textphone: 0800 731 0317

Disability Living Allowance (DLA) for those born after 8 April 1948

Tel: 0800 121 4600; Textphone: 0800 121 4523

Personal Independence Payment (PIP)

Tel: 0800 121 4433; Textphone: 0800 121 4493

State Pension

Tel: 0800 731 7898; Textphone: 0800 731 7339



Tax Credits

Tel: 0345 300 3900; Textphone: 0345 300 3909

A representative from the office will normally visit the applicant and the person on whose behalf they will act. This is to check that the applicant is a suitable person to act and also to check that the benefits claimant does require an appointee. The responsibilities of a prospective appointee will also be explained.

A person who has been appointed by the DWP will usually be accepted as an appointee by Revenue and Customs and the local authority without having to make a separate application.

The duties of an appointee are to:

- complete claims forms
- receive or collect payments
- deal with correspondence relating to benefits
- report changes in the claimant's circumstances
- take responsibility for any overpayments of benefit and arrange repayments

It should be noted that appointees act only in matters relating to benefits and allowances, whereas an attorney has power over **all** aspects of someone's finances. If Power of Attorney has already been arranged, the relevant office making benefit payments should be informed.

Further reading

- *Advance Planning for Medical Treatment and Care*. Carers' Resource
- *Arranging for someone to make decisions on your behalf*. (Ref: FS22) Age UK
- *Lasting Power of Attorney*. Carers' Resource
- *Powers of attorney*. (Ref: IG21) Age UK
- *Signposting Dementia*. Carers' Resource

To order publications, contact:

- Age UK Advice Line. Tel: 0800 678 1602; download at: www.ageuk.org.uk
- Carers' Resource – details below.

Important note:

This factsheet contains general information which we hope will be useful to you. Please do not rely on the information as the basis for any financial decisions.

Always contact relevant banks, building societies or other financial services to discuss your situation.

You may wish to consult a solicitor when arranging a Power of Attorney.
Carers' Resource does not accept any liability arising from use of this information.



If you need further information or would like to discuss any aspect of your caring role, please contact Carers' Resource:

Harrogate 01423 500555

Unit 3, Grove Park Court, Grove Park Terrace, Harrogate, HG1 4DP

Bradford 01274 449660

15 Park View Court, St Paul's Road, Shipley, BD18 3DZ

Skipton 01756 700888

Ronaldsway House, 36 Brook St, Skipton, BD23 1PP

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We can provide this information in another format. Please contact us to discuss your requirements.

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