

Helping someone to manage their financial affairs

The person you are caring for may need help to manage their money. 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.

Mental capacity is the ability to understand and retain information, enabling you to make your own decisions. 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.

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 it.

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.



Supported Banking

Many banks offer additional services to help people access and manage their money if they are unable to get to a bank because of a physical disability or illness.

Carer's Card accounts allow a cared-for person to grant limited access to their bank account, to a carer or someone they trust, using a special card similar to a debit card.

Each bank offers a slightly different take on the idea, but generally

- the cared-for person and the carer sharing the account need to be 18 years old or older, and both UK residents
- the cared-for person needs to have a current account with the bank providing the Carer's Card. (The carer is not required to have an account with the bank.)
- the Carer's Card only provides restricted access to the cared-for person's account; it can only be used to make limited cash withdrawals, and to pay for items in physical shops. It cannot be used to make online or phonline purchases
- there is no overdraft facility and no interest is paid on the account.

Check with the cared-for person's individual bank to see what they offer. You can find out more about Carer's Card accounts on the government's MoneyHelper website here:

<https://www.moneyhelper.org.uk/en/family-and-care/illness-and-disability/carers-card-accounts>

Alternatives to Carer's Card accounts include

Supermarket gift cards, which let a cared-for person place an amount of money onto the card, which can then be used by a carer or trusted person to pay for goods in the supermarket. The card can only be used at the supermarket issuing it, and might not allow purchases to be made online.

Free cash delivery. Some banks offer a facility for a person who cannot leave their home to have cash delivered to their door free of charge. As with the Carer's Card, individual banks have their own takes on the scheme, so talk to your bank's customer helpline to find out more.

One Time Use Codes which provide a unique access code on a normal debit card. This lets a carer withdraw up to £100 from an ATM once and once only; after the withdrawal is made, the code is no longer valid. Again, check with your bank to see if they offer this facility.

Banks may 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.



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.

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; if you cannot hear or speak on the phone use Relay UK.

To do this dial 18001 followed by 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 factsheet
- *Arranging for someone to make decisions on your behalf*. (Ref: FS22) Age UK
- *Lasting Power of Attorney*. Carers' Resource factsheet
- *Power of attorney*. (Ref: IG21) Age UK
- *Signposting Dementia*. Carers' Resource factsheet

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.



Disclaimer

Please note: inclusion on our list does not imply recommendation by Carers' Resource.

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

Telephone: **0808 50 15 939**

info@carersresource.org

www.carersresource.org

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

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

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

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