

## Financial and legal tips

It is important for a person with dementia to organise their financial and legal affairs while they are still able to do so. This ensures that their affairs will be organised in the future in a way that they have chosen. A person with dementia may want a friend or family member to help them with this.

Make sure that all important papers are in order and that you know where to find them. These papers might include bank and building society statements, records of mortgage or rent, insurance policies, a will, tax and pension details and bills or guarantees.

When completing legal documents, it is advisable to seek advice from a solicitor. This ensures that they are completed correctly and are legally valid. The Alzheimer's Society has a list of solicitors experienced in helping people with dementia and their carers.

The Mental Capacity Act 2005 has made provision for people to choose someone to manage not only their finances and property should they become incapable, but also to make health and welfare decisions on their behalf. They will be able to do this through a lasting power of attorney. LPAs will replace enduring power of attorneys (EPAs) in October 2007, when the Mental Capacity Act comes into force, although EPAs made before this time will still be valid.

### Benefits

Make sure that the person with dementia and their carer are receiving all the benefits to which they are entitled. The Society's information sheet Welfare benefits and the government website at [www.dwp.gov.uk](http://www.dwp.gov.uk) give details of the various benefits and how to claim them. Alternatively, check with the Benefits Enquiry Line, your local department for work and pensions (previously the benefits agency) or your local citizens advice bureau or advice agency.

### Using an 'agent'

If a person would like their benefits to be paid through a local post office but would prefer not to collect them in person, they can nominate another person, known as an 'agent', to collect their money on their behalf.

Many people arrange for someone else to collect their benefits occasionally on an informal basis. They simply fill in the person's name and sign the declaration on the reverse of the relevant benefit order form. However, those wishing to make a regular arrangement should inform their local department for work and pensions so that the person's name can be put in the benefits book as an 'authorised agent'.

An agent can only be appointed by someone who understands what this involves and is able to manage their own finances, with support from others. This arrangement can be very helpful and is best arranged in the earlier stages of dementia.

## Payment arrangements

There are three ways in which you can receive your benefits:

- You can have your benefits paid into your bank or building society account.
- You can have your benefits paid into a basic account at your bank or building society, with additional access at your post office.
- You can access your benefits at your post office with a card and PIN number. You can also nominate someone else to have a card to access your account.

## Appointeeship

The person with dementia may eventually become unable to manage their income from benefits. Someone else may then need to administer this income in the person's best interests to ensure that all benefits are claimed and essentials paid for. This can be arranged through an 'appointeeship'.

The person prepared to act on behalf of the person with dementia should contact their local department for work and pensions. They should explain that the person with dementia is no longer able to manage their affairs and that they wish to become their appointee. Once they have completed the relevant form, a representative from the department for work and pensions may visit the person with dementia or ask for medical or other evidence to confirm that they are no longer able to act on their own behalf. The representative should also check that the prospective appointee is suitable and understands their responsibilities.

Wherever possible, the appointee should be a close relative who either lives with the person with dementia or visits them frequently. In certain circumstances, the appointee might be a friend, neighbour or caring professional.

The appointee:

- Should report any change in the person's circumstances that may affect benefit entitlement
- May sign on behalf of the person with dementia, if they are a non-tax payer, to enable bank and building society interest to be paid without deducting income tax

- Can only deal with the person's income from benefits, except for small amounts of savings (about £500), which can be used to meet unforeseen emergencies.

An appointee can resign if they feel that they are no longer able to carry out the task. The department for work and pensions can also revoke the appointeeship if it has evidence that the appointee is not acting in the person's best interests.

If someone starts to act on behalf of the person with dementia under a registered enduring power of attorney, or is made a receiver by the court of protection, this person automatically takes over from the appointee in dealing with benefits.

## Banking

There are ways in which banking can make it easier for a person with dementia to manage their money. These include:

- Having benefits paid directly into the bank or building society account on a four-weekly basis
- Paying regular bills through direct debit or standing order.

## Joint accounts

A joint account may be a useful way of managing finances in the early stages of dementia. However, joint accounts are only suitable for people who are close and trust each other. Both parties are responsible if the account is overdrawn.

It is not necessary to place all of the person with dementia's money in a joint account. The account could simply hold enough to cover reasonable expenses. A joint account can be arranged so that:

- Either person is able to write cheques
- Both signatures are needed on cheques
- One or both account holders have a cash card.

Some people open a joint account for convenience, although only their money is held in the account. For example, a mother might have a joint account with her daughter so that her daughter may write cheques or draw money on her behalf.

A husband and wife or partners may be accustomed to pooling their resources in a joint account. However, if there is a possibility that the person with dementia will move into a care home in the near future, it is usually better for them to keep their money in a separate account rather than the joint account. This is because of the way local authorities carry out financial assessments. Although the person with dementia is only assessed on half the value of the

joint account, it may take longer to reduce the joint account to a point where the person is eligible for financial assistance.

## Trusts

If the person with dementia has financial assets, such as property or savings, they can set up a trust. This ensures that the assets are managed in a way that the person chooses, both now and in the future.

People in the early stages of dementia should consult a solicitor while they are still able to convey their wishes clearly. There are a number of different kinds of trusts and ways of arranging them.

It is important that the trust is set up well before the person needs care in a care home. The local authority needs to be sure that the person with dementia has not set up a trust to deliberately deprive themselves of assets that could contribute towards the cost of their care.

## Wills

Everyone should make a will. A will ensures that when a person dies, their money and possessions go to people of their choosing. People with dementia who wish to make a will or change their will should seek legal advice from a solicitor as soon as possible.

People with dementia may still have 'testamentary capacity', or the legal capacity to make or change a will. The solicitor will make a decision about this, often after taking medical advice.

People who no longer have 'testamentary capacity' because of their dementia cannot make or change a will. No one can do so on their behalf, except for the court of protection, which in certain circumstances can make a statutory will. A solicitor can explain further.

A partner, relative or close friend of the person with dementia may also want to make or change their will. They may wish to leave some or all of their estate to people other than the person with dementia - for example, children.

If a person wishes to leave some or all of their estate to a person with dementia, they should consider setting up a trust to ensure that the assets are used in the person with dementia's best interests. They should also check what effect a bequest will have on any state benefits the person receives.

## Where to go for help

People with dementia and their carers may need help managing their financial and legal affairs.

## Citizens advice bureaux

The local citizens advice bureau (CAB) is often the best starting point for advice. The service is free, confidential and independent. Trained CAB advisers offer information and advice on a range of issues including benefits, housing, debt and employment. They may be able to help you resolve your problems or they may refer you to other professionals or organisations.

Many CABx have a solicitor and some also have an accountant able to give free advice. If you are not fluent in English, the CAB may be able to refer you to a professional who can advise you in your own language or to an interpreting service.

Local arrangements and opening times vary. You may need to make an appointment or you may have to walk in and wait your turn. Some CABx have telephone advice sessions but lines tend to be very busy. An increasing number of CABx provide an email service, and you can also send a letter.

For details of your nearest CAB, look in the telephone book, ask at your local library or consult the CAB website at [www.nacab.org.uk](http://www.nacab.org.uk). The website gives opening times and details of specialist services. Basic advice and information is also available at [www.adviceguide.org.uk](http://www.adviceguide.org.uk).

Some local neighbourhood advice centres provide advice on financial or other problems. To find out what services exist in your area, ask at your library or town hall.

## Financial advice

If you are managing savings or investments, you may need professional financial advice. You can seek advice from an adviser attached to a bank or group of companies, who can advise you on the range of products they provide. Alternatively, you can see an independent adviser who can advise you on a wider range of products.

Under the Financial Services Act 1986, all financial advisers must be authorised by a selfregulatory organisation or professional body. If you wish to find out whether an adviser is authorised, or if you have any queries or complaints, ring the Financial Services Authority consumer helpline on 0845 606 1234 (8am-6pm weekdays). Calls are charged at local rates.

If you wish to consult an independent financial adviser, ask for a recommendation from someone you trust or contact the Independent Financial Advisers Promotion Ltd at 17/19 Emery Road, Brislington, Bristol BS4 5PF. Their telephone number is 0800 085 3250. They will send you details of four advisers in your area and a voucher offering a free consultation.

You may need to talk to several advisers on the phone before making up your mind. Some charge a fee and others a commission and some charge either/or. Check before you make an appointment.

## **Finding a solicitor**

The Alzheimer's Society can recommend legal firms with specialist experience in legal problems arising in relation to dementia. Check with the solicitor whether you qualify for public funding.

You can telephone Community Legal Service Direct for details of solicitors, advice agencies and information providers committed to providing a high standard of services in your area. Telephone 0845 345 4345 (9am-6.30pm Monday-Friday). All calls are charged at local rates. Alternatively, visit their website at [www.clsdirect.org.uk](http://www.clsdirect.org.uk).

The Law Society's website (<http://www.lawsociety.org.uk/>) gives details of law firms and solicitors practising in England and Wales and provides useful information about legal specialties and fees, as well as tips about what to ask and what to expect from a solicitor.

## **Firms offering legal and financial advice**

Some law firms also employ independent financial advisers, making it easier to combine financial and legal advice.

### **LawNet Ltd**

First Floor, 93/95 Bedford Street  
Royal Leamington Spa CV32 5BB

Telephone: 01926 886990  
Email: [admin@lawnet.co.uk](mailto:admin@lawnet.co.uk)  
Website: [www.lawnet.co.uk](http://www.lawnet.co.uk)

LawNet Ltd is a network of law firms throughout the country. It can refer you to firms in your area with experience of advising people with dementia and their families on legal and financial matters.

### **SIFA/SIFAc**

10 East Street, Epsom  
Surrey KT17 1HH  
Telephone 013 7272 1172

Website: <http://www.sifa.co.uk/>  
Email: [sifa@sifa.co.uk](mailto:sifa@sifa.co.uk)

SIFA Limited can refer you to legal firms that offer financial advice to complement their legal advice.

## Other sources of help

### Age Concern England

Astral House  
1268 London Road  
London SW16 4ER

Freephone information line: 0800 00 99 66 (every day 8am-7pm)  
Website: <http://www.ace.org.uk/>

Fact sheets are available from the website, by writing to the above address or by telephoning the information line. Useful fact sheets include *Making your will* and *Legal arrangements for managing your finances*.

### Alzheimer's Society

Gordon House  
10 Greencoat Place  
London SW1P 1PH

Alzheimer's Society Dementia Helpline: 0845 300 0336 (8.30am-6.30pm weekdays)  
Website: [www.alzheimers.org.uk](http://www.alzheimers.org.uk)

Publishes many helpful information and advice sheets, including *Enduring power of attorney and receivership*.

### Benefits Enquiry Line (BEL)

Email: [bel-customer-services@dwp-gsi.gov.uk](mailto:bel-customer-services@dwp-gsi.gov.uk)  
Telephone: 0800 88 22 00 (8.30am-6.30pm weekdays, 9am-1pm Saturdays).  
Deaf, hard of hearing or speech impaired people who use a textphone can call BEL free on 0800 24 33 55.

This free helpline is for people with disabilities or sickness and their carers. Advisers can send you forms and advise you but they have no access to personal records.

### Counsel and Care

Twyman House  
16 Bonny Street  
London NW1 9PG

Advice line: 0845 300 7585 (weekdays 10am-12pm and 2pm-4pm, except  
Wednesday afternoons)

Email: [advice@counselandcare.org.uk](mailto:advice@counselandcare.org.uk)

Website: [www.counselandcare.org.uk](http://www.counselandcare.org.uk)

## **Help the Aged**

207-221 Pentonville Road  
London N1 9UZ

Telephone: 020 7278 1114

Seniorline freephone: 0808 800 6565 (9am-4pm weekdays )

Email: [info@helptheaged.org.uk](mailto:info@helptheaged.org.uk)

Website: [www.helptheaged.org.uk](http://www.helptheaged.org.uk)

Publishes useful booklets on managing your finances.

## **Information sheet 467**

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