

Financial and legal affairs

If a person has [dementia](#), it is important that they organise their financial and legal affairs while they are still able to do so. This ensures that in the future, their affairs will be set up in a way that they have chosen. The person 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.

Mental Capacity Act 2005

The [Mental Capacity Act 2005](#) 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](#) for personal welfare. LPAs replaced enduring power of attorneys (EPAs) in October 2007, when the Mental Capacity Act came into force, although EPAs made before this time are still valid.

(For more information see [Factsheet 460, Mental Capacity Act 2005](#), and [Factsheet 472, Enduring power of attorney and lasting powers of attorney](#).)

Benefits

It is important to make sure that the person with dementia and their carer are receiving all the benefits to which they are entitled. For full details see [Factsheet 413, Benefits](#), or contact the head office of the Department for Work and Pensions (DWP, previously the Benefits Agency), or your local office (for details, contact the head office or look in the phone book). Alternatively, check with the Benefits Enquiry Line or your local Citizens Advice Bureau or advice agency. (For contact details of these organisations, see 'Useful organisations', at the end of this sheet.)

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. However, this arrangement can be very helpful, and is best arranged in the [earlier stages of dementia](#).

Payment arrangements

There are four 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 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 who is prepared to act on behalf of the person with dementia should contact their local Department for Work and Pensions office. 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 deputy by the Court of Protection, this person usually takes over from the appointee in dealing with benefits. If the deputy and the appointee wanted to work side by side then they would have to agree this with the Court of Protection first.

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

Many people have joint bank accounts. A joint account may be a useful way of managing finances in the [early stages of dementia](#). However, most joint bank accounts are set up to operate only when both parties have capacity to run the bank account. If a bank knows that someone is acting as an enduring power of attorney, lasting power of attorney or deputy for someone, they will usually want a separate bank account for the person with dementia rather than a joint account.

In terms of separating finances, when it comes to [paying for care](#) it is also advisable to have separate accounts. This is because a local authority ought to be means testing the person who is in receipt of the service (for example, home care or residential care), and no one else.

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. There are a number of different kinds of trusts and ways of arranging them.

If a person in the [early stages of dementia](#) wants to do this, they should consult a solicitor while they are still able to convey their wishes clearly. It is important that the trust is set up well before the person needs care in a care home. This is because 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 or change their Will should seek legal advice from a solicitor as soon as possible.

People with dementia may still have 'testamentary capacity' ? in other words, 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, and 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 this further, and the Court of Protection can send out information on statutory Wills (see details below).

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, their 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 best interests of the person with dementia.

They should also check what effect a bequest will have on any state benefits that the person receives.

Where to go for help

People with dementia and their carers may need help managing their financial and legal affairs. The following sources may be useful, as well as the organisations listed at the end of this factsheet.

Citizens Advice Bureau

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 the problem or they may provide details of other professionals or organisations.

Many CABs have a solicitor able to give free advice, and some also have an accountant, and can often provide information in a range of languages, or refer people to an interpreting service. Local opening times and arrangements vary: some offer appointments, while others offer a drop-in service where people have to walk in and wait their turn. Some CABs have telephone advice sessions too, but lines tend to be very busy. An increasing number of CABs provide an email service, and most accept queries by letter.

For details, see 'Useful organisations' at the end of this factsheet.

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

Financial advisers

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.

If you would like to consult an independent financial adviser, ask for a recommendation from someone you trust, or you can look at unbiased.co.uk, where you can search for a financial adviser in your area. 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.

Under the Financial Services Act 1986, all financial advisers must be authorised by a self-regulatory organisation or professional body. If you want to find out whether an adviser is authorised, or if you have any queries or complaints, contact the Financial Services Authority.

(For contact details, see 'Useful organisations' at the end of this factsheet.)

Solicitors

When completing legal documents, it is advisable to seek advice from a solicitor. This ensures that they are completed correctly and are legally valid. Check with the solicitor whether you qualify for public funding.

Alternatively, for details of solicitors, advice agencies and information providers committed to providing a high standard of services in your area, contact Community Legal Advice, Solicitors for the Elderly or the Law Society (see 'Useful organisations', below).

Firms offering both legal and financial advice

Some law firms also employ independent financial advisers, making it easier to combine financial and legal advice. (See Solicitors for the Elderly, detailed below).

Your local Alzheimer's Society office will always be willing to talk to you and offer advice and information to support your needs.

Useful organisations

Age UK

York House
207?221 Pentonville Road
London N1 9UZ

T 0800 169 8787 (general enquiries)
0800 169 6565 (advice line)
E contact@ageuk.org.uk
W www.ageuk.org.uk

Provides information and advice for older people in the UK. Age UK has been created by the merger of Age Concern and Help the Aged.

Benefit Enquiry Line (BEL)

Red Rose House
Lancaster Road
Preston
Lancashire PR1 1HB

T 0800 88 22 00 (free helpline open 8.30am?6.30pm weekdays and 9.00am?1.00pm Saturdays)
0800 243 544 (textphone)
E BEL-Customer-Services@dwp.gsi.gov.uk
W www.gov.uk/benefit-enquiry-line

National, free telephone advice and information service on benefits for people with disabilities, their carers and representatives. Note that advisers can send out forms and give advice but they have no access to personal records.

Citizens Advice Bureau (CAB)

Various locations

W www.citizensadvice.org.uk

Your local CAB can provide information and advice in confidence or point you in the right direction. To find your nearest CAB look in the phone book, ask at your local library or look on the citizens advice website (above). Opening times vary.

Community Legal Advice

Various locations

T 0845 345 4345 (9am?8.00pm weekdays, 9.00am?12.30pm Saturday)
E emailhelp@communitylegaladvice.org.uk

W www.gov.uk/community-legal-advice

A free and confidential service paid for by legal aid, set up to help people tackle their legal problems.

Court of Protection

The Royal Courts of Justice
Thomas More Building
Strand
London WC2A 2LL

T 0300 456 4600 (Textphone 020 7664 7755)

W www.gov.uk/court-of-protection

The Court of Protection helps people who have difficulty making their own decisions. They do this by making the decisions for the person or appointing someone else to do so.

Department for Work and Pensions

The government website at www.dwp.gov.uk gives details of the various benefits and how to claim them.

For details of your local office, go to www.dwp.gov.uk/localoffice

For details of various helplines, go to www.dwp.gov.uk/contact-us/contact-a-z

Financial Services Authority

25 The North Colonnade
Canary Wharf
London E14 5HS

T 0845 606 1234 (helpline, 8am-6pm weekdays)

E Email via the website (see below)

W www.fsa.gov.uk

An independent non-governmental body that regulates the financial services industry in the UK, with a wide range of rule-making, investigatory and enforcement powers.

Independent Age

6 Avonmore Road
London W14 8RL
T 020 7605 4200

E charity@independentage.org

W www.independentage.org

Provides an information and advice service for older people, their families and carers, focusing on social care, welfare benefits and befriending services. This is integrated with local support, including one-to-one and group befriending schemes.

Law Society

113 Chancery Lane
London WC2A 1PL

T 020 7242 1222 (general enquiries)
0870 606 2555 (for help finding a solicitor, 9.00?5.00 weekdays)
E contact@lawsociety.org.uk
W www.lawsociety.org.uk

The body representing solicitors in England and Wales. It provides details of law firms and solicitors practising in England and Wales, and useful information about legal specialties and fees, as well as tips about what to ask and what to expect from a solicitor.

Solicitors for the Elderly

Solicitors for the Elderly Ltd
Room 17, Conbar House
Mead Lane
Hertford SG13 7AP

T 0870 0670282 (9am?1pm Mon?Fri)
E admin@solicitorsfortheelderly.com
W www.solicitorsfortheelderly.com

Solicitors for the Elderly is an independent, national organisation of lawyers, such as solicitors, barristers, and legal executives who provide specialist legal advice for older and vulnerable people, their families and carers.

Unbiased.co.uk

1 Sekforde Street
London EC1R 0BE

E contact@unbiased.co.uk
W unbiased.co.uk

Unbiased.co.uk is a free consumer resource for those looking for legal and financial advice run by an independent not-for-profit body.

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Reviewed by: Sara Wilcox, Legal and Welfare Officer, Alzheimer's Society, and Linda Gabriel, Solicitor, Thackray Williams

This factsheet has also been reviewed by people affected by dementia.

A list of sources is available on request.

Alzheimer's Society National Dementia Helpline

England, Wales and Northern Ireland: 0300 222 11 22

9.00am-5.00pm Monday-Friday

10.00am-4.00pm Saturday-Sunday

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