

**Managing a
savings account**
for another person



People who need to manage a Hinckley & Rugby Building Society account for someone else as a result of that person's lack of physical or mental capacity are supported by a guidance framework issued to all banks and building societies in the UK.

The objective of the framework is for carers and relatives to have a better and more consistent experience, reducing their burden at what can be a very difficult time.

Arranging to run an account on behalf of a loved one is a challenge faced by thousands of people every year. According to the Office of Public Guardian (OPG), up to July 2016, 1.4m Lasting Powers of Attorney were registered in the UK to manage property and affairs, which includes the management of financial matters. The Alzheimer's Society believes that there are currently around 850,000 people in the UK suffering from dementia, with this number forecast to rise to more than a million by 2025.

Recognising that more needed to be done in this complex area, the guidance framework was jointly developed by the OPG, the British Bankers Association (BBA) and the Building Societies Association (BSA), working in collaboration with the Law Society, Alzheimer's Society, Solicitors for the Elderly and Age UK. The framework gives banks and building societies a consistent approach to apply to policy and process in support of third party mandate holders.

This leaflet is intended as general information only and is not legal advice. The guidance applies in England and Wales only.



We understand that sometimes it is necessary for someone else to operate a customer's account. There are several ways of doing this.

Normally, the person who is given the authority to manage another person's account will have the same powers as the account holder themselves, but this does depend on the terms and conditions applicable to the account, security procedures and any specific requests made by the account holder.

Although the circumstances at the time might be difficult, when deciding who is best to operate an account on their behalf it is important for the account holder to consider any relevant factors. For instance, if the potential account operator does not live locally to one of our branches, will the

account allow cheque withdrawals that can be sent by post rather than cash which cannot?

If the potential account operator already has an account of their own with us we may not need to see any identification documents; unless their details have changed since they were last in contact with us or we have not had any contact for some time. If they are not previously known to the Society, we will need to see proof of their name and address. A full list of the identification requirements for new customers can be found in all of our account brochures.

Managing an account for someone with 'mental capacity'

An account holder who is considered to have mental capacity is able to authorise someone else to manage their account on their behalf. In the eyes of the law, a person has mental capacity if they are able to understand, remember and act upon information and can therefore make reliable decisions for themselves.

The options are:

LASTING POWER OF ATTORNEY

Registered with the Office of Public Guardian, this allows the account holder to appoint an attorney to help and support them manage some or all of their accounts. This power continues once the account holder is unable to make decisions for themselves. See over page for more information.

THIRD PARTY MANDATE OR ORDINARY POWER OF ATTORNEY

Somebody needing to operate an account on behalf of an account holder with mental capacity may be given a Third Party Mandate, which allows them to make financial transactions on an account.

A Third Party Mandate is applied for with the Society. Alternatively, it may be appropriate to arrange an Ordinary Power of Attorney, which is a legal document and should be arranged through a solicitor or an experienced adviser, such as Citizen's Advice. These documents might be appropriate where the account holder is away from home for an extended period, they may need short term help or because they have a physical disability.

We may sometimes check transactions where we are concerned about them, such as large withdrawals or several withdrawals in a short space of time. These checks may mean we refuse transactions or will contact the account holder about them.

Managing an account for someone who does not have 'mental capacity'

An account holder does not have mental capacity if they cannot understand, remember and act upon appropriate information and so cannot make reliable decisions for themselves.

Power of Attorney

LASTING POWER OF ATTORNEY

Property and Financial Affairs Lasting Power of Attorney

An account holder (called the donor) can appoint another person (or persons) to make decisions about their finances and property, if they become unable or no longer want to make these decisions, by using a Lasting Power of Attorney (LPA).

An LPA must be made by the donor and they can choose whether to give the other person, referred to as the attorney or deputy, the ability to act immediately or only when they lose the ability to make decisions. However, before anyone else can act, the LPA must be registered with the Office of the Public Guardian (OPG). Having the LPA registered does not mean that the donor has lost their mental capacity.

The donor is also able to put restrictions on how the attorney can manage the account and include guidance and specific instructions in the LPA. An attorney must make sure that any restrictions, conditions or guidance do not prevent them from being able to manage the account.

After the LPA has been registered with the OPG, we will need to see the following documents before allowing the attorney to manage the account:

- The original LPA registered with the OPG, completed and signed by the donor; or a copy stamped on every page by the OPG; or a copy signed and certified on every page by the donor, or a solicitor, confirming it is a true copy.
- Proof of name and address if either the donor or attorney is not currently known to the Society or either of their details have changed since they were last in contact with us. A full list of the identification requirements for new customers can be found in all of our account brochures.
- A completed and signed application form.
- The existing account passbook.

More information on how to make an LPA is available on the websites citizensadvice.org.uk and gov.uk/power-of-attorney. Alternatively, contact the OPG on 0300 456 0300 or speak to a solicitor or an experienced adviser, such as Citizens Advice.

ENDURING POWER OF ATTORNEY

It is no longer possible to make an Enduring Power of Attorney (EPA) as they were replaced under the Mental Capacity Act 2005 by the Lasting Power of Attorney (LPA). However, EPAs that were in place before 1 October 2007 may still apply.

If the donor has mental capacity, the attorney will need to contact the Society to set up the necessary arrangements to use the EPA and manage the donor's account. If the donor has lost or is losing their mental capacity, the EPA must be registered with the OPG before you contact the Society. The powers will be restricted whilst the registration is being processed.

To use the EPA, we will need to see the following documents (following registration with the OPG if necessary), before allowing the attorney to manage the account:

- The original EPA, completed and signed; or a copy stamped on every page by the OPG; or a copy signed and certified on every page by a solicitor confirming it is a true copy.

- Proof of name and address if either the donor or attorney is not previously known to the Society or either of their details have changed since they were last in contact with us. A full list of the identification requirements for new customers can be found in all of our account brochures.
- A completed and signed application form.
- The existing account passbook.

Court of Protection - court order or deputyship appointment

The rights of people living in England and Wales who do not have mental capacity are protected by the Court of Protection. The Court can decide who can handle a person's affairs if they no longer have mental capacity and have not made, or are not capable of making, a Power of Attorney.

In this circumstance an individual, usually a close family member or friend, can apply to the Court of Protection for a 'deputy appointment', which sets out what decisions they can make on behalf of the person who does not have mental capacity.

An appointed deputy will need to contact the Society to set up the necessary arrangements and we will need to see the following documents:

- The court order or a copy of it signed and certified on every page by a solicitor confirming it is a true copy.
- Proof of name and address if either the deputy or the account holder who does not have 'mental capacity' is not previously known to the Society or either of their details have changed since they were last in contact with us. A full list of the identification requirements for new customers can be found in all of our account brochures.
- A completed and signed application form.
- The existing account passbook.

More information about the Court of Protection can be found on the websites citizensadvice.org.uk and gov.uk

Department for Work and Pensions appointee

Should a person receiving state benefits be unable to manage their benefit-related affairs due to a physical disability or not having mental capacity, the Department for Work and Pensions (DWP) can appoint an individual (an appointee) to act on their behalf.

An individual wanting to become an appointee for someone else will need to contact that person's local DWP office and explain that the person wants them to manage their benefits as they are not able to do so themselves.

The DWP will visit or interview the potential appointee and fill in an appointee form, known as a BF56, as well as also visiting the person they wish to act for. A form BF57 will be given to the appointee to confirm the arrangement if it is accepted by the DWP.

An appointee is only allowed to manage the other person's benefit payments. An application to the Court of Protection to become a deputy will be needed to allow them to manage other finances for the person.

Before access can be given to the benefits, the appointee will need to provide us with the following:

- The BF57 form received from the DWP.
- Proof of name and address if either the appointee or the person in receipt of benefits is not previously known to the Society or either of their details have changed since they were last in contact with us. A full list of the identification requirements for new customers can be found in all of our account brochures.
- An application form completed and signed.

Dealing with a joint account

In a case where a joint account is being operated by two people either separately or together and one of the account holders loses mental capacity, another person may be given access as a deputy or power of attorney for them.

If a member operates a joint account with someone who is losing mental capacity they are advised to contact the Society as soon as possible on our Helpline number 01455 251234.

Until a deputy is appointed or a power of attorney registered, the Society may decide to restrict the use of the account to only transactions that are deemed essential, such as the payment of normal living expenses or residential care bills.

Once a registered EPA or LPA is in place, the Society will allow the attorney and the account holder who retains mental capacity to operate the account either together or separately dependant on the terms and conditions of the joint account.

Although the customer with mental capacity should already be aware that a power of attorney has been registered, as a matter of course we will notify them when the power of attorney is registered.

Useful contacts

Office of the Public Guardian (England and Wales)

Website: gov.uk/opg

Telephone: 0300 456 0300

Citizens Advice

Website: citizensadvice.org.uk

Telephone: 03454 040506
(Consumer helpline)

Department for Work and Pensions (DWP)

Website: gov.uk/dwp

HM Courts and Tribunals Service

Website: gov.uk/hmcts

The Law Society (England and Wales)

Website: solicitors.lawsociety.org.uk

Telephone: 020 7320 5650

Solicitors for the Elderly

Website: sfe.legal

Telephone: 0844 567 6173

Age UK

Website: ageuk.org.uk

Telephone: 0800 678 1174

Alzheimer's Society

Website: alzheimers.org.uk

Telephone: 0330 333 0804

Principal office:

Upper Bond Street, Hinckley,
Leicestershire LE10 1DG

tel: **01455 251234** email: enquiry@hrbs.co.uk

web: hrbs.co.uk

To help maintain service and quality, some telephone calls may be recorded and monitored.

The Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

The Society's registration number is 206043.