

## Top 10 Tips for managing someone else's money safely

### 1. Get a power of attorney set up.

It's the No1 tip because it's the most important in the long term. Don't delay because waiting can make the process much more expensive, difficult and lengthy.

A power of attorney is a legal document that lets you give one or more person the power to make decisions and manage:

- your money and property, and/or
- your health and welfare.

The person you care for might have already set up a permanent power of attorney. Or they may have set up an enduring power of attorney that was available in England and Wales before October 2007, which might still be used but would need to be registered with the Court of Protection beforehand. As long as you're aged 18 or over, you can set one up at any time, providing you're able to weigh up information and make decisions yourself.

A power of attorney can help you with:

- temporary situations – for example, you're in hospital or abroad and need help with everyday tasks such as paying bills.
- longer-term situations – for example, you want to plan for the unexpected or have been diagnosed with dementia and might lose the mental capacity to make your own decisions in future.

You can choose to use your power of attorney document to give your attorneys extra instructions or record your preferences. Or, you can talk to your attorneys and explain how you'd like them to act for you. Your attorneys will then be free to make decisions they think are right, and they'll know what you'd want.



You will need to pay £82 for each lasting power of attorney. If you want to register a property and financial affairs lasting power of attorney, as well as health and welfare lasting power of attorney, it will cost you £164. Setting up a power of attorney can be free – known as an exemption – if you're on certain mean-tested benefits such as Income Support. If you can't get it free, you might be able to get a 50% reduction in the fee if you earn less than £12,000 a year.

If you want to talk to someone about whether you should set up a lasting power of attorney now, contact the Office of the Public Guardian Email: [customerservices@publicguardian.gov.uk](mailto:customerservices@publicguardian.gov.uk)  
Telephone: [0300 456 0300](tel:03004560300) Textphone: [0115 934 2778](tel:01159342778)

Monday, Tuesday, Thursday, Friday 9:30am to 5pm and Wednesday 10am to 5pm.

For more information: <https://www.alzheimers.org.uk/get-support/legal-financial/lasting-power-attorney>

### 2. Keep their money and yours separate

It's important to keep money belonging to the person you care for separate to yours because otherwise:

- ✓ It is harder to keep track of income and expenditure
- ✓ If you need to show financial records your money and private information will need to be disclosed
- ✓ It can affect benefit claims and other situations where you need to declare how much money you have, or the person you care for has
- ✓ You may not have suitable records to be able to prove you have managed someone else's money appropriately and according to their wishes
- ✓ You may end up supporting someone financially because your money is used on their care or activities

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- ✓ If your caring role ends because the person you care for starts to live independently or moves into long-term care it can be difficult for you to live without their benefits and income and this can make it even harder to accept decisions about the future
- ✓ Other people could misunderstand and accuse you of financial abuse

Every year caring relationships, families and friendships suffer because of money and accusations of financial abuse. Accusations and recriminations can continue long-after a caring role has ended. In some cases the accusations lead to legal proceedings which can be emotionally and financially costly.

There are lots of ways you can keep money separate but safe. You can open a separate bank account or top up a pre-paid credit card for shopping, petrol and other expenses you pay for in your caring role. You can set up direct debits and standing orders and limit cash expenditure. Pre-paid shopping cards can be useful if different people help with shopping or errands. If you need to pay for items using your money make sure you record it carefully and claim the money back as soon as possible, if you can involve another independent person to oversee the transaction.

### 3. Use systems designed to help you.

If you want to temporarily help someone, or you only need to help them with their banking they can set up a 'third party mandate'. They can write to their bank, or make the request in person at a branch, or using online banking to make the request. Most banks have a third party mandate form which the account holder and you will need to complete.

Third Party Mandates generally limit what you can do such as an upper limit on payments or transfers or closing the account, and some effectively make the account a 'joint account' so you and the person you care for would need to countersign cheques etc.

### 4. Make a budget and keep a record



Set up a budget with all their income and expenditure. Make sure you understand their budget so you can help them live within their means or get help if they might get into debt.

Make regular payments such as utility bills, council tax, rent or mortgage payments by direct debit or standing order or pay them regularly each month or quarter. This means there is less for you to do and worry about and the payments have a record on their bank or building society statement.

Set up a separate credit card, pre-paid credit card or buy pre-paid supermarket shopping cards for regular shopping.

Keep the receipts for everything you purchase or order online. You can scan them and save them (but make sure you back up your electronic file) or keep them in a hardcopy file. Make sure you keep them in some sort of order (such as by month or by type like 'supermarket weekly shop'). Don't just stuff them in a box although even that is better than nothing!

Consider keeping a log-book of all your expenditure on their behalf. A display book of plastic wallets and a record for each month would keep your receipts and a record of what was spent together and easily checked. Just record the date, the amount and a little detail of what you paid for e.g.:

18.08.22   £15.00   window-cleaner

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### 5. Imagine you are being watched

When you put *their* change in *your* pocket, throw all their shopping in with yours at the till, keep a set amount each week of their money regardless of how much you spend for them, round up amounts to reclaim them, tell their family members or friends its none of their business or make big decisions without consulting the person you care for or people they trust you may make people think you are not managing the money carefully or even worse you are financially abusing them. It isn't any consolation if you know that every penny has been spent properly if you can't prove it or if how you have behaved has left them wondering...

Put some systems in place as soon as possible to make sure you demonstrate to everyone that you are managing money well:

- ✓ Keep a separate purse or plastic zipper bag for their cash and cheque book.
- ✓ Consider having a 'petty cash' tin and withdrawing small amounts as you need it and recording each transaction and each time you top up the amount in the tin. Its sensible to have a set petty cash starting amount or 'float' such as £20.00 and always top back up to that amount.
- ✓ Petty cash can also be useful if the person you support can manage small amounts of money reasonably safely but might have difficulty safely managing their whole bank account and savings. They can have a regular amount of money in their purse or wallet and feel in control of smaller everyday purchases but be less at risk of fraud and scams.
- ✓ If you can make a purchase and wait to be reimbursed then keep a record of what you have spent, the receipt and when you are paid back. Reimburse yourself promptly, don't allow big amounts to mount up.
- ✓ Involve other people. If the person you are supporting has other friends or family they trust involve them. Get them to watch you as you reimburse yourself for purchases you have made. Ask them to check and sign a weekly or monthly record of what you have spent and to check the receipts against the record. For big purchases or expenditure such as buying a bed or having home repairs show them quotes and discuss the purchases. Share the load. Ask others to help with things like getting quotes for repairs or making big decisions. Ask someone to double check your records.

If the person you support has expenditure that needs to be handled discretely you may not feel able to involve family and friends but keep records carefully so that you have the evidence if you need it.

It can be difficult to balance the right to privacy of the person you support and your need for help and to have evidence. So if you don't feel you can involve other people to have oversight of your financial management just keep the records in case you need to explain your decisions and actions.

### 6. Involve the person you support

Give the person you support as much control as possible of their money. Even if the person you support is not considered to have mental capacity to make decisions they may be able to make smaller decisions. Generally, a mental capacity assessment is about their ability to make informed decision about complex decisions or to understand risk. So, they may need you to manage their money but they could still make individual decisions within their budget or perhaps have a small amount of cash to make minor purchases.

Make decisions that are consistent with their wishes. Ideally when a person sets up a power of attorney they will record instructions for their attorney or have discussed their preferences with their attorney. Some people will have written a 'living will' or a more formal 'advance decision' which sets out how they feel about key issues like end of life care, where they live, what happens to a pet if they can't look after it any more. You, an Attorney or a health and social care professional can use this type of instruction to help make a best interests decision for the person.

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<https://www.alzheimers.org.uk/get-support/legal-financial/dementia-advance-decisions-statements#content-start>

Keep them informed and involved. You may need to keep the explanation simple but you can keep the person you support fully informed of your financial management including how much money they have, major decisions and purchases. Some health conditions may mean that the detail is distressing or makes them anxious and so you might not want to keep them updated but you can answer any questions they may have.

### 7. Have a plan and manage vulnerability

Setting up a household budget, and a care budget or care plan, and keeping track of savings all helps to keep you feeling in control with less stress but circumstances change so check regularly that your budgets and plans are still working.

The rises in costs of living such as energy costs mean many household budgets will be stretched. Make sure you keep suppliers informed if the person you support may find it difficult to pay what they owe. Seek help with income maximisation including a regular welfare benefits check and use any opportunity to save money but don't make cost saving measures that could impact the health of you or the person you care for.

Vulnerability: Some people have conditions that make them vulnerable to financial abuse or to making poor or inappropriate decisions. People living with things like dementia, learning disabilities, neurodiversity and some mental health conditions may sign up for or buy goods or services they can't afford, they may purchase excessive numbers of items or be vulnerable to 'sales talk'. The VRS provides vulnerable consumers with a way of sharing information on their circumstances with organisations like lenders and creditors. Individual users can opt either to be pre-declined for financial service applications or, if they prefer, they can simply add a 'referral flag' to their names to make organisations aware of their circumstances, so that these can be taken into consideration.

The Vulnerability Registration Service or VRS has more information and can help advocate for people who are vulnerable: [Vulnerability Registration Service - VRS](#)

This may include applications in existing customer relationships, such as in managing arrears or collections in the most appropriate ways.

### 8. Claim all the entitlements

You and the person you support may be entitled to welfare and health benefits, extra support with the costs of personal care, concessions on the costs of everyday activities, and grants for big items. The additional income can make a big difference to a household budget and reduce feelings of stress. Benefits such as Carers Allowance can also make a difference in your future and your eligibility for benefits and support.



Get free, independent information and advice for you and the person you care for and check each year or as either of your circumstances change.

### 9. Do your best

It is your responsibility to act in the best interests of the person you support. That can mean making sure they are claiming all their entitlements, saving money where they can or investing in things like home insulation or energy saving appliances to reduce their bills in the longer term.

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Few people are financial experts so use advice and guidance to help you make good decisions. In some cases a power of attorney may set out steps you must take when making financial decisions and you must always follow these instructions. Remember if you are taking legal or financial advice for the person you support they pay for this and make sure you use an accredited provider. Don't respond to unsolicited contact from people who claim they are financial advisors or can offer you easy ways of making money.

### 10. Be safe

Just because you are a Carer and looking after someone else's money doesn't mean you can't be a victim of fraud or a scam and the person you care for may be very vulnerable to scams on the doorstep or in the post, online or by phone.

Check out information about scams and use some of the simple methods to prevent becoming a victim. If it seems to be too good to be true it probably is!

The guidance called 'Take 5' [About Take Five | Take Five \(takefive-stopfraud.org.uk\)](https://www.takefive-stopfraud.org.uk) encourages everyone to take 5 minutes when making financial decisions and to:

- **Stop** – take a moment to stop and think before parting with your money or information
- **Challenge** – it's ok to reject, refuse or ignore any requests. Only criminals will try to rush or panic you.
- **Protect** – contact your bank immediately if you think you've fallen for a scam and report it to Action Fraud **0300 123 2040**

Be 'scams aware' and:

- ✓ make sure you keep online accounts and digital equipment secure
- ✓ limit the amount of cash in the home and keep it securely out of view
- ✓ use Derbyshire Trusted Trader to find reliable trustworthy trades and services
- ✓ ask questions and don't use a number they give you to check up on what they say
- ✓ find positive ways to meet your emotional needs rather than relationships online if you can.
- ✓ if you use online chats stop and block them as soon as they ask for money or help

For more information about all aspects of money you can use the free service called 'Money Helper' available online [Money guidance | MoneyHelper](#) or by Freephone on: 0800 7777 Monday to Friday, 8am to 6pm and Saturday, Sunday and Bank Holidays, closed.

You can also get local, friendly, free and independent information and advice from:



Click for an  
information pack:

[Financial abuse -  
Derbyshire Safeguarding  
Adults Board  
\(derbyshiresab.org.uk\)](#)



People aged 50+ and  
carers

☎ 01773 766922  
[Welcome to Age UK  
Derby and Derbyshire](#)



Carers

☎ 01773 833833  
[Homepage  
\(derbyshirecarers.co.uk\)](#)



People living with  
dementia

☎ 01332 208845  
[Dementia Derbyshire -  
Dementia Derbyshire](#)



## Top 10 Tips for managing someone else's money safely

The Top 10 Tips are sound advice shared across many information and advice services but for more information and some specialist support there are websites that can help. If you don't have access to the internet you can use your local library or a support service to help you search for information that's right for you. The web-sites below are a good place to start:

[Managing affairs for someone else - Citizens Advice](#)

<https://www.moneyhelper.org.uk/en/family-and-care/long-term-care/help-manage-the-money-of-someone-youre-caring-for>

[Dosh – Financial Advocacy – Dosh supports people with a learning disability to be able to manage their money.](#)

[Legal & Rights - Helping Manage Money | Carers Trust](#)

[Advice for carers downloadable information guide | Age UK](#)

<https://derbyshirecarers.co.uk/lasting-power-of-attorney>

<https://derbyshirecarers.co.uk/free-legal-financial-advice-clinics> Derbyshire Carers Association have a monthly Legal Clinic for Carers which offer a free 30 minute session with a Solicitor

**Derbyshire Dementia Support - Alzheimer's Society's** 1-1 dementia support service offers expert information and practical guidance to people living with dementia and their carers or those concerned about their memory which means you don't have to have a diagnosis to access us. The information provided aims to help people understand the effects of dementia and learn practical steps and approaches in living with and caring for people affected by dementia. This might be assisting carers by sign posting to other relevant services, understanding the challenges that come on a day-to-day basis and looking at strategies to help manage them, and helping to prepare people with dementia and their carers to think about the future and planning ahead. Our support can be provided either face-to-face or over the phone. We run a variety of social groups across Derbyshire including memory cafes and Singing for the Brain. We also collaborate on the Living Well programmes and we are currently running twice monthly Virtual Educational Q and A sessions where we address a number of topics including money and finances.

<https://www.alzheimers.org.uk/get-support/publications-factsheets/caring-person-dementia-practical-guide>

<https://www.alzheimers.org.uk/get-support/legal-financial/lasting-power-attorney>

<https://www.alzheimers.org.uk/get-support/legal-and-financial/lasting-powers-attorney-and-deputies>

<https://www.alzheimers.org.uk/get-support/legal-financial/dementia-advance-decisions-statements#content-start>

<https://www.alzheimers.org.uk/get-support/legal-financial/deputy-dementia>

<https://www.alzheimers.org.uk/blog/how-to-navigate-social-care-system-dementia>

<https://www.alzheimers.org.uk/get-support/help-dementia-care/looking-after-yourself>

**General/local Enquiries Tel: 01332 208845 (Derbyshire team)**

Our local website - [www.dementiaderbyshire.org.uk](http://www.dementiaderbyshire.org.uk)

**National Enquiries Tel: 0333 150 3456 (Dementia Connect)**

National website - [www.alzheimers.org.uk/](http://www.alzheimers.org.uk/)