

Managing your money



Alzheimer's Society

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Alzheimer's Society Dementia Helpline

England and Wales 0845 3000 336 Northern Ireland 028 9066 4100

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When you have dementia, managing your money from day to day can be difficult. You may forget to pay bills, or you may take money out of the bank and then forget where you've put it. Even managing cash can be difficult – counting change and knowing what different notes and coins are worth, for example. Today, there are many ways of dealing with money. In this booklet we describe some ways to make your life easier.

You might also want to plan how you will manage your money in future, as your illness progresses. At some stage you may need to ask someone to act on your behalf. It is worth thinking about this in advance.

Joint bank accounts

The most common type of joint bank account is where either you or your partner can sign cheques and take money out. This is called an 'either-to-sign' account.

If you have this type of joint account, and your partner keeps track of your household finances, he or she can pay for things without needing your signature on cheques.

You can have a joint account with someone who is not your husband or wife – one of your children, for example, or someone else you trust. This may help in the future if managing your money becomes more difficult. If all the money in the account belongs to you, and you don't pay tax, you can get an 'allocation of interest' form from the Inland Revenue. You can then ask your bank to pay interest on the

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husband or wife**

account without taking any tax. It is important to remember that both holders are legally responsible for money coming out of a joint account.

If one person makes the account overdrawn without the other knowing, both are responsible for paying the money back. If you think this could become a problem, or if you think you may take money out and not remember later, consider opening a sole account for you and another for your partner.

Sole bank accounts

You may find it simpler to use a sole bank account. Wages, benefits and pensions can be paid directly into the account and payments can go out from the same account. This can make life simpler.

- Writing everything down in a simple cash book can help.
- Remember to include any cash you take out of cash machines.

If you would prefer someone else to deal with your sole bank account, you can ask your bank for a 'third party mandate'. This means that someone else (usually a close relative or friend) will be able to sign cheques and manage your account for you. It is important to think carefully about who you ask to do this.

Sole bank accounts can make life simpler, so long as you remember what has gone in and out of your account



Tips for writing and signing cheques

- Use a thick or felt tip pen to make writing easier.
- If gripping is difficult, try using adapted pens and pen grips.
- A plastic template may help you write your signature in the correct place.
- If you have a number of items to sign, take a break between signing them.
- Shops sometimes print the cheque for you, so you just have to sign it.
- Many retailers will write the cheque for you if you ask them.
- Use a rubber stamp to print your name instead of hand-writing your signature. This is a legally accepted form of identification. Most stationery shops can make rubber stamps of signatures in about four weeks.
- Ask for help from an occupational therapist. Your GP can make an appointment for you.

Direct debit

You can pay most regular bills, such as gas, electricity, water, TV licence and council tax, by direct debit. Most companies that provide these services will charge you less if you pay by direct debit. Once the direct debit is set up, your bank pays your bills automatically, usually a set amount each month. You will receive bills as usual, so that you can check how much you are being charged, but you don't have to worry about remembering to write a cheque and post it.

The companies that supply your services can tell you how to set up direct debits.



Chip and pin

Chip and pin debit cards have been designed to make paying by card easier and more secure. Instead of signing your name, you enter a four-digit number on a key pad. You can choose this number: it should be easy for you to remember but difficult for other people to guess.

If you think it will be hard to remember a number, talk to your bank. They can give you a chip and signature card. This is like an old-style debit card, so you sign your name as usual. If signing your name is a problem, banks can also provide cards, such as photocards, which identify you in other ways. You can also use a rubber stamp to sign your name (see bullets on page 4).



Cash

Handling cash can be quite confusing. Paying bills by direct debit and using a debit card to pay for your weekly food shop can help. Try working out how much cash you will need during a week and take that amount out of a cash machine on the same day each week. Always get a receipt when you withdraw cash from a cash machine. And remember to write down in your cash book how much you've taken out. You can also ask the bank to change notes into coins, which they will put in plastic bags. If you pay for the same items each week, using small amounts of cash, try dividing it up into envelopes.

For example, you may pay the milkman on a Friday, or the newsagent on a Saturday. You can put these payments into envelopes once a week when you get cash out. Keep the envelopes in a safe place where you will remember them.

**Never leave large amounts
of cash lying around your house
where it can be easily seen**

If you drive, you may want to keep a few coins in plastic bags in the glove compartment to pay for car parking and road tolls, for instance. Only keep a small amount of cash in the car. Make sure it is out of sight at all times, especially when you leave the car parked.

Try using a purse or wallet that you won't lose easily – one that you can hang around your neck or attach to a belt. Keep it out of sight under a sweater or jacket. Coins may be easier to manage if you keep them in a small container, such as a plastic film canister. Your occupational therapist can also advise you on special purses or wallets that help manage cash. Never leave large amounts of cash lying around your house where it can be easily seen.



Benefits

You can be paid benefits you are entitled to in three ways:

- Benefits can be paid directly into your bank or building society account.
- Banks and building societies offer a basic bank account that you can also access at your local Post Office®.
- You can use the Post Office® card account, an account designed to receive benefits, state pension and new tax credit payments. You can also nominate someone else you trust to have a card to access your account.

It is possible to appoint someone (an 'appointee') to manage your income from benefits if you become unable to do so yourself. They will have to apply for permission from the local department of work and pensions. An appointee will usually be a close relative who lives with you or visits often, or they may be a close friend or neighbour. If you have already arranged an enduring power of attorney (EPA), the attorney will take over from the appointee if you become unable to manage your affairs. EPA has now been superseded by lasting powers of attorney (see pages 11-13).

It is possible to appoint someone to manage your benefits if you are unable to do so yourself

Trusts

If you have property or savings, you might want to think about setting up a trust. This will ensure that your money is managed the way you want, both now and in the future. Setting up a trust can be complicated, and you will need to talk to a solicitor. There are several types of trust and different ways of arranging them.

Lasting powers of attorney (LPA)

In October 2007 lasting powers of attorney (LPA) replaced enduring power of attorney (EPA). Any EPAs granted before October 2007 remain valid, as long as they are signed by both parties. LPAs allow people to choose someone to manage either their property and financial affairs, and an additional person (or people) to make personal and welfare decisions on their behalf. You can make an LPA if you have already been diagnosed with dementia, but you must be able to show that you understand what it is and its legal significance.

Discuss your reasons for making an LPA with family and close friends to avoid misunderstandings later



Property and affairs LPA

A property and affairs LPA enables someone you trust (your attorney) to manage your property and affairs when you are no longer able to yourself. This can include

- paying your bills
- collecting your income and benefits
- selling your house.

The LPA can only be used after it has been registered at the Office of the Public Guardian (OPG).

Personal Welfare LPA

A personal welfare LPA allows someone you trust (your attorney) to make decisions on your behalf about your personal welfare, for example:

- decisions about where you live
- the power to give or refuse consent to medical treatment.

You can appoint more than one person to act. If you appoint more than one person, you can choose whether they must act together or independently.

You should ask your solicitor for legal advice on making an LPA. It must be made on the right form, and completed and signed correctly. Forms for creating LPAs should be obtained from the Office of the Public Guardian. Both the donor and the attorney must sign it, and both signatures must be witnessed. Your solicitor can keep the original document and give you a copy.

For more information on lasting powers of attorney, see the Alzheimer's Society Factsheet 472, [Enduring power of attorney and lasting powers of attorney](#). Telephone 01753 535751 or visit alzheimers.org.uk/factsheets to obtain a free copy.



The attorney's powers

You can decide whether to give your attorney general authority to make decisions for you or to give them more limited power – for example, to make decisions about your property. You can specify what decisions you are happy for the attorney to make on your LPA form. Ways in which an attorney might help you include:

- signing cheques and taking money out of savings accounts for you
- buying or selling shares or houses
- using your money or property to pay for residential or nursing care.

An attorney has no power over you. They cannot tell you where to live, or what medical treatment you should have. The attorney should do what is best for you, and always think about your wishes and needs.

You can decide how much power you give your attorney

Useful contacts

Age Concern England

Freepost SWB 30375
Ashburton
Devon TQ13 7ZZ
Freephone information line
0800 00 99 66
(every day 8am – 7pm)
www.ace.org.uk

Factsheets are available from the website, by writing to the above address or by telephoning the information line.

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London E1W 1JX
Alzheimer's Society
Dementia Helpline 0845 3000 336
(8.30am – 6.30pm weekdays)
alzheimers.org.uk

Benefits Enquiry Line (BEL)

Freephone 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.

British Bankers' Association (BBA)

Pinners Hall
105 – 108 Old Broad Street
London EC2N 1EX
T 020 7276 8800
www.bba.org.uk

The British Bankers' Association provides free guides to various aspects of banking in plain English. It also sets the standards for best banking practice.

Help the Aged

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Publishes useful booklets on managing your finances.

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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.

Office of the Public Guardian

Archway Tower
2 Junction Road
London N19 5SZ
T 0845 330 2900
E customerservices@publicguardian.gsi.gov.uk
www.publicguardian.gov.uk

Provides free booklets on enduring power of attorney, lasting powers of attorney and deputyship. The court of protection is at the same address.

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Solicitors for the Elderly is a national association of solicitors, barristers and legal executives who are committed to providing comprehensive and independent legal advice for older people, their families and carers.