

# Need support with your finances from a friend or family member?

 **Building Societies Association**



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## Here's how

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Arrangements may vary depending on the needs and request of the customer, the type of account and its terms, conditions and features.

The easiest approach is to plan ahead by speaking to the building society as early as possible.

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# Introduction

When a person wants or needs help to manage their finances, there are a number of options available including:

**Third party withdrawal mandate** – an arrangement between an account holder ('customer'), their building society and a trusted third party ('supporter') nominated by the account holder - usually a family member or a friend. A customer can authorise the third party to carry out cash and cheque withdrawals on their behalf.

**Letter of authority** – a one-off arrangement between an account holder, their building society and a trusted third party nominated by the account holder for the third party to carry out a single withdrawal on the customer's behalf.

**Information sharing arrangements** - an arrangement between an account holder, their building society and a trusted third party to allow the third party access to statements and other correspondence from the building society to the customer so they can help the customer make financial decisions.

**Lasting Power of Attorney (LPA)** – a formal legal arrangement that allows a customer to plan ahead against the possibility of future loss of physical or mental capacity. An LPA identifies who the customer wants to take control over the running of an account if and when this occurs.

**Court of Protection Deputyship** – this route is used in cases when a customer no longer has capacity to operate their finances and there is no LPA in place. A friend or family member will be appointed by the Court of Protection to take control of the account/s. In cases where no appropriate person can be identified this role may be undertaken by a solicitor.

# Summary:

	Permanent or temporary?	When to use it?	How much control does the third party have?
Third party withdrawal mandate	Temporary or Permanent – decided by the customer	When a customer wants another person to make withdrawals on their account on their behalf on a temporary or long-term basis	Customer keeps full control
Letter of Authority	Temporary	When a customer wants another person to make a one-off withdrawal on their behalf	Customer keeps full control
Information sharing arrangements	Temporary or Permanent – decided by the customer	When a customer wants support in dealing with financial matters or has problems with reading or language	Customer keeps full control
Lasting Power of Attorney (LPA)	Permanent	When planning ahead, or anticipating loss of mental capacity	Full control once the customer has lost mental capacity
Court of Protection Deputyship	Permanent	When a customer has lost mental capacity and there is no LPA in place	Full control

# Third party support

## What is it and who might need it?

### What it is

Third party support is an arrangement ('mandate') put in place by an account holder ('customer') to nominate a person ('supporter') to help them to manage their finances. The customer maintains control of who helps, how much help they receive and decides when they no longer want/need help. A supporter is typically a family member or a friend.

### Who it is for

Third party support arrangements are for customers who want - and are able - to continue running their own finances, but require some help with one or more aspect of running an account/s.

#### For example, customers who are:

- **Housebound** - and want someone to collect money, shop and pay bills on their behalf
- **Experiencing failing eyesight or hearing** - and need help with reading or making telephone calls
- **Struggling with fluctuating mental health** - who on bad days want help with spending decisions
- **Uncertain about making big financial decisions** - and want guidance on which option is best for them
- **Hospitalised** - with a long recovery period who want (or need) a third party to make deposits, withdrawals and answer correspondence on their behalf

If the situation is beyond the point where a customer can make their own decisions, there are formal legal options for delegating authority to another person. More information on these options is on page 11.

### Why it can be useful

Setting up a recognised support arrangement provides peace of mind as well as the help that is needed when it is required. It can also make a supporter feel more comfortable about helping and banish any concerns they may have that their actions may be construed as taking advantage.

A third party support arrangement can make it easier to spot inappropriate behaviour on an account, protecting the customer and their money in the rare eventuality of a supporter abusing their position.

A third party mandate can be put in place relatively quickly, but it is easier if the customer and their chosen supporter plan ahead rather than leaving it until an emergency arises.

# What does good third party support look like?

A third party support arrangement involves three parties: the customer, the supporter, and the building society. The following table outlines what the customer and supporter should experience, and what the building society should provide or demonstrate.

Customer should expect...	Supporter should expect...	Building society should provide...
<ul style="list-style-type: none"><li>• Arrangements that meet their individual needs</li><li>• The ability to control<ul style="list-style-type: none"><li>• Who gets access</li><li>• The level of access</li></ul></li><li>• Withdrawal limits<ul style="list-style-type: none"><li>• Power to cancel</li></ul></li><li>• Security</li><li>• Control over privacy of personal information</li><li>• Consistency of service</li></ul>	<ul style="list-style-type: none"><li>• A good experience in helping manage the customer's financial affairs</li><li>• Convenience</li><li>• Clarity about their role</li><li>• Security</li><li>• Consistency of service</li></ul>	<ul style="list-style-type: none"><li>• Excellent customer service</li><li>• Account holder protection</li><li>• Compliance with the law</li><li>• Suitable internal processes to accommodate third party support</li></ul>

Any limitations that apply to transactions by any other customer will also apply to third party transactions, for example the amount that can be withdrawn in cash without prior arrangement, or restrictions on specific accounts.

It is also worth bearing in mind that an individual building society will have to balance helping the customer with protecting them.

# Carrying out transactions on behalf of a customer

Depending on the type of third party support arrangement that is put in place by an individual customer, supporters typically undertake three things:

- Withdrawals
- Deposits and repayments
- Administration – such as applications, account closures, account detail amendments etc.

## Withdrawals

Only the customer should be able to authorise a withdrawal from their account. However, a customer can authorise a third party to visit a branch and collect withdrawals on their behalf, provided their account permits in-branch withdrawals. Detailed processes will vary across individual building societies, but they will be able to help with:

- **A third party withdrawal mandate**  
A form completed by the customer either in-branch, by post or if visited at home by their Society.
- **A letter of authority from the account holder**  
authorisation for a one-off transaction. Helps customers who cannot get into a branch to authorise a third party withdrawal. This mechanism can be used for one-off withdrawals by customers who don't have a third party withdrawal mandate in place.
- **An emergency withdrawal**  
Building societies can allow emergency withdrawals if a customer urgently needs to have a payment made from their account – the third party will have to provide evidence of the urgency of the situation.

## EXAMPLES Examples for illustrative purposes. Detailed processes may vary.

Florence is experiencing a period of poor mental health and is having difficulty communicating with people. This happens regularly so she has a third party withdrawal mandate in place so that her friend, Georgia, can go in-branch with Florence's pass book or card and withdraw an agreed amount of cash on her behalf once a week. Permission given to Georgia as a third party supporter to make these withdrawals will be flagged on the account so no further checks will be necessary other than Georgia's identity.

Roger is housebound due to medical treatment he is receiving. He doesn't have a third party withdrawal mandate in place, so writes a letter of authority to authorise his daughter Lucy to make a one-off withdrawal from his account at his local building society branch using his card or pass book, with proof of her identity. Once she is at the branch, the branch staff will make a quick call to confirm Roger's permission and Lucy will then be able to make the withdrawal.



## Deposits and repayments

- **Savings**  
With a card, passbook or account information, a supporter can generally arrange to deposit cash or cheques into a customer's account provided they can identify themselves. Cheques for deposit should be made out to the account holder.
- **Mortgage repayments**  
If a supporter wants to make a mortgage repayment on behalf of the account holder, they should contact the building society concerned for advice on the options for making the repayment.

## Account management

Actions on an account are subject to all terms & conditions relevant to the account. For example, some accounts are operated online or via telephone only, withdrawals on some savings products are prohibited for a set notice period etc.

- **Applications**  
A supporter can help a customer make enquiries about and apply for new products and services. For example, individuals who lack English language skills, reading ability or financial knowledge. The customer must sign all application forms. Identification and verification checks will apply.
- **Account closure**  
Only an account holder can close their account, not a third party. Ideally, written and signed authority is required from the customer though verbal authority is acceptable if the customer has passed appropriate ID checks. As with withdrawals, the customer might send in a third party with a signed letter of authority to make the closure if they are unable to do so themselves.

Money from a closed account must go directly to the customer – usually via a cheque in their name. Balances from closed accounts cannot be withdrawn in cash or transferred into the supporter's account.

- **Non-financial transactions**

Changes to account details such as registering a new address, addition of account holders, declaration of a lost card or passbook can only be made on the authority of the customer.

- **Joint accounts**

A third party withdrawal mandate or letter of authority can be applied to a joint account as long as both account holders are happy for the third party to support the running of the account. If an account requires both signatures to make a withdrawal, the third party withdrawal mandate or letter of authority will also require both customers' signature.

Sometimes a customer may decide to add another account holder onto their account to help support them in running their finances. For example:

- For the convenience of both the customer and the supporter so that they don't have to keep renewing a third party withdrawal mandate, or be tempted to share their card and PIN.
- To help the customer manage their money. It is important for a customer thinking about doing this to understand that adding a joint account holder gives them equal control over the account, plus ownership rights over the money in the account. It is sensible to talk to your building society about whether adding another account holder is the right option for the circumstances.

## Customers in financial difficulty

Customers who find themselves in financial difficulty may want the support of a trusted third party when discussing the matter with their building society. Building societies will allow a customer to include a supportive third party in conversations about financial difficulties if that is what the customer wants.

Some customers find it helpful and a confidence boost to have a third party involved in these discussions. This additional confidence can help a customer find ways to resolve their problems. The supporter could be a family member or friend, or even a professional debt counsellor if preferred.



# Sharing information with third parties

Examples of circumstances where a customer might allow a third party access to information about their account for support purposes includes if:

- They are in hospital or in a position when they cannot open correspondence themselves
- They need support because of low literacy levels or English language skills
- They need support because of physical frailties e.g. failing sight, hearing or writing capability
- They want a third party's involvement to boost confidence in decision-making

Examples of information sharing may include reading correspondence, checking through account statements with the customer or completing forms for the customer to sign.

As with third party withdrawals, the customer is encouraged to set up information sharing arrangements with their building society so that there is a record of the arrangement that has been made. The customer can specify what information can be shared, by whom and for how long.

Joint account holders are not classified as supporting third parties. They have the right to financial information on their joint account(s), but not about the general finances of their joint account holder.

# Raising concerns

## By a building society:

There may be occasions when a building society employee has concerns about a particular customer that should be raised with their family or with a third party agency – such as the Police, Trading Standards or a Local Authority Adult Safeguarding team. Such concerns may include:

- That a customer is the subject of crime or financial abuse
- That a customer is losing the ability to manage their finances but has no third party support arrangement in place

The building society will only pass on information that is relevant to the specific concern that they have.

## EXAMPLES Examples for illustrative purposes. Detailed processes may vary.

Charlotte works at ABC building society. A regular elderly customer, Mary, has begun visiting the branch with an unfamiliar younger person and carrying out unusual account actions. Charlotte is concerned that Mary could be the target of financial crime or abuse.

Separately, Charlotte has noticed another regular customer, Rikesh, acting increasingly erratically in recent months, and his account actions read the same way. She is concerned for his mental health and that it may be affecting his finances.

In both of these instances, Charlotte may raise her concerns with the customers' family or the appropriate third party agency in order to protect them.

## By a third party

In some instances, a third party - such as a relative or carer - might report concerns about suspected financial abuse, or that a customer is losing their ability to manage their own finances.

The building society will listen to any concerns that are raised and follow up appropriately with the customer or an appropriate third party agency. They will not disclose any information related to the customer's account or other personal information to that third party without the customer's authorisation.



# Permanent options: loss of mental capacity

Customers who are unable to run their finances through loss of mental capacity are particularly vulnerable. Once capacity to make decisions has been lost, any previously agreed third party support mandates ceases to be valid. Instead, there are formal legal options for delegating authority to another person to take control of a customer's financial affairs. These permanent, legal arrangements include:

- Lasting Power of Attorney (LPA)
- Court of Protection Deputyship

Both options give the attorney / deputy full control of the account with the same rights and responsibilities as the customer would have if they still had mental capacity.

## Lasting Power of Attorney (LPA)

An LPA allows the customer and family/ friends to plan ahead for the possibility of the customer losing mental capacity. The LPA identifies the individual(s) that the customer wants to take over on their behalf if and when this occurs. It also means that the customer's family won't have to go through the potential stress of applying for a Court of Protection Deputyship once the customer has lost capacity.

There are two different LPAs available – either or both can be set up in advance:

- Property and Financial Affairs – gives another person/people power as the customer's attorney to make financial decisions
- Health and Welfare – gives another person/people power as the customer's attorney to make decisions on medical or social care, or hospital treatment

### How to set up an LPA:

- Choose an attorney (can be more than one person)
- Fill in the forms to appoint them as an attorney – You can find the forms on the Office of the Public Guardian (OPG) website - <https://www.lastingpowerofattorney.service.gov.uk/home> - or by going to a solicitor.
- Register the LPA with the Office of the Public Guardian – there is a registration fee but reduction or exemption is available for lower income applicants
- An LPA can be cancelled if it is no longer needed, or if a customer wants and is capable of making a new one

## Court of Protection Deputyship

A Deputyship is required when a customer no longer has mental capacity so there is a need for someone else to take over the running of their finances, but there is no LPA in place.

Another person can apply to be appointed as a customer's Deputy to run his or her affairs, usually a family member or friend, but if there is no one suitable, a professional Deputy such as a solicitor or the local authority can perform this role.

An individual can apply to become a Deputy for someone else by contacting the Office of the Public Guardian.

### Already an Attorney or Deputy?

Those who are already an Attorney or Deputy for someone else should let the customer's building society know. This will allow the Society to set up the account to be managed by the Attorney or Deputy, once the application is registered with the Office of the Public Guardian. The original document, or a certified copy, plus identification will be required. The building society can advise on acceptable forms of identification.

# Further Information

Each third party support arrangement will vary as they are dependent on the individual needs and requests of each customer.

The easiest approach is to plan ahead, by speaking to the building society as early as possible.

For help, advice or information on any aspect of third party support, you can contact your building society. Help is also available in the following places:

## Citizens Advice Bureau

Details of individual branches are available at:

[Citizensadvice.org.uk](https://citizensadvice.org.uk) for England

[Citizensadvice.org.uk/Wales](https://citizensadvice.org.uk/Wales) for Wales

[Cas.org.uk](https://cas.org.uk) for Scotland

[Citizensadvice.co.uk](https://citizensadvice.co.uk) for Northern Ireland

## Civil Legal Advice

0345 345 4 345

or visit [gov.uk/civil-legal-advice](https://gov.uk/civil-legal-advice)

## Money Advice Service

0800 138 7777

or visit [moneyadviceservice.org.uk](https://moneyadviceservice.org.uk)

## Money Advice Scotland

[Moneyadvicescotland.org.uk](https://moneyadvicescotland.org.uk)

## StepChange Debt Charity

0800 138 1111

or visit [stepchange.org](https://stepchange.org)

## Alzheimer's Society

020 7423 3500

or visit [Alzheimers.org.uk](https://Alzheimers.org.uk)

## MIND

Infoline: 0300 123 3393

visit [mind.org.uk](https://mind.org.uk)

or email [info@mind.org.uk](mailto:info@mind.org.uk)

## Age UK

0800 055 6112

or visit [ageuk.org.uk](https://ageuk.org.uk)

## Carers UK

0808 808 7777 or visit [carersuk.org](https://carersuk.org)

## LPAs and Deputyships

- Office of the Public Guardian - England & Wales
- Power of Attorney – [gov.uk/power-of-attorney](https://gov.uk/power-of-attorney)
- Deputyship - [gov.uk/become-deputy](https://gov.uk/become-deputy)
- Office of the Public Guardian – Scotland - [publicguardian-scotland.gov.uk/power-of-attorney](https://publicguardian-scotland.gov.uk/power-of-attorney)
- Power of Attorney – Northern Ireland - [nidirect.gov.uk/articles/managing-your-affairs-and-enduring-power-attorney](https://nidirect.gov.uk/articles/managing-your-affairs-and-enduring-power-attorney)

### Lasting Power of Attorney (LPA)

A legal document that lets a customer appoint one or more people (known as 'attorneys') to help make decisions or to make decisions on their behalf. There are two types of LPA: health and welfare, and property and financial affairs.

### Deputy

A deputy is a person appointed by the Court of Protection to be legally responsible for someone who lacks capacity to make decisions for themselves where there is no power of attorney.

### Third party withdrawal mandate

A document that assigns some powers to a trusted third party, usually a friend or family member, so that they are able to help a customer manage their finances

### Letter of authority

Used to give a third party supporter permission to carry our actions on a customer's account. Usually for a single transaction i.e. withdrawing money.

