



POWER OF ATTORNEY, THIRD-PARTY ACCESS AND LETTER OF AUTHORITY

The three most common options to manage someone's financial decisions on their behalf are Power of Attorney, third-party access, and Letter of Authority

You may choose to explore one of these options if you're struggling with declining health, mental health or have mental capacity limitations, which could be short or long-term. Below, we explain what each option means and how you can use them.

LASTING POWER OF ATTORNEY

Put simply, Lasting Power of Attorney (LPA) is a legal document where you (known as the 'donor') give one or more people (known as the 'attorneys') permission to make decisions for you. Usually, this person, or people, are close friends or family members.

To give someone Lasting Power of Attorney, you need to be over the age of 18 and be of a capable mental capacity, which means that you can't give someone Power of Attorney if you're suffering from severe dementia, for example.

The registration fee for a Lasting Power of Attorney is £82, but the total set up fees can be more expensive. Visit [the gov website to see if you can get a reduction or exemption](#).

The LPA can be used as soon as it's been registered as long as you've given permission.

TYPES OF LPA

There are two main types of LPA – Health and Welfare LPA and Property and Financial Affairs LPA.

A Health and Welfare LPA lets someone else make decisions about:

- Your general medical care
- Your daily routine (e.g. washing, eating etc.)
- Life-saving or life-sustaining medical treatment
- Moving you into a care home

A Property and Financial Affairs LPA lets someone else make decisions about:

- Your general money and property
- Managing any bank accounts
- Paying bills
- Selling your home or other property
- Your benefits and pensions

An LPA will last indefinitely unless you choose to revoke or cancel it. Once revoked, you'll have full control over your choices, property and money.

THIRD-PARTY ACCESS

Third-party access is letting someone you trust use your current or savings account. The person you give third-party access will be able to do most of the same things you do regarding your account.

They'll be given their own card and PIN to access your account, and will be able to:

- Draw money out of your account
- Use your online banking
- Manage your direct debits

Third-party access can be helpful as a short-term solution, like if you've been injured and can't get your own shopping.

The most important thing to remember with third-party access is that while you might be giving someone else shared control over your bank account, you're still responsible for whatever they choose to do – so only grant this to someone you can trust.

You both set up and cancel third-party access by getting in touch with your bank. To be made a third-party, the person must be aged 18 or over, and be a UK resident.

LETTER OF AUTHORITY

A Letter of Authority (LOA) allows you to give an organisation permission to manage affairs on your behalf.

At PayPlan, for example, we can contact your creditors on your behalf once we've received a signed LOA from you, and act as a go-between with you and the creditors from that point onward.

If you're dealing with difficult circumstances such as mental health issues, this can really help reduce the stress that can be associated with contacting your creditors directly, especially if you've got multiple creditors asking you for payment on debts.

If you prefer, you can also appoint a third party to deal with your account on your behalf by completing a third-party letter of authority form. This would be in addition to your LOA.

A third-party letter of authority will ask you to confirm:

- Details of the third party you want to act on your behalf
- How long you want the third party to act on your behalf for
- What type of information can be discussed
- The level to which the third party is authorised to make decisions for you

For more information on looking after your finances and your wellbeing, visit www.payplan.com/financial-wellbeing.