



Factsheet

Managing Money

A factsheet for parents/carers of children and young people with Special Educational Needs and Disabilities

Many families have said they worry about how to manage their young person's money. Families want to know the best ways of supporting their son or daughter to manage their money and this can include setting up bank accounts and finding out what options are available if the person has difficulties understanding money and finances.

The first issue to consider is whether your young person is able to make informed decisions and this is covered by the Mental Capacity Act (2005). The Act states that anyone over 16 must be presumed able to make decisions themselves, with support if necessary, unless it can be shown that this is not the case.

Mental Capacity is not straightforward as it is based on the situation and is also time specific. Having mental capacity to understand something does not necessarily mean knowing about all the complex detail, and issues can be explained in a simple visual way.



People should not be treated differently (discriminated against), because they have a learning disability. This is against the law and is part of the Equality Act 2010. This law also says that you should get support if you need it to make your own decisions. The law says that banks must make changes to the way they serve you if you need them to because of your disability e.g. if you have to have your statements in larger print or if you need more help in setting up your account. These changes are called 'reasonable adjustments'.

Banks can offer different ways to support someone to access their money if they need it such as:

- Allowing different forms of proving identity, if a person does not receive bills in their name
- Providing easy read formats for letters and information
- Enabling banking to be in a branch, rather than only offering online or telephone banking
- Using a chip and signature card if a person has difficulty remembering their PIN number

Banks also offer different types of accounts and can recommend one suitable for your situation:

- **A basic bank account** – this enables a limit to be placed on how it is used, for example stopping the young person going overdrawn. A debit or cash card will be supplied and money and cheques can be paid in, plus direct debits and standing orders can be set up
- **A joint account** – which allows you and the young person to have some control over the account, but will depend if the young person has capacity to agree to this
- **A savings account** - with this account you can put money away that you don't need and it can earn you a small amount of money in interest
- **A third party mandate** – which is where the person gives someone access to their account, and this depends on whether the account holder has mental capacity to do this



If your young person is unable to manage their own money or bank account with support, then there are other options you can consider:

Lasting power of attorney – where your son or daughter gives you the power to look after their finances. They would need the mental capacity to give you this power and as an attorney you must always act in the person's best interests and consider their wishes and choices as much as possible. There are certain duties such as keeping the person's money in a separate account from their own, and keeping records of how the money is used. A lasting power of attorney needs to be authorised by the Office of the Public Guardian.

Deputyship - if your young person lacks the mental capacity to give you power of attorney, you can apply to the Court of Protection for deputyship for property and financial affairs. There are some cost implications to consider when applying for a lasting power of attorney and/or a deputyship.



Managing Benefits

When your child turns 16, the Department of Work and Pensions (DWP) will deal directly with your son or daughter. If they do not have mental capacity to manage their own benefits, you can ask the DWP to make you an appointee to handle their benefits on their behalf.

Useful contacts



The Money Advice Service has a guide of activities to do with young people to help them learn about money – 'Helping young people with learning disabilities to understand money' at www.moneyadviceservice.org.uk or Freephone 0800 138 7777



The British Bankers' Association has a guide to managing money for someone who lacks mental capacity at www.bba.org.uk/publication/leaflets/
(NB: this site is no longer being updated)



Go to the **Official Government website**: www.gov.uk for information on becoming an appointee or lasting power of attorney



British Institute of Learning Disabilities has an information pack on a range of topics about managing money at www.bild.org.uk



Mencap has useful information on the Mental Capacity Act and other resources www.mencap.org.uk or help and advice line Tel: 0808 808 1111

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