

## FINANCIAL MATTERS – FACTSHEET 6

### Paying for care and support when someone lacks mental capacity to manage their own finances (2026–27)

This factsheet explains what happens when a person can no longer manage their own finances and needs help to pay for adult social care. If you are dealing with someone's finances on their behalf, please read and keep this leaflet.

#### IMPORTANT

Once a person lacks mental capacity:

- No one is allowed to access or manage their money unless they have been legally appointed (for example, as an Attorney, Deputy, or DWP Appointee). Using bank cards, online banking or withdrawing money without authority is not allowed, even if you helped previously.
- You must have legal authority to manage their finances

#### **When someone can no longer manage their finances**

If a person is no longer able to manage their own financial affairs, arrangements must be put in place to make sure their money and property are managed lawfully and in their best interests. The type of arrangement needed depends on the person's circumstances and what assets they have.

#### **Power of Attorney (Property and Financial Affairs)**

If the person made a Power of Attorney for property and financial affairs while they still had capacity, this must be registered with the Office of the Public Guardian before it can be used.

If Sefton Council needs to carry out a financial assessment, we will ask to see a copy of the registered Power of Attorney and may need to view the original document.

#### **Applying to the Court of Protection**

An application to the Court of Protection is usually needed if the person owns property or has significant savings or income, and there is no registered Power of Attorney.

- Anyone aged 18 or over can apply to become a Deputy if they can show they are suitable.
- Deputies must keep clear financial records and submit regular reports to the Office of the Public Guardian.
- Deputies must be able to devote time to managing bank accounts and dealing with financial organisations.
- There are application and ongoing supervision fees. These are paid from the person's money.

You do not have to use a solicitor, but you may choose to do so. Solicitors will charge their own fees.

If no one is willing to apply to become a Deputy, Sefton Council may ask an independent solicitor to apply. Family members may be contacted to provide financial information.

### **Department for Work and Pensions (DWP) Appointeeship**

While waiting for a Court of Protection decision, an application should normally be made to become a DWP Appointee. This allows state benefits to be received and managed on the person's behalf.

- There is no charge to become a DWP Appointee.
- Appointeeship only covers state benefits – it does not give access to other income, savings or property.

If no one applies to be a DWP Appointee and the person is living in a care home, Sefton Council may apply. A weekly charge of £4.50 applies if capital is over £1,000, plus a one-off £181 charge when the arrangement ends.

### **If Sefton Council is paying care home fees**

If a person lives in a care home and a Deputy has not yet been appointed, Sefton Council may pay care home fees temporarily.

An agreement must be signed by the prospective Deputy confirming that any money paid by the Council will be repaid from the person's assets once Deputyship is in place.

## **Once Deputyship has been awarded**

The Deputy must contact the Financial Assessment Team as soon as Deputyship is granted. We will carry out a financial assessment based on the person's circumstances at the time they entered residential care. This will be backdated to the date the Council started funding care, and will include any increases in income or the cost of care during this period.

Any outstanding charges will be invoiced and must be repaid from the person's funds.

## **Your responsibilities as Deputy or Attorney**

If you are acting as a Deputy or an Attorney under a Property and Financial Affairs Lasting Power of Attorney, you must manage the person's money only in their best interests and in line with the Mental Capacity Act 2005.

You must not give away, transfer, or spend money or property in a way that is intended to reduce care charges or avoid paying for care. This is known as deprivation of assets. Examples include making large gifts, selling property for less than its true value, transferring savings to another person, or paying for items that are not for the person's benefit.

If Sefton Council decides that deprivation of assets has occurred, we may treat the person as still owning the asset and charge for care as if the money or property was still available. This may result in higher charges and arrears that must be repaid.

### **IMPORTANT**

- Deputies and Attorneys have a legal duty to act honestly, keep proper financial records, and be able to explain all financial decisions.
- You must notify the Office of the Public Guardian about significant financial decisions, including large gifts, transfers of money, property sales, or any decision that could reduce the person's assets.
- The Office of the Public Guardian can investigate concerns, require repayment of money, remove a Deputy or Attorney, or take further action if duties are not followed.

## **Useful information and contacts**

Court of Protection: <https://www.gov.uk/courts-tribunals/court-of-protection>

DWP Appointeeship: <https://www.gov.uk/become-appointee-for-someone-claiming-benefits>

Sefton Council Financial Assessment Team: 0151 934 3537

Note: This leaflet is a general guide. Individual circumstances may be different.  
You can ask for this information in other formats.