

## What is power of attorney?

### Video transcript

**0:02 Preetinder Macmillan Financial Guide** What is a power of attorney? This is one of the questions that people often ask us on the Macmillan Support Line. I'm Preetinder, and I'm one of the Financial Guides at Macmillan.

A power of attorney is a legal document which allows you to give another person the ability to manage things and make decisions for you in certain situations.

#### **0:19** Types of power of attorney

There are different types of power of attorney, such as medical and financial. I'm going to talk to you about the financial side of things.

Depending on your situation, you can have someone manage all of your property and finances, or you can give a specific power to deal with one aspect, such as running your bank account.

#### **0:40** Setting up a power of attorney

To set up power of attorney, you will need to complete power of attorney forms. These are available on the government websites.

You have to register it where you live, whether that is in England, Wales, Scotland, or Northern Ireland. You can do it yourself, but it's a good idea to get advice from a solicitor.

There is often a fee for this, but you may not have to pay it if you get certain benefits or are on a low income.

#### **1:05** Mental capacity

When you set up power of attorney, you must have mental capacity to make your own decisions.

This means that you need to be able to make your own decisions and understand how they can affect you.

You can find out more about mental capacity at [www.gov.uk/mentalcapacity](http://www.gov.uk/mentalcapacity).

Your nominated attorney can start acting on your behalf as soon as you have registered it, or you can request that it only comes into force if you lose the capacity to deal with your finances yourself.

#### **1:36** Cancelling a power of attorney

You can cancel your power of attorney at any time while you still have mental capacity. If you lose your capacity, you can only cancel with the agreement of a court.

The arrangement also stops if you were to die.

#### **1:49** Ordinary power of attorney

There are some other options to a power of attorney depending on your circumstances. If you only want to give someone else the power to manage your financial affairs for a short period of time, such as while you are in hospital, you can do this using an ordinary power of attorney.

You don't have to register an ordinary power of attorney with any official authority, but you need to write it so it's legally binding. It stops when you cancel it or if you lose mental capacity.

**2:17** Third party mandate

If you want to allow someone else short-term access to your bank account, you can do this with a third party mandate.

You can arrange with your bank to accept instructions from someone else.

The account will remain in your name, but your nominated person will be able to take money and pay for things on your behalf.

It's important to know that if you lose mental capacity, you or your nominated person will need to tell the bank, and the mandate will stop. Also, if you were to die, the mandate will no longer be valid.

Not all banks allow third-party mandates.

**2:50** Finding more information

We hope this video has answered your question today. If you would like more information, support, or just someone to talk to, please call us free on 0808 808 00 00. Thank you.