

Understanding Powers of Attorney

by Karen MacDonald of Care @ Monetary Solutions



It is important to seek legal advice when setting up a Power of Attorney. Although we don't advise on these, we understand the importance of having them in place and often refer clients to qualified individuals. We are used to dealing with Attorneys especially when it comes to care-fee planning.

A Power of Attorney enables another person to make decisions on your behalf if you lack the mental capacity to do it yourself. Mental capacity can be lost due to an injury such as a car accident, or a condition such as stroke or dementia. This can happen to anybody, any time,

and therefore we all need a Power of Attorney in place. We can't stress enough how important this is.

Lasting Power of Attorney (LPA)

LPAs are legal documents that let you (the 'Donor') appoint people (known as 'Attorneys') to make decisions on your behalf. LPAs replaced **Enduring Powers of Attorney** which can still be used if they were made and signed for prior to October 2007.

There are two types of LPA:

1. Health and Welfare

Health and Welfare Lasting Power of Attorney allows one person or more to make decisions about things that affect your daily routine, including medical care, moving into a care home and life-sustaining treatment.

2. Property and Finance

Property and Financial Affairs Lasting Power of Attorney lets you choose one person or more to make decisions about money and property for you, such as paying bills, collecting benefits and selling your home.

Court of Protection

A Power of Attorney can only be set up while you have mental capacity. If you have already lost mental capacity, then your friends or family need to apply to the Court of Protection who will appoint a **Deputy** to act on your behalf. The Deputy will make decisions about your personal health and finances. This option takes away your choice of who can be appointed and the process can be very costly – so it's important to put a Power of Attorney in place while you can.

As stated above, it's important to seek legal advice when setting up LPAs. As Independent Financial Advisers, we don't advise on this.

For a no-obligation discussion, please call **01403 288078** or **020 8655 8488** or email care@monetarysolutions.co.uk.

