

## Lasting Power of Attorney Fact Sheet

### WHY SHOULD I MAKE A FINANCIAL LASTING POWER OF ATTORNEY?

If you've never heard of a Lasting Power of Attorney (or LPA), you're not alone. Or you may be familiar with the term, but have decided it's not relevant to you. Few of us want to think about what might happen if we lost our mental capacity, but the statistics of people living with dementia in the UK are sobering (the Alzheimer's Society predict over one million people by 2025, and it is shocking to hear that 225,000 will develop dementia this year alone).

An LPA is a legal tool which means you can appoint someone you trust to help you make decisions about your finances when you are no longer able to do so. The majority of LPAs are used in this way, by people suffering from Alzheimer's or dementia.

### WHAT'S THE URGENCY?

One person in the UK develops dementia every three minutes. What if that were you? It's easy to assume that a spouse or relative could take over your financial affairs on your behalf; but the process is far from easy without an LPA in place.

An LPA must be made when you are fit and well. Once mental capacity has been lost, it's too late and then it is up to a relative to apply to act on your behalf which involves a lengthy, often costly court process. At A R K, we consider the creation of an LPA to be as important as creating your will. Without these legal tools in place, you and your family may be left in a very vulnerable situation.

We recommend that everyone should make an LPA when they are young to act almost as an insurance policy. But don't be frightened that setting up an LPA equals losing financial control. It may never be needed or it may only be needed many years later if Alzheimer's or dementia is diagnosed. However, it may be needed sooner if you suffer an accident or a stroke which leaves you unable to manage your own money. Everyone should have the reassurance of knowing that whatever happens, their family will be able to help pay their bills or access money for their care. And it's important to note that if you recover from your accident, you will be able to regain control of your finances.



An LPA is there for your protection and is designed to be flexible enough to cater for your needs at a specific time.

### WHAT HAPPENS IF I DON'T SET UP AN LPA?

If you become too ill to look after your own finances, nobody is allowed to help you without permission from the Court of Protection (CoP). They must apply to the Court to be appointed as a 'Deputy' so they can manage your affairs.

A Deputy can regain control (with luck) inside six months. And please be aware that it is extremely unlikely that a Common Law Partner will be appointed as a Deputy.

When Alzheimer's or dementia is diagnosed, the CoP is informed. A Deputy application can then be made by one of your family members, but in the meantime all your assets are frozen and this will include joint accounts unless a special emergency CoP order is obtained at considerable expense.

What's more, the CoP charges a fee for appointing a Deputy, which is far more than the cost of making an LPA at the outset. The Court also charges for overseeing the actions of the Deputy and expect regular accounts and updates. Ultimately, the CoP is responsible for ensuring that the Deputy is acting in your best interests.

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*“Protecting you from the worst”*

## THE BENEFITS OF SETTING UP AN LPA

- LPAs are far cheaper than the court process – you will only pay to set it up and then to get it registered (and you don't need to register it immediately; you can wait until there is an indication it may need to be used).
- LPAs are far easier to set up and far less stressful.
- Just because you are married or have a joint account with someone, this doesn't mean they can deal with the matter on your behalf where there is no LPA in place.
- If the CoP become involved they will freeze joint accounts until a Deputy is appointed.
- You need both signatures to sell a jointly owned property; so either an LPA or a Deputyship order will be needed.
- An attorney appointed under an LPA has much more freedom than a Deputy appointed by the CoP

## WHY USE A R K LASTING POWERS & WILLS?

We will make the process simple and stress-free. You will only need to spend about 30 – 45 minutes giving us the details of the attorneys you'd like to appoint. We'll provide one-to-one advice and support throughout the process; we'll collect signatures from any relevant person who is present at the initial appointment, and then arrange for attorneys who are not present to sign where needed (this can often be done by post). And we're fully qualified and authorised to sign the LPA to confirm that the person making it has the mental capacity to do so.

Our fees are vastly less than a solicitor may charge, but you will receive exactly the same document once the process is completed. The fee for the first LPA anyone makes with us is £280 + VAT.\*



It is possible, if you are a business owner, that you may need two LPAs for your financial affairs; one for personal matters and one for business related matters, but this is not always the case as you may feel that the same person/people can look after everything for you. If you are in partnership, or you are not the only director of a company, it is much more likely that a separate LPA will be needed so that your partner(s) or fellow director(s) can act on your behalf to ensure that the business can continue to operate. Your A R K advisor can discuss the options with you. If you need two separate Financial LPAs the fee payable to A R K will only be £480 + VAT.\*

There is another type of LPA which covers health and welfare matters and gives people you trust the right to make decisions regarding your daily care if you're too ill to do so. We can give you information regarding this type of LPA as well, and if you think that it makes sense for you to have both documents the fee payable to A R K will only be £480 + VAT.\*

If you decide that you would like to cover all angles by having two financial LPAs in place (one personal and one business) plus a Health & Welfare LPA the fee payable to A R K will only be £680 + VAT.\*

## WHAT DO I DO NEXT?

Call A R K on 01438 746977 or 07926 339934 to discuss making an LPA, or to arrange a daytime or evening appointment. We generally prefer to see people in the comfort of their own homes, but daytime office appointments can be arranged if you would prefer.

\* If you decide to register your LPA immediately, the Office of the Public Guardian charges a fee of up to £82 for each LPA you are registering.

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