

# Self-directed support

## Opening a bank account

If you have a personal or individual budget you will need a separate bank account. Opening a bank account can be complicated.

This fact sheet explains how to open an account.

It tells you about different kinds of account, identity and opening an account on behalf of someone who 'lacks capacity'.



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# The basic facts

## Two things often stop people from easily opening a bank account:

- proving your identity and showing you have 'capacity' (you understand and can manage your money). If you're opening account on behalf of someone else, you have to have the right authority
- banks often don't have good customer care or understanding of people who need support.

However, if you are prepared, you can avoid some of the problems.

## Think about these things before opening a bank account:

- what kind of account do you need? There are lots of different kinds
- do you have the right kind of ID – a document proving your identity?
- opening a bank account for someone who 'lacks capacity' – can't make decisions for themselves – is not easy. You need the right authority under the law (the Mental Capacity Act).

There is more information about these things in this fact sheet.

## If you think there might be a problem about opening an account:

- make a face-to-face appointment with your local branch and tell them what you need. Seeing someone face to face is easier than explaining to someone on a phone in a call centre
- look for banks that are starting to offer personalised banking services
- ask other people who have accounts. Try to get a recommendation from a local, satisfied customer
- if you can't get to a bank or building society, ask if they will visit you at home.



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If you want to open or manage an account for someone who lacks capacity, the bank has to act within the law. It will want evidence that you can legally act on the person's behalf. There's more information about this below.

## More information about opening a bank account

### What kind of account?

There many banks, building societies and types of account. Start by thinking about what's important to you.

Here's a list of things that might be important to you:

- face-to-face contact at a branch
- phone banking
- branch nearby
- Internet banking
- postal account for savings
- access to cash
- cash machines nearby – free to use?
- cashback facilities at supermarket, other shops or pub
- access at the Post Office
- amount of interest
- Shariah compliant – a return, not interest
- borrowing – how much?
- overdraft facility – are there charges?
- cash card
- debit card
- cheque book
- direct debits
- standing orders
- any restrictions on withdrawals.



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**Before you open an account, the bank will give you information about things like:**

- the services the bank offers
- charges and interest rates
- terms and conditions of the account
- how you can access the account – for example in a branch or using the Internet
- spending limits on the account
- what to do if things go wrong.

## Opening an account

**When you know what kind of account you want, you usually have to:**

- fill in an application form
- give proof of identity – you need to prove who you are and where you live
- pay some money into your account (though you may be able to do this later).

The bank will tell you if it plans to run a credit check on you.

## Joint accounts

If you apply to open a joint account – an account with one or more other people – there are extra rights and responsibilities. The bank should tell you about these before you open the account.

**Ask:**

- Can one person withdraw all the money in the account without the other account holder(s) knowing or giving permission?
- Is each person individually responsible for repaying the whole amount of any overdraft?
- What happens if your relationship with a joint account-holder ends?

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## If the bank refuses to give you an account

Sometimes accounts are aimed at particular customers. If you're not in that group, the bank may refuse an account. If they refuse you, you can ask for a reason. Generally, being refused doesn't affect your credit rating or stop you opening an account somewhere else.

## Proof of identity

The law says banks have to know the identity of new customers. This is to help stop criminal activities like money laundering.

Banks will ask you for a document or check the electoral roll or lists held by credit agencies.

Most banks ask for documents.

### They may ask you for a document issued by a government office:

- with a photograph – like a valid passport
- without a photograph – like a valid old-style driving licence – plus some other document.

### If you don't have these, they may accept other documents that confirm your identity – things like:

- a letter from a government department or local authority saying you have a right to state benefits
- a letter from a young person's workplace or educational institution
- a letter confirming a person's identity from a care-home manager or warden of sheltered accommodation or a refuge.

There may be other ways of proving identity if you are an international student, migrant worker, refugee, asylum seeker, prisoner or on probation.

To find out what each bank accepts, check on their website or ask branch staff.

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## Opening or managing a bank account on behalf of someone who lacks capacity

There is a law that covers people who lack the capacity to make decisions in some or all aspects of their life – including managing their money. This is the Mental Capacity Act 2005. It affects people in England and Wales over the age of 16 (and in some cases, people under 16).

There is also an important Code of Practice – a legal document that gives guidance to people who owe a duty of care to someone who lacks capacity.

There are three ways that someone can be given authority to make decisions about money matters on behalf of someone who lacks capacity. (Sometimes someone might have capacity, but still want someone else to make decisions for them.)

### This authority to make decisions can be given to:

- an attorney appointed under Enduring Power of Attorney or Lasting Power of Attorney
- a Deputy appointed by the Court of Protection/ Someone Acting under a Court Order
- an appointee of the Department of Work and Pensions (DWP).

**These three roles are quite technical. There is a summary in this fact sheet, on the next page. There is also another In Control fact sheet about this – ‘Making decisions on behalf of other people’.**

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# More detail about opening an account on behalf of someone who lacks capacity

## Lasting Powers of Attorney

The Mental Capacity Act introduced two new forms of Lasting Powers of Attorney (LPA). One of these is the Property and Affairs LPA.

The person who lacks capacity ('the donor') would have completed an LPA form while they still had capacity to appoint someone to make decisions on their behalf.

The attorney named on the LPA or the donor must register with the Office of the Public Guardian before the attorney can act.

## Court Appointed Deputies/ someone acting under a court order

The Act created a new Court of Protection which gives 'deputies' authority to make decisions on behalf of someone who lacks capacity. A deputy is often a family member or close friend.

The Court of Protection can make an order where a one-off decision is needed. The Court can also appoint a deputy or deputies if a series of decisions is needed.

## An appointee of the Department of Work and Pensions (DWP)

An appointee is someone appointed by the Secretary of State of the DWP to act on behalf of a benefit customer who can't manage their benefit affairs because of mental incapacity (or severe physical disability).

An appointee can only manage the benefits money. If the appointee wants to manage other money and banking, they need to apply to the Court of Protection to become a 'deputy'.

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# An example

## How Sophie's mum and dad became 'Deputies'

Sophie is 21 years old and has had a personal budget for three years. Before that, she had had a direct payment since she was 16.

Sophie has severe learning difficulties and would be described as 'lacking capacity' to make serious decisions. As her mum and dad, we have always administered her personal budget through a bank account in our name and have a separate account for her benefits. As her mum, I'm her appointee. This was all working well and neither our council nor the DWP had any issues – so why change something that isn't broken?

### Party causes problem

Well, Sophie turned 21 years old and had a really big party. Many people wrote her a cheque instead of giving a present. The cheque was payable to Sophie so couldn't be paid into the account we had set up in our names. As the bank understood and were familiar with our situation, we went in to explain to the bank manager.

The bank manager said that we would have to open an account in Sophie's name to pay in the cheques. To do this we would have to apply to the Office of the Public Guardian for Deputyship. This all seemed a bit extreme for a bit of birthday money, until the bank manager explained that, should something happen to us parents, ALL our bank accounts would be frozen until our estate had been sorted out, regardless of the fact that we were managing Sophie's income from her benefits and money for her support.

### Problem solved

We decided to apply for Deputyship and even appointed a successor (her brother) in case of our death. This took about six months from start to finish. We even made a will and set up a discretionary trust. With having the legal right of being her Deputy, opening a bank account was pretty straightforward and now we really do have peace of mind should anything happen to us.



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**There is a lot of information about self-directed support on In Control's website:**  
[www.in-control.org.uk](http://www.in-control.org.uk)

**For information about opening a bank account, try:**

**Financial Services Authority**

Telephone: 0300 500 5000  
[www.fsa.gov.uk](http://www.fsa.gov.uk)

**British Bankers' Association**

Pinnars Hall, 105-108 Old Broad Street, London EC2N 1EX  
 Telephone: 0207 216 8800  
[www.bba.org.uk](http://www.bba.org.uk)

**For information about the Court of Protection and becoming a Deputy, or to register a Lasting Power of Attorney, go to:**

**The Office of the Public Guardian (England and Wales)**

Customer Services, Archway Tower  
 2 Junction Road, London N19 5SZ  
 Telephone: 0845 330 2900  
 Email: [customerservices@publicguardian.gsi.gov.uk](mailto:customerservices@publicguardian.gsi.gov.uk)  
[www.publicguardian.gov.uk](http://www.publicguardian.gov.uk)

**For advice about benefits for people with disabilities and their helpers:**

**Benefit Enquiry Line**

They can tell you how to apply to be an appointee to manage banking for someone who lacks mental capacity.

Telephone: 0800 88 22 00

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## Scotland

This fact sheet does not cover Scotland. If you live in Scotland, contact:

### The Office of the Public Guardian (Scotland)

Hadrian House, Callendar Business Park  
Callendar Road, Falkirk FK1 1XR

Telephone: 01324 678 300

[www.publicguardian-scotland.gov.uk](http://www.publicguardian-scotland.gov.uk)

### About the **In Control and Me** project

A three-year project to produce accessible information for everyone who wants to direct their own support, funded by the National Lottery through the BIG Lottery Fund. You can find out more at [www.mencap.org.uk/incontrol](http://www.mencap.org.uk/incontrol) or [www.in-control.org.uk/icandme](http://www.in-control.org.uk/icandme)



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