

# Payment Cards in Adult Social Care

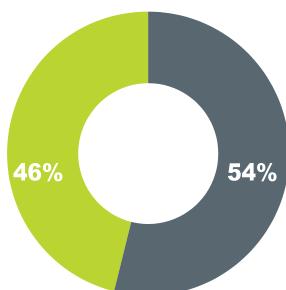
Payment cards are a way for local authorities to manage the allocation of funding for individuals in need of adult social care, including disabled people, elderly people, and carers of disabled people. Instead of an individual receiving a direct social care payment directly into their bank account, local authorities can load the allocated funding onto a payment card.

After concerns were raised regarding usage of the cards, a Freedom of Information request was issued to all social services authorities in England by the Independent Strategy Living Group.

## The key findings

All local authorities with social services responsibilities for adults responded to the freedom of information request.

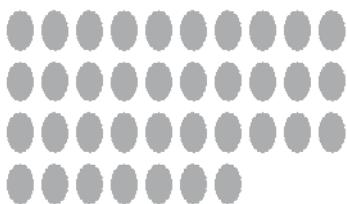
Across the 152 local authority areas, **629,989 people receive long term care and support**, over two thirds of these were in receipt of a personal budget. **69 local authorities reported that they used payment cards**.



- **payment cards used**
- **payment cards not used**



**15% of all personal budgets in the areas that used payment cards were managed with a payment card.**



**37 local authorities provided figures on the fees and operating costs they incurred.** In total these local authorities spent **£1,112,126** which represents **£66.28** average set up cost per person.



**Two card providers dominate the market**, providing services to 78% of all local authorities using payment cards.

## Local authorities can view transactions disabled people make on the cards by accessing the client's account online.

Local authorities commonly tightly control the use of money on the cards, often placing blanket restrictions on cardholders using the payment cards to withdraw cash. **Despite the Department of Health issuing statutory guidance which says local authorities should not place restrictions on cash withdrawals from paid cards, a third of local authorities do not permit cash withdrawals.**

## Issues & concerns

Practice in relation to payment cards varies substantially geographically.

Common themes around how the cards are operated revolve around restriction and control, rather than promoting choice and flexibility.

## Monitoring



The attraction of payment cards seems to lie in the ability they give to local authorities wishing to monitor spending, meaning an increasing number of local authorities are not following statutory guidance.

**Payment cards can lead to disabled people being subjected to unfettered monitoring, with unnecessary storage of personal information.**

It is not clear that disabled people are being made aware of the level of oversight and control which accompanies the use of the cards.

The local authority has the unilateral power to monitor, control and to seize funds with no requirement for due process or appeal. **There seems to be little transparency or accountability for actions which could have far-reaching consequences for the disabled person and their family.**

Whilst payment cards are justified in allowing an established monitoring process, this fails to question the need for such high levels of scrutiny in the first place. **Default restrictions are the norm and a blanket ban on cash withdrawals are imposed by many authorities.**

## Costs

The cost of establishing and maintaining the cards varies widely.



In contrast to the scrutiny on spending expected of disabled people, **many local authorities could not say how much the schemes had cost them to introduce or to run.** It is therefore not clear that the additional cost of operating such systems can be justified.

## Choice and control

The extent to which the cards are a voluntary option for local people varies widely.

In a concerning number of cases, traditional bank accounts are not readily offered as an alternative.

**There is little evidence that local authorities are making people aware that payment cards must be a considered and active choice from a range of options.** Consequently there are significant indications that choice over how personal budgets are managed is being curtailed.



In many other areas, payment cards are being imposed as the default option for managing personal budgets and are a major barrier to direct payments.

**There is little or no evidence to suggest payment cards are being introduced to meet a growing public demand for such financial services, or that they offer any benefit to the end user that a traditional bank account cannot.**

## Recommendations

### 10 things to remember if you are using, or thinking of using, payment cards...

1. **Payment cards should be an active choice** made by the person from a range of meaningful options, including a traditional direct payment paid into an account managed by the person or their representative.
2. Where a payment card system is used, the person should be free to exercise full choice and control. **There should be no blanket restrictions on cash withdrawals from payment cards.** Accounting for cash withdrawals should be subject to the same returns and receipts policies that direct payments are subject to.
3. Where a payment card system is used, the person should be free to exercise full choice and control. **There should be no blanket restrictions on cash withdrawals from payment cards.** Accounting for cash withdrawals should be subject to the same returns and receipts policies that direct payments are subject to.
4. There should be **no default restrictions on the places in which, and services for which, the card can be used.**
5. Any **restrictions on the card should be individually placed and proportionate** to specific, identified, documented and assessed risk.

5. Prior to placing individual restrictions on a person's card, **it should be considered whether this represents a deprivation of liberty** and as such, whether due process has been followed.
6. The process for **accessing and monitoring a cardholder's account must be open, transparent and regulated in a way that respects the individual's dignity**. Access and monitoring should be restricted to a named monitoring officer of the council who must notify the cardholder in advance each time access is to be made to the account (unless serious misuse of funds is detected and brought to the attention of the cardholder first). Monitoring should be limited and proportionate and a record should be kept on the account of each time it has been accessed.
7. **Cardholders must be told what information is held on their account, who has access to it and how long it will be stored for.** The cardholder should also be told, in an accessible format, under what circumstances and after what process any restrictions might be placed upon the use of the card.
8. **Changes to the money available in the account are akin to changing a support plan and should only be made following appropriate review or reassessment process that the cardholder has been central to.** In the event of the death of the budget holder, local authorities will need to close the account and seek to recoup any uncommitted surplus money. They should first communicate their intention to do so to the next of kin or other appropriate person dealing with the estate of the deceased individual, so a final account position can be agreed. Unilateral suspension or closure of accounts should happen only in the most exceptional of circumstances and in order to prevent a known fraudulent misappropriation of funds.
9. In circumstances where the local authority wishes to suspend or place restrictions on the card, they should follow published written procedures that detail the investigation process, timescales and the arrangements in place for sharing findings with the subject of the investigation. **People subject to investigation should be provided with a copy along with the procedures followed, in an accessible format.** They should also be informed of the arrangements for considering and acting upon findings and what mechanisms for hearing an appeal are.
10. Each year the local authority should publish a statement detailing the number of people they provide personal budgets to, the proportion who use payment cards, and the fees incurred for using the cards. **They should also publish a clear and comprehensive explanation of their policy and practice concerning payment cards.**

## For more information...

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**Read the full report here:** <https://in-control.org.uk/wp-content/uploads/2017/02/payment-cards-in-adult-social-care-report-2017.pdf>