

# Money management & the Mental Capacity Act

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Kritika Samsi & Jill Manthorpe  
King's College London

## Study context & Acknowledgements

- EviDEM: Evidence-based interventions in Dementia: [www.evidem.org.uk](http://www.evidem.org.uk)
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## Background

Making decisions about your health, welfare and finances...  
Who decides when you can't?



There is a new law that can help

- o Mental Capacity Act 2005 (England & Wales) encourages people to plan and make views known
- o Appointment of proxy decision-maker **Lasting Power of Attorney**,
- o Specifying preferences in case of future loss of capacity to make one's own decisions, including refusal of treatment (advance decisions)
- o Systems in place for decision making if capacity impaired (Court of Protection).

## Research questions

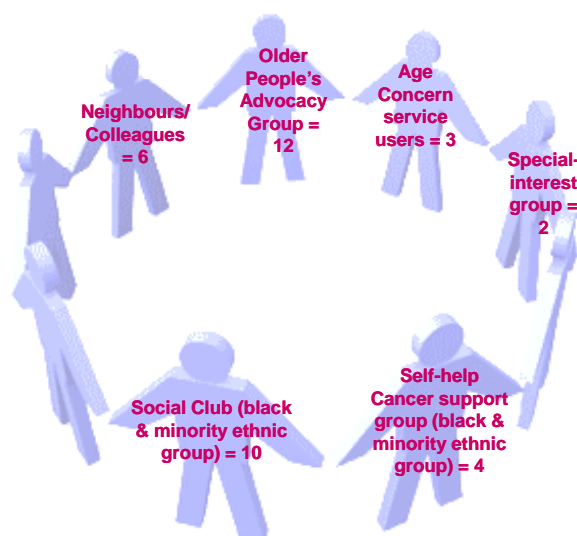
- What are the planning patterns of older adults living in the community?
- How do they approach planning for later life?
- What issues do they take into consideration prior to setting out formal arrangements?
- How does the MCA apply in everyday life?



## Recruitment & Participants

- Range of clubs, societies, special interest groups contacted in London
- Served as 'gatekeepers' who introduced topic and encouraged participation
- Confidentiality and anonymity assured
- Qualitative interviews with 37 older people conducted; 45 minutes – 1 hour

## Older people sample = 37



## Findings



- Longer-term / Shorter-term plans
- Drivers for decision-making
- Dilemmas faced
- Financial plans prioritized over health and social care plans

## Longer-term financial planning

- Reports of longer-term plans covering early retirement, cost-effective solutions, etc.

I invested in solar panelling in my home because I felt long-term that that would benefit, however long I am going to live, the older I get the more I am going to be confined to my home, the more likely I am to need heating and that is a major savings on my bills. And it would ensure that I have warmth and hot water, so I felt that that was a long-term investment.

I spent a long time thinking about that because it was a big investment and I am not a technical person, but just from a practical common sense point of view I thought it would be a good long-term investment, because the money I saved on heating I could at least put towards a good diet or a little bit of enjoyment, social activities, so those are the kind of plans I have made. (001)

## Shorter-term financial plans

- Shorter-term options also being considered
  - Reflected current economic climate
- No I haven't made my Will, (I) drive my husband mad about that. One of my own relations said to me at the weekend, he said, "I'd re-mortgage your house and get money back on it and just spend it, because you will have to leave it to the cats' home" which, I don't want to leave the cats' home anything. I find it really difficult, I couldn't have children and therefore we haven't got really close family, so I don't really know [what to do]... that is why I haven't made a Will. (014)

## Dilemmas faced



"You have to think long-term. You can't afford to be old yet."

- Personal dilemmas
- Unexpected changes to the tax system
- Lack of support and advice with decisions and tax systems

## Personal dilemmas

- Grey areas around inheritance tax
- Feeling not having enough money to need to make plans
- Negotiating family feuds when dividing inheritance
- Poor advice about payment options

## Feelings of powerlessness

She had a massive stroke in November – she was in intensive care for nearly a fortnight – now she is in a private nursing home. Now we know she has got no money, and [her sons] haven't and they are both very worried when is the bill going to turn up, because she was transferred one night to this private nursing home without being consulted. So I have told them to get onto PALS (Patient Advice & Liaison Services), I said if they can't help you they put you in the right direction, I said, you can't afford it. And we do know how much it is because our secretary's husband was in there and we knew how much she was paying out per month and obviously it frightens the life out of you. (011)

## Changes to tax systems – altering plans

I suppose I have made financial plans, well I bought this place and I made it a Trust for my children, I don't own it, it is theirs, but I have the right to live in it, it is something called the \*\*\* Trust which this Government abolished, but in retrospect I have to pay, which I really resent, tax on what would be considered the income from this place, that is a new body blow as far as I can see it. But let us face it, this government has got to get money from somewhere and that was it. I think I paid it, this was the second year and it is a considerable sum... well for my income it is... something... not what do you say... planned for... it came out of the blue a retrospective tax, didn't think you could do it. But the children have let me, I put some other money into trust for them and they are letting me have an income from some of that otherwise I wouldn't survive. (013)

## Drivers for decision-making

- Individual personality and innate tendency
- For the sake of family
- Changing economic climate
- Planning not seen as relevant as no family, no money or rely on state

## Individual inclinations

- Individual personality and innate tendency
- Making plans irrelevant to their situation
- Belief systems and spirituality

“I don’t care if I am dying tomorrow, I said to people look, if it is my turn that God said I should come and join Him, I said I am prepared, what is the use of going to plan, what is the use of worrying?”

– Female, age 65

## For the sake of family

- Responsibility to family as a reason for making plans

Well I have quite a bit of money and, of course, I have to set out how my children will have it, I have a house, you know, paid for so I had to make a Will to... for the children and everybody, that is why. (018)

- Family support renders formal plans ‘unnecessary’

“Well I have got children, I have two daughters, two sons, and they will look after me, well they are looking after me at the moment you know. XX



## Changing economic climate

- Revising retirement plans

The plans I made were just a waste of time and energy, you make plans where you work, you put your money away, you have a second pension perhaps and you think you are going to be comfortable in later years, but it doesn't always work out like that because something always turns up, and your plans are gone out of the window. (028)

- Re-evaluated attitude to future

Yes, I retired last year, so I have a number of pension funds which I decided to take the maximum amount of cash out of because I didn't know what the prognosis was going to be so I thought I would much rather control my money rather than buy an annuity suddenly after five years you know it has gone, so I thought I would get the most out and fortunately I did it just in time before the interest rates have now disappeared so I was lucky I suppose. (024)

## Planning not seen as relevant

- No money to leave behind, no family to leave money to, dependent on state-support

No, I think that would automatically happen with the council, being on the council (living in council housing), I am lucky in that respect, they want this house so they would put me into smaller accommodation (023).

## Health & social care plans not prioritized

- Financial plans prioritized over health and social care matters
- No knowledge of Mental Capacity Act by name
  - ‘Common-sense understanding’ of its principles, rather than legal definition

“Oh now, is it while you are still alive... choices about your house and all that... in case you go into care and somebody has to pay the bills? Yes, that’s it” – Male, age 60

- ‘Living Wills’ ‘Advance Directive/Decisions’ mostly inaccurately understood
  - Associated with euthanasia and aware that this was against the law in UK

## Lasting Power of Attorney

- Mixed levels of awareness of term
- Change from “Enduring Power of Attorney”

Yes, I have heard about that, that has changed from what we had a power of attorney, yes I think, I know a little bit more about that, but I haven’t studied it properly. It is giving over your authority about your welfare and your care and your business affairs and your finances into somebody to deal with them on your behalf if you became incapable. (001)

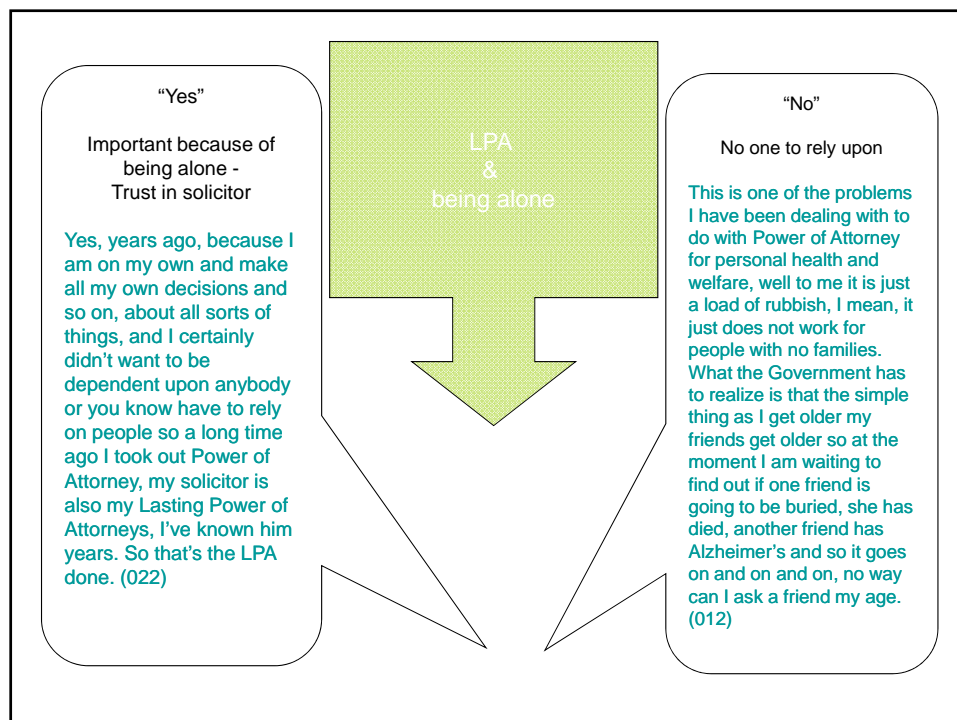
- Some with personal experience of it
- Yes, that is what used to be – that is the new name for it isn’t it, yes and that’s where it is an advocate who makes – like when my brother was in intensive care his son was – had that power and was able to make decisions in regard to his care. (002)

# Lasting Power of Attorney

- Expense + presence of family prevent some people from drawing up LPA



I had a thought of should I do that, but apparently it is very complicated and it has suddenly got much more expensive. So I just didn't bother, I mean, I think to a certain extent I have a very competent family, let's face it, all my children went to University, erm, and I am quite certain that my daughter will probably be the one who would look after me most, my son would, well he would certainly have my best interests at heart, I think they all would. (013)



## Advice and support with planning

- Unsure of best source of advice and support for health & social care plans
  - Financial advice relatively easier
  - Little mention of lawyers or solicitors
- Advice about Advance Decisions and Living Wills more acceptable from medical professionals



## Need for more advice

I think it would be interesting and it would be useful for people if there was more information about how to appoint – I am going to say Power of Attorney – but what's it called...? So I think it would be helpful to have information on that, and I think it would be helpful if there was information much more public out there so people would know what to do where to go, or how to do it, erm, there is obviously people are very scared about paying for care, and this new papers and there is a lot of information about that, but I think basics like Power of Attorney should be known. (002)



## Implications

- Level of planning is specific to each individual
  - Not part of everyone's culture or personality
- Financial advice more widely available; health and social care advice more event-driven
- Plans usually made in best interests of surviving family
- Information might be targeted towards single people

## Disclaimer

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# Thank you

Kritika Samsi

[kritika.1.samsi@kcl.ac.uk](mailto:kritika.1.samsi@kcl.ac.uk)