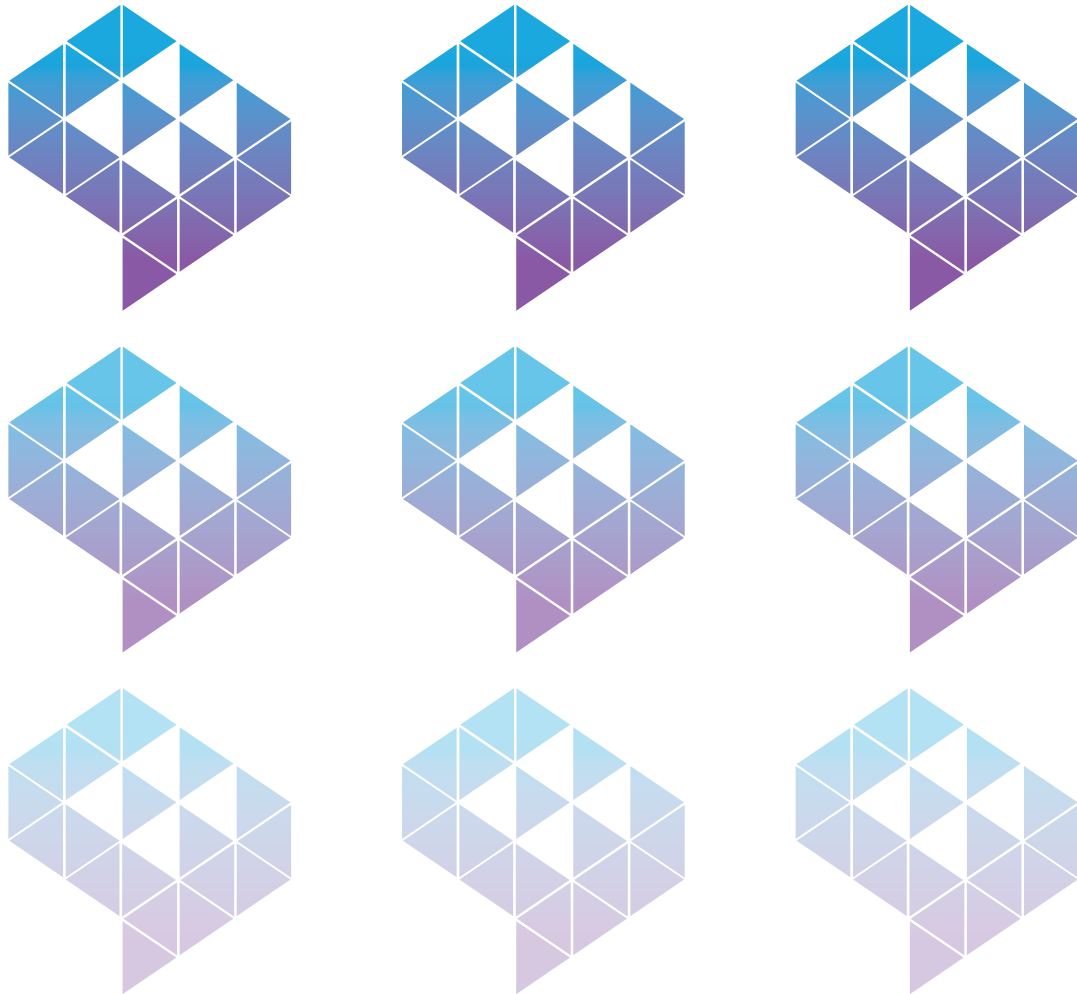




MONEY AND
MENTAL HEALTH
POLICY INSTITUTE



STRENGTH IN NUMBERS:

consumers, carers and financial services
Nic Murray

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Executive summary

What is the problem?

- This report sets out the case for the need for better mechanisms to enable carers, family members and trusted friends to help consumers with mental health problems with managing their money.
- The Financial Conduct Authority and British Bankers' Association are currently working to address the needs of vulnerable consumers, but there is a need to ensure the specific needs of consumers with mental health problems and their carers are taken into account.
- There are almost seven million unpaid carers in the UK and nearly a million (880,000) people care for someone with a mental health problem. Almost half of all carers help with paperwork and financial matters.
- For people with mental health problems this can involve helping with budgeting, ensuring bills are paid on time, limiting increased spending and communicating with banks.
- Only 17% of carers for someone with a mental health problem live with the person they care for. This means they are often struggling to provide support remotely.
- Unlike deteriorating health conditions like dementia or terminal cancer, mental health conditions tend to be fluctuating in nature. This means that support may often need to be put in place very suddenly, but may only be needed for short periods of time.

What are people struggling with?

As a result of the fluctuating nature of mental health problems and providing support remotely, many carers encounter difficulties when trying to help.

• **Trying to limit increased spending**

Carers often find it difficult to know when to step in and stop increased spending during periods of poor mental health, as they have a lack of information about the finances of the person they care for.

• **Helping with budgeting and paperwork**

To ensure the person they care for can manage with budgeting and paying bills, carers may have to frequently check in on their financial situation. They often lack ways to access this information.

• **Communicating with financial service providers as a carer**

Communicating with banks in emergency situations can prove stressful for carers trying to help. Often they have to make frequent calls and repeat information to get things done.

• **Struggles with Powers of Attorney**

Many carers find the process of applying for and using Powers of Attorney difficult, struggling with the paperwork involved in applying for it and using it in emergency situations to prevent financial harm.

People are already placing themselves at risk

Many consumers with mental health problems and their carers are using risky workarounds that contravene terms and conditions of bank accounts in order to get the support they need. Our new research has found that among carers for someone with a mental health problem:

- 52% know someone else's PIN number
- 27% have used someone else's contactless card
- 23% know someone else's online banking password

Using these workarounds leaves the person with mental health problems vulnerable to financial abuse, while carers are unhappy with the lack of transparency and sometimes risk damaging their own financial stability in their attempts to help.

The use of these workarounds is not restricted to people with mental health problems and their carers, however. Among the general public:

- 16.4 million people (32%) know someone else's PIN number
- 7.7 million people (15%) know someone's online banking password
- 6.7 million people (13%) have used someone else's contactless card

These figures demonstrate clear demand and urgent need for a better, more regulated approach by the financial services industry to third party access to accounts.

Recommendations

1. Develop a strategic approach to carer and family access to information

Carers and people with mental health problems often find communicating with institutions stressful. Minimal guidance exists from the Information Commissioner's office for frontline staff on protocol in these situations.

Action point: the Financial Conduct Authority should work with the Information Commissioner's Office to develop clearer guidance for customer services departments on the appropriate times and circumstances in which to share information or access with a carer.

Action point: Consumer service providers should move to develop systems to establish emergency contacts - with appropriate, limited rights of access - as standard when consumers open accounts or sign up for services.

2. Urgently develop simple, flexible and accessible tools for third party access, support and control of customer accounts

There is significant demand from people with mental health problems and carers for financial services providers to offer tools which make it easier to manage money. The following should be available as standard across all current accounts, savings products and credit facilities:

- **Read-only access:** Account holders should be entitled to grant real time, read-only access to a carer or trusted friend on any account.
- **Notifications:** Account holders should be entitled to request notifications of specific activities on their account(s) be sent to a carer or trusted friend.
- **Restrictions:** Account holders should be able to delegate the authority to make some kinds of account decisions or transactions to a trusted friend or carer.

3. Improving the Power of Attorney system

Many people with mental health problems are unaware of the benefits of Power of Attorney or else perceive it to be too controlling. The Office of Public Guardian (OPG) should look at both long- and short-term changes that can be made to the Power of Attorney system to help people with mental health problems avoid financial harm.

Action point: The Office of the Public Guardian should work to improve the communications around Power of Attorney to highlight the benefits for people with mental health problems to prevent financial harm, and ensure it is not seen as a tool only for those in later life.

Action point: Banks and the Office of the Public Guardian should adopt a forward looking approach that will allow people to write more complex Powers of Attorney that are nonetheless compatible with banking technology. A modular system would allow consumers to choose from a range of pre-set options best suited to them, such as limits on transaction size or type of payment over which to transfer authority and financial services providers could then build these capabilities into their software systems, rather than being expected to offer bespoke tools for any eventuality.

Introduction

During periods of poor mental health, many consumers experience significant financial distress. This is often as a result of changes in income brought about by loss of work, reduction in working hours, or relationship breakdown. However, research by Money and Mental Health has demonstrated that a substantial - and potentially larger - proportion of people's financial distress stems from changes in financial behaviour during periods of poor mental health. In a survey of 5,500 people with mental health problems, 60% said one of the main reasons for getting behind with payments was their 'difficulties managing money', while 55% cited 'living on a low income'.¹

The difficulties people have with managing money during periods of poor mental health are many and varied:

- 93% of respondents said they had spent more than usual;
- 92% had found it harder to make financial decisions;
- Nearly three quarters (74%) had put off paying bills;
- Seven in ten (71%) had avoided dealing with creditors;
- Over half (59%) had taken out a loan that they wouldn't otherwise have taken out.²

In July 2016, Money and Mental Health published a consultation paper, 'In Control', which explored a variety of ways to help consumers with mental health problems avoid these kinds of financial harm, and stay on top of their finances while unwell. We identified four approaches which these consumers believed had potential to help minimise financial harm during periods of poor mental health:

- Support from third parties: carers, family members and trusted friends.
- Supportive or restricted financial products that help people stay within the tramlines of good financial management.
- Tools to enable consumers to self-exclude from credit, or particular forms of credit.
- Changes to the way retailers and vendors of potentially addictive products (such as gambling or premium rate phone lines) operate.

This is the first policy paper following on from the 'In Control' consultation, focusing on the need for better mechanisms to enable carers, family members and other third parties to provide support with financial management to consumers with mental health problems.

To inform our recommendations we have conducted in-depth research with consumers with mental health problems and their carers. This has enabled us to understand in detail how carers and the people they look after interact under the current system, the risks associated with current practice, and how systems can be improved to meet the specific needs of these groups of consumers.

In 2017, Money and Mental Health will publish further work taking forward recommendations on the three other channels identified by our research.

1. Holkar M, Mackenzie P, Money on Your Mind, Money and Mental Health Policy Institute 2016.

2. *ibid.*



Section One - In context: the financial services industry's wider approach to vulnerability and carers

This chapter makes the case for a specific focus on the needs of people with mental health problems, and their carers, in designing financial services policy for vulnerable consumers.

In recent years, the issue of consumer vulnerability has been high on the financial service industry's agenda. The Financial Conduct Authority (FCA) found in February 2015 that many firms were not treating customers in vulnerable circumstances fairly and challenged firms to review their approach.³

In response to the FCA's work, the financial services industry, together with charities and consumer groups, launched a Financial Services Vulnerability Taskforce to look at the ways in which institutions could improve the experience of customers who may be in vulnerable circumstances. One of the key recommendations from the taskforce was to make it easy for family and friends to support a customer who is vulnerable, including enabling a friend or family member to help manage their money at their request. The industry's focus is now turning to the invaluable role carers play helping customers in vulnerable circumstances to manage their finances, and making sure the support they need to do this is in place.

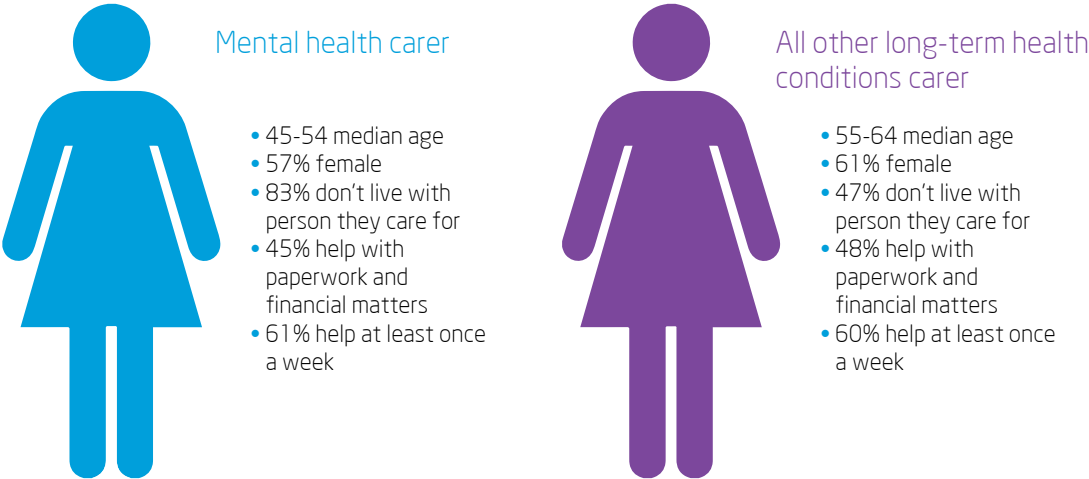
The British Bankers' Association (BBA) are currently working with members to improve processes for carers with a third-party mandate on their loved one's bank accounts and/or a Power of Attorney, the legal mechanism which allows an individual to hand control of their financial affairs to someone else. Concurrently, the FCA are undertaking a major programme of work exploring how the financial services sector needs to adapt to our ageing society, which we understand will include a strand looking at third party access and the needs of carers.

This report sits comfortably within the context of this wider work, but urges all those involved to ensure that the specific needs of consumers with mental health problems and their carers are taken into account. During periods of poor mental health, consumers' ability to interact with markets effectively is often impaired, because it is their mind - where decisions are made - which is unwell. This needs to be clearly recognised by regulators and providers alike. These impairments, coupled with the fluctuating nature of many mental health problems mean that consumers with mental health problems are a distinct group and worthy of specific attention to assure the financial services industry is providing the support they need.

Our analysis has also identified a series of ways the needs of carers for people with mental health problems differ from those of other carers, which we believe it is essential for the financial services industry to understand: in particular the likelihood of needing to provide remote support, and the fluctuating, unpredictable nature of mental health conditions.

3. Coppack, M., Raza, Y., Sarker, S., Scribbins, K., Consumer vulnerability: Financial Conduct Authority FCA Occasional Paper No 8. 2015.

Figure 1. Comparison of mental health carers and carers for other long-term health conditions



1.1 Remote support

Almost half of all carers for someone with any form of long-term health condition, either physical or mental, help the person they care for with paperwork and financial matters, with almost two thirds of this support being carried out at least once a week. However, those supporting people with mental health problems are considerably less likely to live with the person they care for: only 17% live with the person they care for compared to 53% for all other long-term conditions.⁴

This is important for service providers to these consumers to understand: where a carer lives with the person for whom they care, they may be able to have joint financial arrangements, and/or be jointly named on bills and utilities. This means they are able to manage affairs in their own name when needed. This is much more difficult for those who are not cohabiting.

It is also much more practically difficult to manage someone else's financial affairs remotely: for example carers may be unable to visit local branches with the person they care for, or be present for phone calls. Carers may have to rely on digital channels or discuss financial matters over the phone; the person for whom they are caring may struggle with these communication channels.

"I've not been able to help him with his finances... There's a distance between us, he doesn't live close to me."⁵

"I can't physically go there every week and deal with my dad. But if there was a system in place that addressed that, from when he first went into hospital to his release and then integration back into the community every time. Then we wouldn't have to keep going back through the relapses."⁶

4. Survey of Carers in Households 2009/10. NHS Information Centre for Health and Social Care, 2010.
 5. Quote from participant of focus group held on 20th October 2016.
 6. *ibid.*

1.2 Nature of conditions

Many long-term health conditions, in particular those associated with ageing, are degenerative in nature, mean people require increasing levels of support over time. This makes it possible for an individual and their carer to put in place plans of action for how carers can gradually increase their involvement in financial affairs over time.

Mental health conditions, by contrast, tend to be fluctuating in nature, meaning support may need to be levelled up and back down again many times, and may need to be put in place very suddenly.

Though episodes of mania and depression can last as long as 13 weeks in cases of bipolar disorder, research has found that people generally recover from these episodes within a year of their occurrence.⁷ This means that there may be periods when people can experience quite sudden onsets of poor mental health and require high levels of support with managing all aspects of their finances, before being able to regain autonomy and dealing with all financial matters themselves.

At their most severe these periods of poor mental health can result in hospitalisation, which is often sudden and unexpected. These periods, on average, are also longer in duration compared to inpatient stays for people with other long-term health conditions. The average length of inpatient stays as a result of a mental health problem from 2013-2014 was 23 days,⁸ while this figure was 5 days for all other illnesses in 2014-2015.⁹

Across the UK in 2015 over 100,000 people with mental health problems spent some time as an inpatient,¹⁰ with 25,117 people being sectioned under the Mental Health Act.¹¹ The unplanned nature of these hospitalisations and their length means that people with mental health problems can be left very suddenly unable to manage their finances for a prolonged period of time. Without a plan in place,

people with mental health problems are susceptible to considerable financial harm from missing payments and accumulating unnecessary charges.

"He ended up very suddenly becoming quite ill with all this depression... just went all of a sudden and I had to sort it out. It was an absolute nightmare trying to do that."¹²

"We weren't trained to do this. We didn't suddenly magically have the skills and so we've been learning ever since."¹³

7. Solomon DA, Leon AC, Coryell WH, Endicott J, Li C, Fiedorowicz JG, Boyken L, Keller MB. Longitudinal Course of Bipolar I Disorder: Duration of Mood Episodes. *Arch Gen Psychiatry*. 2010;67(4):339-347.
8. Mental Health Bulletin. Annual Report from MHIMDS Returns 2013-14. Health and Social Care Information Centre. 2014.
9. Hospital Episode Statistics Admitted Patient Care, England 2014-15. Health and Social Care Information Centre. 2015.
10. Mental Health Bulletin. Annual Report from MHIMDS Returns 2013-14. Health and Social Care Information Centre. 2014.
11. Uses of The Mental Health Act: Annual Statistics 2014-15. Health and Social Care Information Centre. 2015.
12. Quote from participant of focus group on caring for someone with a mental health problem held on 20th October 2016.
13. Quote from participant of focus group on caring for someone with a mental health problem held on 31st October 2016.



Section Two - Caring and financial management in mental health: who, how and why

Across the UK as a whole there are almost seven million unpaid carers¹⁴ - friends or family members who provide help and assistance with essential daily activities. When we think of carers, the picture that usually comes to mind is of someone caring for a person with a physical disability, or an elderly relative. Yet nearly a million people (880,000) provide help or support to someone with a mental health condition,¹⁵ and still more care for those with neurodegenerative conditions such as dementia which may affect financial management in similar, overlapping ways.

The support provided by carers goes far beyond help with cleaning, cooking, washing and dressing. Carers play an important role in both helping people with long-term health problems to manage their conditions and to deal with difficult changes in circumstances that may result from their illness - for example loss of income or independence. Almost half of people caring for someone with a mental health problem provide regular help with financial matters.¹⁶ An often essential part of this support is enabling people with mental health problems to keep on top of day-to-day financial tasks like paying bills, contacting banks and budgeting.

2.1 How do carers help with managing money?

We analysed free text responses from 2,912 people with lived experience of mental health problems describing the link between their mental health problems and money. From these, we identified three main aspects of money management where consumers used, or wanted, carers' help:

Budgeting and ensuring bills are paid on time

This can involve:

- Sitting down with the person they care for and working through monthly budgets

- Providing support to overcome psychological barriers to action by opening letters from creditors that people with mental health problems may avoid due to anxiety
- More regular support in the form of checking in to see if they have enough to pay upcoming bills or to make sure bills have been paid on time

Preventing increased spending during periods of poor mental health

Increased spending during periods of poor mental health occurs for a variety of reasons, such as spending to comfort low moods or spending manically during a period of bipolar. Carers provide support with this in a variety of ways, such as:

- Being there to talk through larger spending decisions and acting as a double-check
- Monitoring spending patterns
- Working to put in place barriers to prevent increased spending

Helping with communication and filling out paperwork

During periods of poor mental health people may find it difficult to communicate both verbally and in writing. In these situations carers often enable effective communication by:

- Accompanying them in phone calls or branch meetings with banks and financial service providers
- Providing assistance with paperwork or doing it on behalf of the person being cared for

14. State of Caring: 2016. Carers UK. 2016.

15. *ibid.*

16. Survey of Carers in Households 2009/10. NHS Information Centre for Health and Social Care. 2010.

2.2 Why do carers help with managing money?

Research has shown that people with depression and problem debt are four times more likely to still be depressed when contacted 18 months later (compared to those with depression but no problem debt).¹⁷ It is therefore clear that resolving - or avoiding - financial difficulties helps people recover from a period of poor mental health.

Carers seem to recognise this. Our research identified three core motivations that had led carers to take a role in the financial affairs of the person for whom they care.

A. Resolving pre-diagnosis harm

The strong links between mental health problems and difficulties managing money mean that for some people, financial damage has already occurred at the point of clinical diagnosis. As a result recovery may involve adjusting to a newly diagnosed condition, while also facing the consequences of debts accrued during their initial period of poor mental health.

Many people in this situation report feelings of shame and embarrassment at their previous behaviour and struggle to engage with the reality of their financial situation. In these situations carers often play a vital role, stepping in and dealing with the financial situation of the person they care for: handling tasks such as calls to banks, trying to discuss changes to current accounts, or setting up debt repayment plans. Unlike other long-term health conditions where the individual and the carers are able to plan ahead, many new carers find themselves thrust into this role without any preparation, having to deal with service providers who have no record of their existence or caring relationship.

“The added issues of dealing with money at this time frequently led to anxiety attacks... I was very lucky that six months into this experience I admitted to my family that all was not well... within six weeks of doing this I started to improve to a functioning level.”¹⁸

B. People with mental health problems ask for help

Many people with mental health problems are aware of the potentially harmful financial behaviours they may carry out during periods of poor mental health, and ask a third party to act as a barrier between them and the harmful behaviours they wish to avoid, or to help them complete essential tasks they are struggling with.¹⁹ Carers can also provide a safety check, simply discussing financial decisions, which may give people who are aware of problems they experience managing money enough insight to consider whether what they are doing is positive or potentially harmful.

“If I say I’m going to buy a new camera or car my mother always asks “are you being bipolar?” which makes me think about my decision.”²⁰

Many respondents also recognised that often quite simple tasks that would help with money management such as calling up banks and building societies to change terms of their current account, or opening letters from creditors, were beyond their capability while unwell. Aware of the importance carrying out these small tasks on their financial situation, many respondents to our survey indicated that they would ask for help from carers to overcome the psychological barriers that prevented them from doing so themselves.

“Whilst I was under medication I had no control over the urge to spend and it was very easy to splurge for no reason...without family support my situation could have been much worse.”²¹

C. Carers initiate help

Carers may also provide help and support with managing money having recognised problems. A recent Europe wide survey into the experiences of carers of those with severe mental health problems found that 83% of people providing some form of support to someone with a mental health problem had

17. Fitch C, Trend C, Chaplin R. Lending, debt collection and mental health: 12 steps for treating potentially vulnerable customers fairly. London. 2015.

18. Money and Mental Health survey of 5,413 people with mental health problems on the links between money and mental health problems 14 March - 15 April 2016.

19. *ibid.*

20. *ibid.*

21. *ibid.*

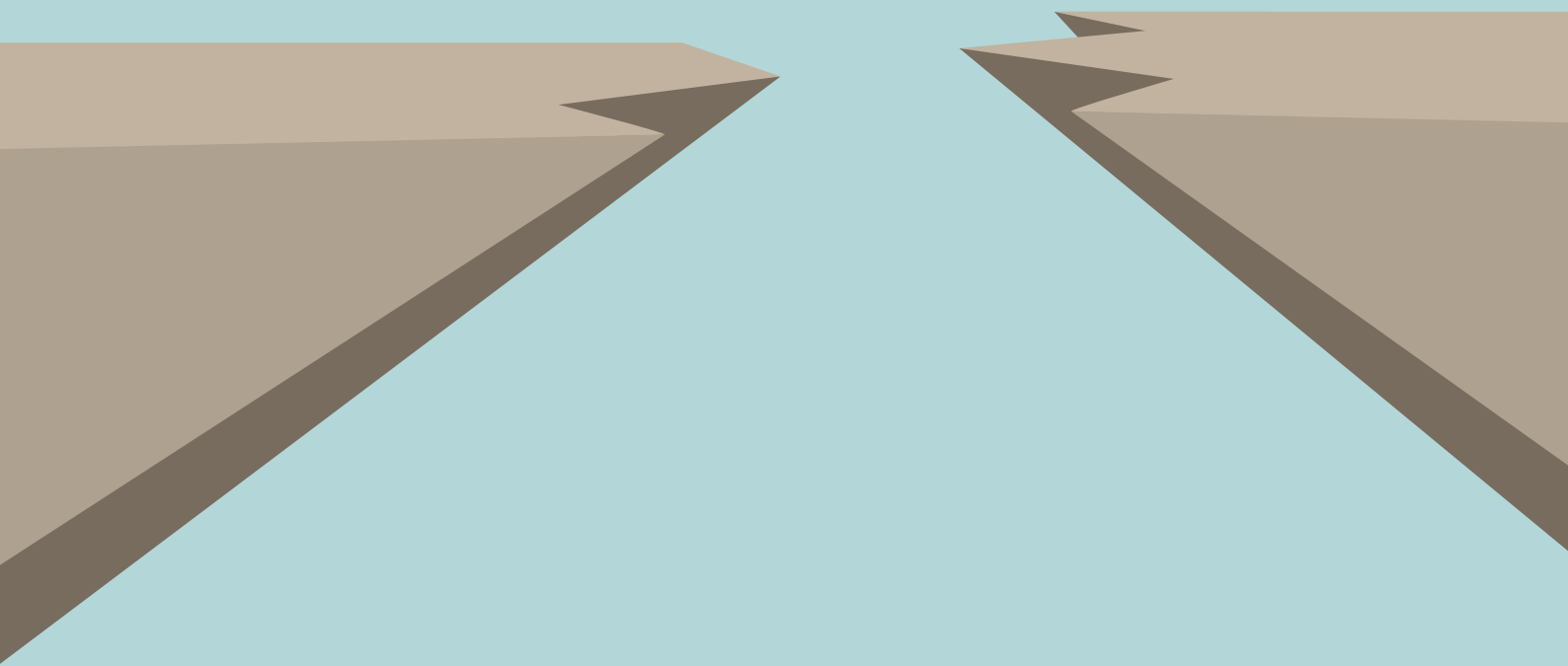
worried about this person's finances over the previous month.²² This was higher than the figure for carers who worried about their own finances (69%) or about having to cover the costs of caring for someone with a mental health problem (66%). This suggests that though increased costs as a result of caring are a prevalent issue for carers as a whole,²³ a more important financial concern for carers supporting someone with a mental health problem is their ability to manage their own financial situation.

"We are just experiencing the problems that occurred when our son had a manic [episode] and incurred a lot of debt. We want to help so this doesn't happen again."²⁴

22. Experiences of family caregivers for persons with severe mental illness. European Federation of Families of People with Mental Illness (EUFAMI). 2016.

23. State of Caring: 2016 Report. Carers UK. 2016.

24. Money and Mental Health survey of 5,413 people with mental health problems on the links between money and mental health problems 14 March - 15 April 2016.



Section Three - It isn't working: the challenges and obstacles carers face today

Our research with consumers with mental health problems and their carers showed consistently that the current arrangements by financial service providers, utilities and other companies is inadequate. Those with mental health problems and their carers were united in arguing that support from carers is essential to maintaining financial and emotional wellbeing during periods of poor mental health, but that providing this lifeline support can be incredibly challenging. This chapter sets out the obstacles carers face, as identified in our research. Chapter 4 goes on to set out the - often risky - workarounds carers and consumers with mental health problems use to manipulate the system and circumvent those obstacles.

During our focus groups with carers, they identified four key areas that are particularly challenging when helping the person they care for with managing their money:

- Communicating with financial service providers as a carer
- Trying to limit increased spending
- Helping with budgeting and paperwork
- Concerns about and struggles with Powers of Attorney

3.1 Communicating with financial service providers as a carer

At times carers have to take on more authority for the finances of the person they care for, if that person is unable to manage because of their condition. The need for this authority can be very sudden if the person with the mental health problem is hospitalised in a mental health crisis. Communicating with banks and financial providers in these situations is particularly difficult for carers.

All financial service providers, utilities and service providers have strict data protection and security policies to prevent unauthorised access to accounts. These policies - while essential - often do not have sufficient flexibility to meet the needs of carers.

"Every institution is dealt with by contact centre so every phone call has to have my son with me to give permission (he doesn't live with me)."²⁵

Several carers in our focus groups told us that they found these conversations challenging to carry out and their outcomes often not ideal. A theme to emerge from our focus groups was carers say that despite banks and financial service providers stating they have systems in place to deal with carers, they often have to repeat information and make numerous calls before they can discuss their issues and concerns effectively.

This experience of repeatedly calling and telling their story to different members of staff can be a distressing experience for carers, who may feel that they aren't being properly listened to, and may struggle to find the time for these lengthy interactions when they have their own financial affairs to manage as well.

"I had very lengthy telephone calls to explain how my brother was mentally unravelling and they didn't seem to be interested."²⁶

"You get the voice on the end of the phone that's not trained and doesn't know."²⁷

25. Money and Mental Health survey of 5,413 people with mental health problems on the links between money and mental health problems 14 March - 15 April 2016.

26. Quote from participant of focus group on caring for someone with a mental health problem held on 31st October 2016.

27. *ibid.*

Even when the person is not hospitalised it can still be difficult for carers to communicate with banks and financial service providers. Banks and financial service providers will often allow a carer to discuss matters relating to the account of the person they care for if they themselves are also on the line. However not living with the person they care for makes this difficult for carers. Additionally if the person's anxiety is severe enough they may be unwilling or unable to talk at all, or may struggle with these calls which can be a distressing experience for both them and their carer.

"Then they wanted to talk to him on the phone. [I said:] 'My dad can't talk to you because he doesn't want to talk to anyone because he's paranoid. He thinks you're out to get him, he won't hear what you're saying about the bank, he'll just think someone's after his money.'"²⁸

3.2 Trying to limit increased spending

Attempting to break the link between crisis spending and poor mental health is difficult for a variety of reasons. Many carers told us that a substantial barrier to intervening was a lack of information about the finances of the person they care for.

Despite their best efforts in several cases carers are left with an incomplete picture of the finances of the person they care for, meaning they are unsure of when to step in and provide support. As a result, several carers in our focus group relayed similar experiences of finding out about the harmful spending of the person they care for at too late a point to be able to help.

"By the time you've realised it it's sometimes too late and you always feel like you're closing the stable door once the horse has bolted."²⁹

When increased spending is a symptom of poor mental health, it is possible for people to spend large amounts over a short period of time, making it difficult for carers to intervene before it's too late. Trying to discuss

spending behaviours with the person they care for in time to stop this, however, is challenging for carers. Having frank discussions about money can often be emotional and upsetting for the person with mental health problems who may be ashamed or feel guilty about their increased spending. Similarly impairments in memory, that are common with mental health problems such as depression,³⁰ can mean the person they care for may not have a clear recollection of previous spending behaviour or what prompted it.

"[I] have no concept of budget limits and often forget what I have bought until it arrives. My depression fluctuates frequently and is unpredictable, so this is a common occurrence."³¹

3.3 Helping with budgeting and paperwork

Cognitive impairments associated with mental health problems can also bring difficulties with budgeting and form filling. A major concern for carers is that the person they care for will not be able to pay all their monthly bills and expenses. This may be due to impulsive spending, being unable to budget effectively to cover all expenditures or simply forgetting bills are due, issues that are common across all mental health problems.

This means that carers are having to regularly check with the person that they care for that they have enough money to pay upcoming bills, then afterwards to ensure the bills have been paid. Though carrying this out is a relatively simple task it can often be difficult for carers to check on a regular basis if bills have been paid or if the person they care for has enough money in their account to cover upcoming bills and expenditures.

"For about eight months he didn't pay anything and spent all his money on drugs and alcohol. And it was really difficult because that's all he did. Didn't eat, didn't pay the bills, and we had to go through a nightmare to kind of recoup that situation."³²

28. Quote from participant of focus group on caring for someone with a mental health problem held on 20th October 2016.

29. Quote from participant of focus group on caring for someone with a mental health problem held on 31st October 2016.

30. Rose, E. J., & Ebmeier, K. P. Pattern of impaired working memory during major depression. *Journal of affective disorders*. 2006. 90.2: 149-161.

31. Money and Mental Health survey of 5,413 people with mental health problems on the links between money and mental health problems 14 March - 15 April 2016.

32. Quote from participant of focus group on caring for someone with a mental health problem held on 20th October 2016.

"My daughter has safeguarded me during bad periods of bipolar. She ensures I pay my bills when I'm poorly."³³

3.4 Concerns about and struggles with Power of Attorney

The primary legal mechanism in place for carers to formally provide support managing money is through obtaining a Power of Attorney, enabling them to control the financial affairs of the person they care for. Over two million people in the UK currently hold Powers of Attorney. However the average age of someone donating Power of Attorney is 83, and both consumers with mental health problems and their carers appear reluctant to use a product they see as targeted at end of life, and requiring full surrender of power.

"[I wouldn't agree to power of attorney] it's too powerful, they can take away everything."³⁴

It is possible for carers and people with mental health problems to draw up bespoke Powers of Attorney that would be better tailored to their specific needs - for example limiting their ability to make large payments or spend money from their savings account - but consumers are largely unaware of this possibility, and financial services providers would struggle to enact them with their existing technology.

Furthermore, the cost of registering for Power of Attorney with the Office of the Public Guardian is £110, and fees for solicitors to draw up specialised contracts can stretch as high as £500. For someone already in financial difficulty who wishes to regain control of managing their money with the help of someone else, these costs can be prohibitive.

"I found the application form really, really terrible to fill in."³⁵

A clear theme to emerge from our focus groups was that carers encountered difficulties at all points in the process of obtaining and using Power of Attorney. Particularly relevant to policy makers in consumer-facing services, however, is that when carers attempt to use Power of Attorney providers will often request proof that the person they are caring for lacks capacity. This can be inappropriate because not all Powers of Attorney

specify that power is only transferred after loss of capacity. It can also be inappropriate because it does not recognise the frequent need for urgent action.

The process appears to be designed for older people who are likely to lose capacity once, and permanently, rather than go through repeated periods of absent, limited and full capacity, which is normal with many mental health problems. Even a wait of a few days can be long enough to enable the person with a mental health problem to cause themselves significant financial harm.

"Many organisations, even with an Lasting Power of Attorney won't do a thing until they have a consultant's letter [declaring lack of capacity]- this always takes time - by then, the damage is done!"³⁶

"Even with a Lasting Power of Attorney, you're banging your head against a brick wall."³⁷

33. Money and Mental Health survey of 5,413 people with mental health problems on the links between money and mental health problems 14 March - 15 April 2016.

34. Quote from participant of focus group on increased spending during periods of poor mental health held on 30 June.

35. Quote from participant of focus group on caring for someone with a mental health problem held on 20th October 2016.

36. Money and Mental Health survey of 5,413 people with mental health problems on the links between money and mental health problems 14 March - 15 April 2016.

37. Quote from participant of focus group on caring for someone with a mental health problem held on 31st October 2016.



Section Four - Getting over the obstacles: carers' workarounds

This chapter outlines the many, often risky, workarounds consumers with mental health problems and their carers have told us they rely on to navigate what they see as inadequate support from providers. These workarounds allow them to share information more easily and provide more tailored support with managing money, but in some cases contravene terms and conditions of bank accounts and place financial risk on both parties.

These workarounds range from providing intensive support in the case of managing finances entirely, to merely having an overview of the spending behaviour of the person they care for.

"[I] have had other people keep an eye on the finances, for example I have received support from my partner to ensure I pay rent on time."³⁸

The main workaround adopted by people with mental health problems to maintain control of their spending is sharing login details to online banking accounts with carers. This provides carers with oversight of their spending and gives them accurate information about spending behaviours.

"My mum also has access to my account which I view as a safeguard."³⁹

"I've given my dad and husband access to my credit scores and reports...I don't mind that big brother is watching because I'm not tempted to go back to my old ways."⁴⁰

Though somewhat less common, carers who have answered our surveys on the links between money and mental health have told us that they have opened joint accounts with the person they care for. This enables them to not only have oversight of their spending patterns but if any issues arise with paying bills, they are easily able to step in and resolve them on behalf of

the person they care for. In some cases, carers have told us they have taken over the person for whom they care's affairs completely, and given them pocket money.

An alternative that some have adopted to limit increased spending is to simply hold the bank cards of the person they care for during periods of poor mental health, preventing any increased spending while unwell whatsoever. Many people with mental health problems state that they find this as an effective way of limiting their increased spending.

"I really would stress that if you have mental health problems get a loved one to ask for your cards to hold until life gets better for you, as you are trying to make your mind feel better by spending but at the end of the day you just feel the same."⁴¹

Banks and financial service providers will often allow a carer to discuss matters relating to the account of the person they care for if they themselves are also on the line. However not living with the person they care for makes this difficult for carers. Additionally if the person's anxiety is severe they may be unwilling or unable to talk whatsoever. In these situations carers have told us they have phoned up pretending to be the person they care for in order to get issues with their account resolved.

38. Money and Mental Health survey of 5,413 people with mental health problems on the links between money and mental health problems 14 March - 15 April 2016.

39. *ibid.*

40. *ibid.*

41. *ibid.*

4.1 The risks of using these workarounds

People with mental health problems and their carers have adopted these workarounds as the best approach to providing the support they feel is necessary allow for good financial management. But they are still far from the ideal form of support they would like. The primary point to come from our research into these workarounds, is that carers often feel uncomfortable having to provide support in these ways. They feel uneasy about circumventing banking systems by effectively pretending to be the person they care for in using their PIN numbers and login details. And this is another stressful worry placed on them even when they are trying to help with managing money.

"It does not feel comfortable for me to be pretending that I'm my father, which is effectively what I was doing... But it was the best worst option."⁴²

Risks for the carers

Having to regularly log into the online bank account of the person they care for places a considerable burden on the carer to remain on top of the finances and keep in regular contact with the person they care for. This can be challenging, both practically and emotionally.

When carers open joint accounts with the person they care for they are putting themselves at financial risk. It means that they are jointly liable for any spending on the account, which can negatively impact their own financial situation, for example by damaging their credit rating. As well as placing a financial burden on the carer, such situations have the potential to place great strain on the relationship between the carer and the person they care for.

Not only are carers aware that what they are doing is putting them at risk financially, many recognise that there is a lack of transparency in how they are helping by using login details and pretending to be the person they care

for. As a result of this there is no trail left behind of the transactions they have carried out, or sums of money that have been withdrawn from the account by carers. This leaves them open to potential accusations at a later point that they may be unable to defend due to not having sufficient information available to prove how exactly they helped with managing money.

Risks for the person with mental health problems

While for some the knowledge that their financial behaviour is being monitored by someone they trust is reassuring, in some cases this leaves the person with mental health problems uncomfortable or open to financial abuse. If carers know PIN numbers and login details to online bank accounts it is possible for them to abuse the person who has trusted them. With the advance of contactless payments, even asking their carer to hold their bank card during a period of poor mental health leaves people with mental health problems open to financial abuse. Due to the cost involved and process of putting in place a Power of Attorney many carers are managing the finances of the person they care for without any legal structure in place to safeguard the person they care for from financial harm and potential abuse.

⁴² Quote from participant of focus group on caring for someone with a mental health problem held on 20th October 2016.

Table 1. Taxonomy of workarounds used by carers to help with managing money

	Target	Level of support	Frequency of support	Risks and issues
Help with budgeting and making sure bills are paid on time				
Managing finances without legal structure	All aspects of finances	High	High	Lack of transparency and potential for financial abuse
Keeping an eye on finances, by logging into online banking accounts	Bills and spending	Moderate	High	May need to frequently login to check if spending patterns have changed
Taking over financial control and giving pocket money, by opening joint accounts or taking control of cards and PINs on main account	Budgeting	High	High	Potential for financial abuse and lack of transparency (if taking control of the person with mental health problems' account)
Helping prevent increased spending during periods of poor mental health				
Holding cards during period of poor mental health	Spending	Moderate	Low	Potential for financial abuse
Opening joint account/credit card	Spending	High	High	Potential to damage credit score of carer
Helping with communication and paperwork				
Helping with paperwork/forms	Budgeting and dealing with creditors	Moderate	Moderate	May sometimes need to be there in person to help
Helping with calls to banks and creditors	Engaging with creditors and banks	Moderate	Moderate	May sometimes need to be there in person to help Lack of transparency if calling themselves

4.2 Prevalence of these workarounds among carers

To understand the prevalence of these workarounds among carers and people with mental health problems, and also across the general population we commissioned an omnibus survey looking at their use.⁴³ The findings showed that among people who care for someone with a mental health problem:

- 52% know someone else's PIN number
- 27% have used someone else's contactless card
- 23% know someone else's online banking passwords

These figures were also mirrored in the sharing of this information by those who said they had experienced a mental health problem in the last 24 months:

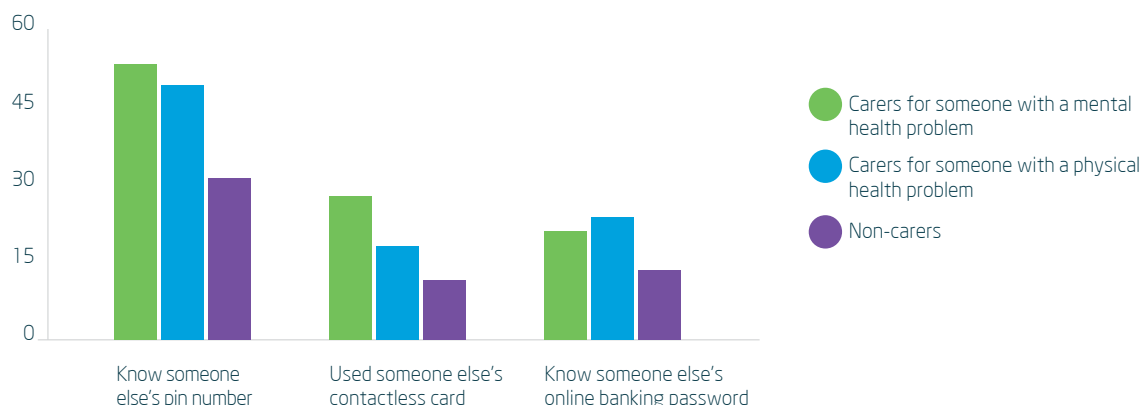
- 32% said someone else knows their PIN number
- 13% said someone else has used their contactless card
- 11% said someone else knows their online banking passwords

It is not possible to definitely say that the account information these carers know belongs to the person that they care for. But comparing to the population as a whole, carers were considerably more likely to have used these workarounds than people without any caring responsibilities, as illustrated in Figure 2. People with mental health problems have already told us about their financial behaviour when unwell and how both they and carers are agreeing to use workarounds to help. So it is clear that among these groups there will be people who are using these workarounds solely for the purpose of helping with managing money.

Carers for people with mental health problems were slightly more likely to know someone else's PIN number and online banking password than carers for someone with any other health problem. Though we do not know the frequency with which these workarounds are being used, doing so even once is placing potential for financial abuse on people with mental health problems.

43. The omnibus survey was carried out by Populus, interviewing 2,053 Britons online between 4 and 6 November 2016. The data produced was weighted to be nationally representative.

Figure 2. Percentage of carers for people with mental health problems and physical health problems using workarounds



4.3 The wider use of workarounds

The use of these workarounds is not restricted to people with mental health problems and their carers. Based on the figures from the omnibus survey we estimate that among the general public:

- 16.4 million people know someone else's PIN number
- 7.7 million people know someone's online banking password
- 6.7 million people have used someone else's contactless card

These figures demonstrate clear demand and urgent need for a better, more regulated approach by the financial services industry to third party access to accounts.

When over 16 million people know someone else's PIN, the potential for financial abuse is vast. The financial services industry needs to recognise that consumers are adopting these workarounds because current banking systems are not adequately catering to their needs. For consumers with mental health problems this may include a strong desire to receive support that will prevent financial self harm. But it is clear that many consumers want a more flexible approach to sharing information, access and control.

These improvements would not just benefit consumers with mental health problems and their carers, but could be of use to a wide range of consumers. For example, bank cards that allow third party monitoring could also be beneficial for parents concerned about their children at university and their ability to manage their money and budget effectively. Being able to sign off on purchases or have multiple login details could be of use for flatmates to coordinate paying bills.



Section Five - Recommendations

In 'In Control', we put forward for consultation a series of options to help consumers with mental health problems benefit from the support of a trusted friend, carer or family member. Having conducted this detailed research to understand the scale of demand for better third party access to financial products, and the specific needs of consumers with mental health problems we are able to go further. Here we make a series of concrete recommendations to the financial services sector and other consumer-facing industries to improve the service they offer to vulnerable consumers and their carers and family members.

5.1 Develop a strategic approach to carer and family access to information

Forthcoming work by the British Bankers' Association is likely to improve life for carers by setting a minimum standard of access, across the industry, for people with third party mandates and Powers of Attorney. This is welcome and urgently needed. However, it will still leave substantial gaps, especially for carers who need to interact with financial service providers or other consumer services unexpectedly, or in an emergency.

Customer service operatives, and policy makers within institutions, often struggle to balance the desire to support carers with the need for data protection and security policies. This is often the root of the difficulties carers face when trying to support their loved one. The Information Commissioner's office offers little guidance, telling companies to use their judgement about how to treat customers fairly.

Unfortunately, the lack of guidance means at the frontline, many providers stick to inflexible policies can cause stress and harm for the vulnerable consumer and for their carer.

Action point: The Financial Conduct Authority should work with the Information Commissioner's Office to develop clearer guidance for customer services departments on the appropriate times and circumstances in which to share information or access with a carer.

People can lose capacity to manage their affairs very suddenly. It would be far easier for service providers to interact with a carer in these emergencies if they were already in touch with them, and had the authority of the account holder or bill payer to interact with them. However, most people will not proactively contact providers to nominate an emergency contact, there may be stigma associated with declaring the need for an emergency contact, and there is not a standardised way to log this information, or set rules about the emergency contact's authority during a crisis.

It is, however, normal and non-stigmatising for everyone to nominate an emergency contact when setting up a mobile phone, registering at a gym, or taking a new job.

Action point: Consumer service providers should move to develop systems to establish emergency contacts - with appropriate, limited rights of access - as standard when consumers open accounts or sign up for services. This would provide carers with the framework to intervene or get the information they need to help. Appropriate access for carers in an emergency will vary according to the service, and the needs of the primary customer.

It is important to recognise that some consumers may not have someone they would trust enough to nominate as such a contact. Any potential process for nominating an emergency contact should then be something that consumers can opt into if they recognise a need for it, rather than a mandatory piece of information to provide when signing up for an account.

5.2 Urgently develop simple, flexible and accessible tools for third party access, support and control of customer accounts

Responses to 'In Control' broadly welcomed the need to develop better tools to support people with mental health problems to get support with their finances from carers, trusted friends and third parties. In the paper we set out a variety of tools we believe consumers would welcome to enable this kind of support to be provided without the unregulated workarounds set out above. Following our work with carers and consumers with mental health problems we can be clearer about the tools we believe are necessary - across current accounts, savings products and credit facilities. 51% of people with mental health problems who received help with managing their money agreed that they would be interested in letting a trusted friend have view-only access to their bank account.⁴⁴ 71% said they would find it helpful if a trusted friend was notified when their spending behaviour changed.⁴⁵

The accessibility tools set out below should be available as standard on all products, not confined to specialist products which may have different risk profiles (and therefore costs) and be stigmatising to users.

- **Read-only access:** Account holders should be entitled to grant real time, read-only access to a carer or trusted friend on any account, via any channel through which the account holder can access information. This includes receiving paper statements, being entitled to get information about transactions by phone with their own security details, and having their own read-only access to information by online banking and by app.
- **Notifications:** Account holders should be entitled to request notifications of specific activities on their account(s) be sent to a carer or trusted friend. This would include notifications of large transactions over a specified limit, transactions with a specific merchant

category code (such as gambling), overdraft limit warnings, fraud or unusual activity notifications, warnings about missed payments or bounced direct debits, balance notifications, or any other system notification currently in use. Account holders should be able to choose if the notification goes to themselves as well as the third party, or to the third party alone.

- **Credit reference agencies:** Should also permit users to set up notifications to a carer or any new applications for credit, or the removal of a Notice of Correction from their account.
- **Restrictions:** Account holders should be able to delegate the authority to make some kinds of account decisions or transactions to a trusted friend or carer. In particular, consumers should be able to impose a maximum transaction size on their account, where dual authorisation is required to go above this. Consumers should also be able to exclude themselves from increases to credit limits and overdraft limits, and new credit applications, without the approval of their trusted friend.

We recognise that financial services providers will be nervous about permitting people to restrict their behaviour without the legal protection of Power of Attorney, or evidence of lost capacity. However, demand is clear from those with severe mental health problems, and these options need to be trialled on the front line. 43% of those we surveyed about proposals to manage their spending said they would like to give a carer the authority to countersign large transactions.

In the commercial world, it is normal to have accounts with joint (rather than several) authority required for larger, or specific kinds of, transaction or account modification. Carers should not need to establish a full joint account, and link their credit rating, to their loved one in order to have authority if the main account holder wishes to share it.

44. Money and Mental Health survey of 122 people with mental health problems on the recommendations from In Control 30 September - 10 October 2016.

45. *ibid.*

Consumers have also expressed enthusiasm for products which transfer authority to a carer or trusted friend in the event of “unusual activity”. Money and Mental Health will continue to work with banks, consumers with mental health problems and other experts to develop better understanding of the kinds of transactions, or behaviour changes that are associated with periods of poor mental health. We will use these models to help financial services providers develop products of this kind.

In ‘In Control’ we set out the challenge of making the kind of tools and restrictions set out above “sticky” - in other words, difficulty for consumers to remove during periods of poor mental health. This stickiness has been highlighted as an important design feature by consumers with mental health problems, who know that when unwell, they may unpick the supportive framework around them and lose control. We therefore developed a hierarchy of the different processes that could be required for removing any restrictions on a user:⁴⁶

1. Double-confirmation by the user required to remove restrictions
2. Alerts to a third party when restrictions removed
3. Mandatory cooling off period before restrictions removed
4. Cognitive/mental capacity assessment before restrictions removed
5. Third party sign-off before restrictions removed
6. Restrictions permanently applied

Responses from the financial services sector identified that making restrictions “sticky” was seen as a significant challenge especially for consumers who did not have a Power of Attorney in place. We strongly recommend the financial services industry does not use this as a reason to delay introducing the accessibility tools set out above as standard.

Options 1 and 2 above pose no legal obstacles and should be available to consumers alongside the accessibility tools.

Ensuring a delay before restrictions can be removed (option 3) would also be hugely beneficial, even if this is simply an administrative delay of a few days. However, we believe it is reasonable to go further. Addicted gamblers who choose to self-exclude are permitted to do so for a minimum of six months; during that period there is no legal mechanism for them to opt back into gambling. The restriction is therefore binding for the full six months. We believe this offers a transferable model for an option in the financial services industry to establish restrictions of fixed duration that cannot be removed even if the account holder states that they have changed their mind.

With regards to options 4, 5 and 6, Money and Mental Health will continue to conduct research and policy development, and explore the legal issues in more depth, to develop legally robust methods of applying these higher levels of “stickiness” where consumers want them.

5.3 Improving the Power of Attorney system

It is clear from the experience of those attending our focus groups that the Power of Attorney system is not working to help them avoid financial harm - either for those with an Attorney or those without. In order for the Office of the Public Guardian (OPG) to increase the market for Powers of Attorney there is a need to look to both long and short term changes that can be made to what is currently not currently equipped to serve potential customers.

⁴⁶ Murray, N, Holkar, M, Mackenzie, P: ‘In Control’ a consultation on regulating spending in periods of poor mental health. Money and Mental Health Policy Institute. 2016.

Power of Attorney appears to be highly unappealing for many people with mental health problems. From what people have told us, many are unaware of the benefits of Power of Attorney, while those that are aware of the benefits are too afraid to consider it as an option because of their perception of how controlling it sounds.

Action point: The Office of the Public Guardian should work to improve the communications around Power of Attorney to highlight the benefits for people with mental health problems to prevent financial harm, and ensure it is not seen as a tool only for those in later life.

This work should be carried out alongside attempts to improve Power of Attorney as a system that can be more flexible.

The cost of drafting a bespoke contract when signing over Power of Attorney can be prohibitive for someone doing so solely for the purpose of preventing further financial difficulties during periods of poor mental health. Those who do have bespoke Powers - such as different transaction limits for the main user and Attorney - may then discover their bank is unable to enact these bespoke restrictions because of technological limitations.

Action point: Banks and the Office of the Public Guardian should adopt a forward looking approach that will allow people to write more complex Powers of Attorney that are nonetheless compatible with banking technology. The best means by which to carry this out in practice could be by providing a modular system where consumers can choose from a range of pre-set options best suited to them, such as limits on transaction size or type of payment over which to transfer authority. Financial services providers would then be able to build these capabilities into their software systems, rather than being expected to offer bespoke tools for any eventuality.

Appendix A - Research Methods

A.1 Surveys and Focus Groups

To obtain a more indepth understanding of the issues carers face when helping with managing money, we held focus groups with carers to learn more about the context in which they help and what they find difficult. Two focus groups were held, one in Bristol and one in London. Each was 90 minutes in length and each was attended by four carers for someone with a mental health problem. All attendees for the focus groups were recruited via an invitation sent out to the Money and Mental Health research panel.

During the consultation period for responses to In Control, we sought to hear from the voice of the consumer and sent a survey out to the Money and Mental Health research panel. At this point, our research panel consisted of approximately 1,000 people with lived experience of mental health problems. 122 panel members completed the survey between 30 September 2016 and 10 October 2016. Respondents were asked the extent to which they agreed that the recommendations presented in In Control would be helpful for them to help with managing their money.

Finally we commissioned an omnibus survey carried out by Populus, to estimate the use of the workarounds identified among carers and those with mental health problems. 2053 Britons completed the survey between 4 November 2016 and 6 November 2016. 312 respondents indicated that they had experienced

a mental health problem in the last 24 months. 391 respondents stated that they provided some form of formal or informal care for a friend or family member, with 122 doing so for someone with a mental health problem, 210 doing so for someone with a physical health problem or disability and 98 doing so for another reason.

A.2 Calculating the wider use of workarounds

In order to estimate the wider use of the workarounds identified among the general public the responses from the omnibus survey were combined with national level statistics to obtain the figures quoted in the report. From the nationally representative sample of 2,053 Britons surveyed by Populus, 32% said they knew someone else's PIN number, 13% had used someone else's contactless card, and 15% knew someone else's online banking password. We combined these figures with the Office for National Statistics mid-2015 estimate of the population of over-18s in the United Kingdom,⁴⁷ to estimate the prevalence of workarounds among the general public.

For further details on the methods used in this report, please email contact@moneyandmentalhealth.org

47. Population Estimates for UK, England and Wales, Scotland and Northern Ireland: mid-2015. Office for National Statistics. 2015.



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