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PRESS RELEASE

Power of Attorney misconceptions leave Brits exposed

- **Almost a third wrongly believe Power of Attorney is only put in place after a person becomes ill - leading to potentially costly consequences**
- **Nearly two thirds of people unaware of how a Power of Attorney can help**
- **Four in five people aged over 55 don't have a Power of Attorney in place**
- **Case studies available by request**

Research by Lloyds Bank has found that adults across the UK are unsure about the factors involved in later life planning and may be leaving it until it's too late.

With 80% of over 55s saying that they don't have a Power of Attorney - a legal document giving one person the power to act for another person - in place, Lloyds Bank is encouraging all ages to start thinking about the future, to ensure peace of mind.

Now is the right time

Almost three in ten (29%) think a Power of Attorney is only put in place after they become ill. However, a person must be capable of making their own decisions to set up a Power of Attorney, so leaving it until an illness or an accident occurs could be costly.

If a Power of Attorney has not been set up, an individual would have to apply for a Deputyship to act on behalf of another person. As well as being more expensive (with higher application fees and an annual supervision fee), Deputyship requires an individual to be verified and supervised, elongating the process.

Worryingly, eight in 10 (80%) adults over 55 do not have a Power of Attorney in place for themselves, with 69% of this age group also not acting as an attorney for someone else.

Overall, almost a fifth of all respondents (19%) said they didn't know when the right time is to put an attorney in place for themselves, rising to a quarter (25%) of 35–44-year-olds. A fifth of Brits (22%) also don't know when it's the right time to set up a Power of Attorney for someone else.

That's why Lloyds Bank is encouraging people to start thinking about this issue earlier, not only for themselves, but also for family members to give peace of mind for the future.

With a Lasting Power of Attorney arranged, decisions regarding the management of property and financial affairs or decisions regarding health and welfare (or both) are made by an elected person(s) (an 'attorney') who will act in the best interests of someone else (the 'donor.')

Simply put, a Power of Attorney can be thought of as protection against a possibly life changing event.



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Nicola Bannister, Customer Financial Assistance at Lloyds Bank, said: “The idea of arranging a Power of Attorney – for yourself, or helping someone else – may feel daunting. It’s not the sort of thing we talk about every day, and our research shows that many of us are not confident in our knowledge of the types of Power of Attorney or the costs involved.

“Broaching the subject of setting up a Power of Attorney can be tricky but it’s worth finding the right time to discuss it with your loved ones, as it is a lot easier to discuss and arrange these things in advance of needing them, rather than at a time where things may be difficult for yourself or a family member.”

Power of Attorney explained

The new research from Lloyds Bank found that nearly two thirds (64%) of UK adults are unable to explain the authority a Power of Attorney grants, with a quarter (25%) unaware of the difference between a will and a Power of Attorney.

A Power of Attorney is a legal document where one person, known as the ‘donor’, gives another person, the ‘attorney’, the right to make decisions on their behalf, should they not be able to do so in the future. So, a Power of Attorney means a person can choose someone to manage third parties, if a situation arises where they are unable to do so themselves. The agreement binds the attorney to always act in the donor’s best interests.

A Lasting Power of Attorney is the most common arrangement in England and Wales* and there are two types:

- Property and financial affairs – which allows the attorney to make decisions about bank accounts, money management and property owned by the donor
- Health and welfare – which allows the attorney to make decisions about health care and medical treatment

On the other hand, a will is a legal document that outlines a person’s wishes regarding distribution of their property and finances, or care of minor children, after death.

Ensuring the two legal documents are in place, both personally and for loved ones, is important as they have different purposes and come into effect at different times. Almost half (48%) of people do not realise that a Power of Attorney ceases if the donor passes away.

Top Tips from Lloyds Bank

Guidance on arranging a Lasting Power of Attorney

1. **Make the decision now** – putting a Power of Attorney in place now will give you peace of mind that your affairs will be managed if something happens in the future, ensuring that time can be dedicated to spending with loved ones..
2. **Go online** – you can start the process of setting up a Power of Attorney online. Go to www.gov.uk/power-of-attorney. With a cost of £82** (reduction exemptions can also apply) it is likely to be the most cost-efficient way of having later life support in place.
3. **Have the conversation with loved ones** – whilst getting the process in place for yourself, it’s worth talking to loved ones to ensure they also understand the benefits of Power of Attorney so that they are comfortable and confident that their wellbeing will be handled if need be. Initiating these conversations earlier will help alleviate any potential frictions later on. It may be helpful to explain that people can choose more than one attorney, and they must act together, when making any decisions on the donor’s behalf. .
4. **Choose for the long term** – thinking about who to choose as an attorney will take some thought and shouldn’t be a rushed decision. It’s worth giving the person you ask time to think about the role,



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to make sure they feel comfortable doing it, before putting any documentation in place. You can choose someone you trust such as a family member, a spouse, a friend or a solicitor.

- 5. Inform your bank** - The bank will need to see an original, or certified, copy of the Power of Attorney (PoA), alongside proof of identity documents for the attorney, or attorneys. Preparing these documents in advance will facilitate the process.

Ends

Notes to Editors

*There are other types of third party access, including alternate Power of Attorney arrangements. There are also different Power of Attorney options in place in Scotland and Northern Ireland.

** Make, register or end a lasting power of attorney - GOV.UK (www.gov.uk). Other fees and charges may apply, for example, if forms are completed incorrectly.

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2063 adults. Fieldwork was undertaken between 19th - 20th August 2021. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

Additional Information

Case studies and images available by request