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Becoming a DWP Appointee

A practical guide for family members



The Money Carer Foundation
Dalton House, Cross St, Sale, Manchester, M33 7AR
E: info@moneycarer.org.uk

Registered in England and Wales Number 07049575.
Registered Office: Dalton House, Dane Road, Sale, Manchester, M33 7AR.

[moneycarer.org.uk](https://www.moneycarer.org.uk)



Becoming a DWP Appointee

A practical guide for family members

This information pack has been generated for family members considering taking on the role of appointee as regulated by the Department of Work and Pensions (DWP) for their relative(s).

As many care provider organisations will soon be relinquishing their role as the corporate appointee, this guide highlights essential details and information about the responsibilities that you will have as a welfare benefits appointee, the changes to the role that care provider organisations will have and who to contact when your relative's circumstances change.

This information pack has been compiled in conjunction with Money Carer, who will assist care provider organisations with the appointeeship transfer project and can take on the appointeeship role also as an independent organisation.

Money Carer can also provide support services to family members who do wish to become the appointee by opening an appointee bank account or assisting with bill payment tasks, welfare benefit claims, and ongoing support services to assist family appointees.

This document primarily provides information and guidance on becoming the appointee. However, we also understand that some family members may already have a Lasting Power of Attorney (LPA) or a Court of Protection Deputyship.

Why will my care provider organisation no longer be acting as the appointee for my relative?

Care provider organisations have moved away from providing appointeeship services for several reasons. These can be summarised below:

- Conflicts of Interest and Best Practice
- Cost Reduction Requirements
- To Focus on Core Care Services
- Risk Management and Compliance

Conflict of Interest

It is generally accepted that it is no longer best practice for care provider organisations to manage the monies of vulnerable people under their care. Local authorities increasingly assert this view and sometimes will not award care contracts if the care provider is the appointee. The Care Quality Commissioner (CQC) also advocates independent appointeeships as a more suitable arrangement for managing a person's finances when this support task is required.

Cost Reduction Requirements

Many care provider charities actively seek ways to make the organisation more efficient against the unfortunate backdrop of reduced local authority funding to pay for our essential services.

As such, many have identified that their corporate appointeeship service is no longer financially viable, particularly when specialist, independent organisations such as Money Carer can deliver a more comprehensive manner and support our clients in ways our appointeeship service cannot.

To Focus on Core Care Services

The role of an appointee is complex and involves dealing with a person's welfare benefit claims, receiving and managing their money, paying invoices and bills, providing personal spending allowances to clients and shopping money for support workers. Added and multiplied by hundreds of clients, these requirements take up valuable time and resources.

In their decision to withdraw the corporate appointeeship service, care provider organisations will effectively free up a significant amount of time currently used by colleagues right across the organisation to be better allocated to focus on the delivery of core care services, which we feel will be better for our clients and support staff as we move forward.

Risk Management and Compliance

The security, compliance and regulatory obligations around managing the finances of vulnerable people are becoming, appropriately, more stringent, requiring a level of experience that was not necessary in years gone by.

To obtain the appropriate level of risk management infrastructure regarding the management of third-party monies, care provider organisations would need to invest significantly in financial management platforms and personnel to administer the required levels of compliance. Many organisations believe investments would be better deployed elsewhere to deliver better client outcomes.

A Brief Introduction to DWP Appointeeship

What is a DWP appointee?

A DWP appointee is an individual or organisation designated to oversee the administration of welfare benefits and financial matters on behalf of someone incapable of managing these aspects themselves. This incapacity may result from mental or physical disabilities or other factors hindering their ability to handle their financial affairs.

The appointee is responsible for ensuring the accurate application for the individual's welfare benefits, receiving these funds into a separate bank account, and utilising them for the benefit of the represented person. Additionally, they manage the person's daily money management needs, handle bill payments, and make informed decisions regarding the allocation of the individual's finances.

To become a DWP appointee, an applicant must complete a BF56 application form and subsequently meet with a DWP visiting officer in order for their suitability to be assessed. Upon appointment, the appointee assumes the legal rights and liabilities and is obligated to act in the best interests of the person they represent, acknowledging the five foundational principles of the Mental Capacity Act 2005.

How are DWP appointees regulated?

Appointees are regulated by the Department for Work and Pensions (DWP). The primary authority for appointeeship is established in the Social Security Administration Act 1992, outlined in section 5. This serves as the legal and procedural foundation governing the administration of appointees.

Under this authority, the regulations for appointeeship are granted the power to be enacted. For legacy benefits, such as those predating the current system, Regulation 33 of the Social Security Claims and Payments Regulations 1987 is applicable. For the more recent benefits, including Employment Support Allowance, Job Seekers Allowance, Personal Independence Payments, and Universal Credit, Regulation 57 of the Claims and Payments Regulations 2013 governs the process.

It's important to note that appointeeship operates independently of the Mental Capacity Act 2005 by design. This decision was made to allow the Department for Work and Pensions (DWP) to maintain control over the appointeeship procedure and its specifics. However, the five fundamental principles of the Mental Capacity Act 2005 are integrated into the appointeeship process.

What are the primary responsibilities of a DWP appointee?

As the appointee, your duties encompass initiating and upkeeping all welfare benefit claims. Your responsibilities include:

1. Signing the benefit claim form.
2. Reporting any alterations that impact the claimant's entitlement to the benefit.
3. Utilising the benefit, which is directly paid to you in a separate appointee bank account, in the claimant's best interests.
4. Paying bills and invoices promptly.
5. Informing the relevant DWP benefit offices if you no longer wish to serve as the appointee, possibly due to the claimant's ability to manage their affairs independently.

NB: Should an overpayment of benefits occur, you may be liable to make a repayment to the DWP.

Who should I inform if my relative's circumstances change?

As the appointee, you must notify the relevant departments of the DWP and local authority of any changes in your relative's circumstances that might affect your relative's income or funding eligibility. Timely reporting of changes is key to preventing any detrimental financial consequences for your relative.

From a funding perspective, changes in circumstances can affect three main areas of funding:

Means-Tested Welfare Benefits Responsibilities

Means-tested benefits fall under your responsibility as the appointee, necessitating you to notify the DWP of any changes in your relative's circumstances that might impact their eligibility for such benefits. The principal means-tested benefits encompass Employment Support Allowance (ESA), Universal Credit, and pension credits. You should promptly report alterations in the following areas:

- Savings in bank accounts and ISAs
- Income from benefits and any other income, including private pensions
- Commencing or ceasing employment, both paid employment and volunteer work must be disclosed
- Inheritance, including property or trust fund disbursements
- Change of residence
- Extended absences from the UK exceeding two weeks

Certain benefits are not influenced by an individual's financial situation, rendering them unaffected by financial changes.

The primary non-means tested benefits consist of Personal Independence Payments (PIP) and Disability Living Allowance (DLA). State pensions are likewise impervious to financial fluctuations.

Nevertheless, informing the DWP if your relative relocates their residence remains essential. PIP and DLA can be sought for up to 13 weeks outside the UK.

Means-Tested Benefits Savings Limits

If your relative resides in supported living and receives working-age means-tested benefits, the typical lower threshold for savings/assets is **£6,000**. Generally, the upper limit for savings/assets is **£16,000**, beyond which your relative may no longer qualify for means-tested benefits. Nevertheless, exceptions may apply based on individual circumstances.

In the case of your relative being in supported living and receiving pension-age means-tested benefits, the usual lower threshold for savings/assets is **£10,000**. As a general guideline, the upper threshold remains at **£16,000**, potentially impacting eligibility for means-tested benefits, although this can vary depending on specific circumstances.

For individuals residing in a residential home, the standard lower threshold for savings/assets is also **£10,000**.

If your relative's assets fall within the capital limits, they will be required to contribute what they can afford from their income, often referred to as their client, financial, or weekly contribution. Additionally, there will be a means-tested contribution levied against their assets, calculated at a rate of **£1** per week for every **£250** of capital positioned between the capital limits.

Conversely, if your relative's assets exceed the upper capital limit, they may be responsible for covering the entire cost of their care.

Upon notifying the DWP that your relative's savings/assets have reached these thresholds, you can anticipate a routine process in which the DWP will periodically request updated statements to monitor their savings status.

This proactive approach ensures that your relative's financial situation is continually assessed and aligns with the criteria for means-tested benefits. However, it's essential to be vigilant and responsive in this regard. If, at any point, your relative's savings/assets fall below these predetermined thresholds, it is your responsibility to inform the DWP once more promptly.

Housing Benefit and Rent Responsibilities

As a DWP benefits appointee, you will also be responsible for informing the local authority housing benefit department of any changes to your relative's circumstances. Housing benefit is also a means-tested benefit, so the local authority must know of any circumstances that might affect housing benefit entitlement.

Housing benefit entitlement is delivered differently from other benefits as it is calculated and administered by the local authority (council), whereas other benefits are calculated and administered via Central Government (the DWP).

It is, therefore, easy to assume that if your relative has experienced a change in circumstances and you have informed the DWP of this, then the local housing benefit department will also be updated. This is not the case, and you must contact the local authority housing benefit department separately and promptly.

If your relative resides in supported living, they may be eligible to receive housing benefit to cover their rental expenses. The extent of this benefit's coverage depends on their entitlement, and it may either fully or partially offset their rent costs. In cases where the housing benefit only covers a portion of the rent, your relative may be responsible for paying a 'top-up' to cover the remaining balance.

As the DWP appointee, it is incumbent upon you to ensure that your relative addresses any expenses related to their property that exceed the housing benefit coverage. This may be essential for maintaining their tenancy agreement.

If your relative has been assessed as having the capacity to manage their rent payments independently, they can of course do so. However, if they lack the capacity, it becomes your responsibility as the appointee to oversee this on their behalf as the financial representative.

Keep in mind that changes in your relative's financial circumstances can have a direct impact on their housing benefit eligibility. Consequently, it is of utmost importance to promptly report any financial changes to safeguard their housing benefit entitlement and ensure they continue to receive the appropriate assistance.

Failure to report changes could lead to an overpayment of housing benefits, necessitating your relative to reimburse the excess amount. The longer such changes are left unreported, the greater the sum they may owe.

Additionally, once your relative's savings exceed £6,000, you can anticipate routine requests for bank statements from the local authority housing benefit department. These requests are part of a process to verify the accuracy of their housing benefit entitlement.

The contact details for the housing benefit department can typically be found on the local council's website.

NB: Don't forget to inform your relative's landlord (housing association or private landlord) if any changes to housing benefit payment will occur if the payment is made directly to them. Also, if rent is collected by direct debit, any changes to your relative's bank account must be updated with landlords and other organisations accordingly.

Some helpful DWP contact numbers:

The following are the up-to-date telephone numbers for the DWP in respect of various benefit departments (as of February 2024)

- Personal Independence Payments (PIP) – **0800 161 4433**
- Disability Living Allowance (DLA) – **0800 121 4600**
- Pensions Service – **0800 731 0469**
- Employment Support Allowance (ESA) – **0800 169 0310**
- Universal Credit (UC) – **0800 328 5644** or log on to journal online
- Motability Scheme – **0300 456 4566**
- Direct Line Motability Insurance (DLM) – **0300 037 3737**

Motability Scheme Responsibilities

The Motability Scheme enables disabled people to lease a new car, scooter or powered wheelchair by exchanging their mobility allowance for a non-means-tested benefit. The following benefits provide access to the Motability Scheme:

- Enhanced Rate of the Mobility Component of Personal Independence Payment (PIP);
- Higher Rate Mobility Component of Disability Living Allowance (HRMC DLA);
- War Pensioners' Mobility Supplement (WPMS);
- Armed Forces Independence Payment (AFIP);
- Higher Rate Mobility Component of the Child Disability Payment (CDP); and
- Enhanced Rate Mobility Component of the Adult Disability Payment (ADP).

Carers and parents can drive on behalf of the disabled person. This means that parents of children aged three and above and non-drivers can apply to join. The vehicle must only be used by, or for the benefit of, the disabled person.

Your Motability Scheme Legal Role as an Appointee

As an appointee, you take on the legal responsibilities as the benefit claimant. As such, you would be the hirer of the Motability vehicle and legally responsible for the lease agreement on behalf of the disabled person.

It's, therefore, your responsibility to ensure that the car is used correctly and that the disabled person has full access to it. You also take full responsibility for any outstanding money that may be owed to the Motability Scheme if it was under your administration as your relative's appointee.

Motability Scheme Contact Number – **0300 456 4566**

Other helpful tips for prospective DWP appointees

It's important not to make assumptions regarding the accuracy of your relative's benefit receipts. In the case of your relative residing in a residential home, specific benefit components, such as the care component of Disability Living Allowance (DLA), the daily living part of Personal Independence Payments (PIP), or the severe disability premium of Employment and Support Allowance (ESA), should not typically apply.

Nevertheless, it's important to note that the DWP may not always discern the distinctions between supported living and residential homes, thus placing the responsibility on the appointee to verify the accuracy of the benefits being received.

Should your relative's care needs experience an increase, they may qualify for a higher rate of benefits if they are not already receiving such benefits. In such instances, it is advisable to contact the DWP to explore whether your relative qualifies for an upgraded benefit level that better aligns with their evolving needs.

Money Carer has a free, easy-to-use [welfare benefits entitlement](#) calculator that also takes into account residential care settings.

Regarding state pension age, you need not initiate contact with the pension service as your relative approaches this milestone. The pension service should proactively reach out to you directly.

Typically, you can anticipate receiving a notification letter approximately six months in advance, providing clear instructions on the necessary steps to take in preparation for this transition. Be vigilant, though, if you have not received any correspondence from the DWP in two months of your relative reaching state pension age and make contact with the Pensions Service directly at **0800 731 0469**

Adult Social Care Responsibilities

If your relative receives a package of care funded by the local council, you must inform them when their savings or assets exceed or fall below the capital limits of £14,250 (lower limit) or £23,250 (upper limit).

Your relative should have received a financial assessment from the local authority to determine if they can contribute to their care package. A new financial assessment must be undertaken if your relative's change in circumstances may affect what is currently in place.

What other changes in circumstances do I need to communicate?

Some other examples of changes in circumstances are to be communicated to the relevant departments of the DWP, local authorities and other organisations.

- Change of residential address (DWP, LA and Utilities, Motorability Scheme)
- Change of care needs (may include requesting a new care assessment)
- Change of bank account details (DWP, LA, Utilities, landlord, care provider)

Continuing Health Care (CHC) and Appointeeship

Some people with longer-term, more complex health care needs qualify for free social care arranged and funded by the NHS. This is known as NHS continuing healthcare.

As continuing healthcare funding is non-means-tested, you will not be required to inform the NHS of any changes in your relative's financial circumstances.

Working With Care Provider Organisations as the DWP Appointee

As the DWP appointee, amongst your other legal responsibilities, your role should be to ensure that your relative has sufficient funds to cover their everyday expenses, including money for shopping, paying for specific bills, and everyday activities. Additionally, you should set aside funds for more considerable expenses and outings as they arise.

Your responsibility encompasses making informed decisions about their welfare benefit money, and their benefit payments are used in their best interests using the five principles of the Mental Capacity Act (2005) for guidance.

Banking Arrangements

You must open a separate appointee bank account to receive your relative's welfare benefits, and best practice is that the account will be a managed account in your relative's name (the DWP may insist on this). This account must only be used to receive your relative's welfare benefits, and you will be required occasionally to provide bank statements to the DWP and local authority to provide evidence of capital and correct benefit entitlement claims.

Money Carer has a dedicated [banking platform](#) that many law firms and local authorities use to open bank accounts for appointeeship and deputyship clients.

As such, Money Carer can open a Financial Services Compensation Scheme (FSCS) protected appointee bank account for you in the name of your relative and accessed and managed by you as the appointee. The Money Carer appointee bank account also has unique features, such as balance alerts and missed welfare benefit payment notifications, to assist appointees and deputies in their roles. The platform also enables [emergency payments](#) to be made in different ways if needed.

There are other bank accounts that appointees can apply for; however, in practice, some of these accounts have maximum balance limits, which can be as low as two or three thousand pounds. When these balances have been breached, the bank may insist that you apply to the court of protection for a deputyship order to continue running the account.

What Will Be Different in How Care Provider Organisations Staff Can Assist With Finances?

In the general course of things, care provider staff members are tasked with providing basic support for your relative with their everyday budgeting and money management needs.

This assistance is primarily centred around their care needs, encompassing activities such as shopping and outings.

However, it's essential to acknowledge that there are certain limitations to what care provider staff members can do regarding your relative's financial affairs, driven by the legal boundaries that govern our role as care provider organisations and that of the legal obligations of an organisation acting as a financial intermediary such as a corporate appointee.

Financial support and money management requirements falling outside of the basic budgeting and shopping assistance we can provide will become your sole responsibility as your relative's legal appointee.

In cases where your relative can make decisions regarding their financial matters independently, we adopt a supportive and encouraging approach to empower them in exercising their autonomy. However, we can not extend 'support' in making decisions to 'substituted' decision-making.

Care provider staff will, of course, liaise and work with you to help to support your relative as their legal appointee.

Some Examples of What We Can and Cannot Do

1. We cannot communicate with the Department for Work and Pensions (DWP) regarding your relative's benefits or provide guidance on which benefits they should receive. These responsibilities fall on you once you become the appointee.
2. While we don't create budget plans for your relative, we can work alongside you and your relative to develop a budgeting plan that suits their needs.
3. Making significant financial decisions on how your relative should spend their money is not within our authority. However, we can offer suggestions and reach out to you when important decisions need to be made.
4. We cannot directly settle your relative's bills or invoices on their behalf. But if your relative can manage these payments, we can support and assist them. If they lack this capacity, it becomes the appointee's responsibility to handle bill payments.
5. If your relative cannot manage their bank or building society account due to their lacking capacity, we are not authorised to access or manage it for them. Furthermore, if your relative does not understand how to access their account, we cannot assist them. Nonetheless, we can collaborate to explore alternative banking arrangements that align with your relative's unique needs and circumstances.

How Can I Get Money To My Relative?

1. Dropping Off Cash:

You can regularly provide cash to your relative as long as these arrangements are deemed in their best interests. Cash deliveries will be kept in a safe or a locked wallet at your relative's residence.

Although delivering cash is an option, it's essential to consider whether this method aligns with your relative's preferences and needs, especially if they engage in online shopping, as cash may not be the most suitable option in such cases.

2. The Money Carer Card

Money Carer started their carers' [shopping card service](#) 14 years ago, and it is used by thousands of carers, individuals, and family members. As such, Money Carer can open a separate FSCS protected bank account in your relative's name. that can be used to send money that can be accessed by your relative with support or by your relative's support workers if they are responsible for undertaking shopping tasks for your relative.

The Money Carer Card is a Mastercard that can be used in-store and online like any other Mastercard. Notably, The Money Carer Card is not a credit card; you can only spend what is available on the account. There are no transaction charges, card replacement fees or ATM fees.

A maximum balance can be set on the card, and any excess funds above the set balance can be sent back to the funding account. For family members that choose to access Money Carers banking platform to support them in their role as an appointee, they will not charge the family appointee for this service. You can download the Money Carer smartphone app or create a secure online account on their [portal](#) to view balances and documents.

3. Prepaid Cards

Certain banks allow individuals to obtain prepaid cards alongside their bank accounts. However, it is essential to note that this particular option is contingent upon the capability of your relative to comprehend and oversee the prepaid card themselves, as bank staff members typically cannot operate the card on their behalf.

This avenue may primarily be accessible to attorneys or deputies who possess the authority to establish the account in the individual's name. In contrast, appointees may not always have the requisite authorisation to avail themselves of this service.

It is worth mentioning that a fee is typically associated with this service. For a more comprehensive understanding of these accounts and their associated fees, you can explore further information by searching for 'prepaid carer cards'.

How Can I Get More Information About The Changes?

In the first instance, please get in touch with your relative's support team, who will be able to discuss the more practical aspects of the changes to appointeeship support going forward.

Care provider organisations also plan to hold regional questions and answer sessions in the coming months which will provide a forum to discuss any technical questions that you may have regarding the appointeeship transfer project.



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