



WHITE PAPER V1.0 | APRIL 2026 | AUTHOR: Money Carer



The Financial Services Gap for Lasting Powers of Attorney

Understanding the operational barriers facing attorneys
and vulnerable customers in modern finance.

Foreward

Since 2009, Money Carer has supported thousands of vulnerable people across the UK with specialist money management, banking and financial advocacy services, working with local authorities, care providers, and families to manage everyday finances safely and with dignity.

In 2010, Money Carer launched the UK's first Carer Card service providing prepaid debit cards designed for individuals with care needs and carers. This was followed by the launch of the Monika Banking Platform, now used by hundreds of law firms, trustees, local authorities and care providers across the UK

Over the last 16 years, we have seen firsthand the practical realities of acting as attorney, deputy or a DWP (Department for Work and Pensions) Appointee; The administrative burden, the impact on daily life, and the potential strain on personal relationships.

This paper explores the UK (England & Wales) lasting power of attorney landscape and examines the challenges faced by individuals acting under a property and financial lasting power of attorney, particularly where existing banking and software solutions fall short.

Contents

- **Executive Summary**
- **A Market That Is Growing and Will Continue to Grow**
- **The Sliding Scale of Financial Need**
- **Independence and Dignity**
- **A Proportionate Shift in Control**
- **Fragmented Processes in a Scaling Market**
- **Conclusion**

Executive Summary

Lasting Powers of Attorney (LPAs) for Property and Financial Affairs (PFA) have moved from the margins of legal planning into the mainstream of financial life. As of March 25, there were a total of 5.27 million people with PFA LPAs registered in England and Wales, and 721 thousand applications were submitted in 2025 alone. Over the past decade, applications have more than doubled¹.

This is not a temporary surge. It reflects structural demographic change, increased longevity, greater awareness of financial vulnerability, and a growing recognition that delegation of authority is a necessary component of financial resilience and an integral part of older life planning.

Yet while demand has scaled dramatically, the operational and technical infrastructure supporting LPAs within financial services has not evolved at the same pace. Processes remain fragmented, manual, and institution specific. More fundamentally, many systems still treat financial control as binary: either a donor manages everything independently, or authority transfers entirely to an attorney.

In practice, financial capability and support needs rarely operate in absolutes. They fluctuate. They evolve. They scale up and down over time. As volumes grow and expectations of digital service increase, the UK requires modern, secure, and scalable software support capable of reflecting that complexity

Sam Richardson, Deputy Editor of Which? Money, observed:

“Taking on power of attorney for a loved one is a big and often stressful responsibility, but our research has found that it’s been made needlessly more difficult when it comes to registering and using that power with banks.”⁶

A Market That Is Growing and Will Continue to Grow

The scale of the LPA market now demands systemic attention. With annual applications having more than doubled in the past 10 years, one in 10 UK adults holds a PFA LPA^{1&2}. At the same time, uptake remains uneven. Among adults aged over 40, 78% do not yet have an LPA in place, and one in ten incorrectly believes that a spouse or partner would automatically be granted authority in the event of incapacity.³ In addition, joint account holders would be likely to be frozen out their account by way of protecting the holder who no longer has capacity to make decisions.

Planning is often delayed. As John Chew, Technical Specialist in Tax, Trusts and Estate Planning at Canada Life, has observed: “It is worrying that very few people have appointed a power of attorney, and it is furthermore problematic that many believe that having full mental capacity is a good excuse to put this off. In reality, if you get to a stage where you are incapacitated then it will be too late, and the Court of Protection will appoint someone on your behalf.”³

The consequences of delay are significant. Without an LPA, families must apply to the Court of Protection for deputyship, a process that is costly (in the thousands), time-consuming (estimated as 4-6 months but often significantly exceeds that), and administratively burdensome, with annual deputy reports required as a minimum. In contrast, the cost (in the hundreds) and timeline (8-10 weeks) for arranging an LPA in advance are comparatively modest. In addition, there is no formal reporting to the OPG (Office of Public Guardianship) required for an LPA (unless specifically requested by the OPG).

Demographic trends reinforce the urgency. While historically most applications were made by those aged 75 and over, there has been substantial growth among individuals aged 55 to 75. This indicates that LPAs are increasingly viewed not solely as instruments of last resort, but as proactive planning tools.

Over the past several years the OPG have conducted a robust publicity campaign, encouraging the take up of LPA's, particularly from ethnically diverse groups who have historically had low take up of formal tools for the management and protection of their finance and property.

“annual applications have more than doubled in the past 10 years”

The Sliding Scale of Financial Need

LPAs are often discussed in the context of complete loss of mental capacity. However, many individuals experience financial vulnerability in ways that are partial, temporary, or fluctuating.

Someone undergoing chemotherapy may struggle with concentration for several months before recovering. An individual living with bipolar disorder may require oversight during periods of acute illness but function independently at other times. Early-stage dementia may involve gradual cognitive change over years. Physical impairments may restrict mobility without affecting decision-making ability. For some, cognitive strain or memory difficulties can also make everyday tasks challenging, such as remembering PIN numbers. This effects confidence in using debit cards or managing routine transactions independently.

In these circumstances, need exists on a sliding scale. Support may be required intermittently or in limited domains. Independence may remain intact in many areas of financial life.

Yet the operational reality within banking often remains binary. Once an LPA is activated and recognised, attorneys typically receive broad authority. Where restrictions apply, they are often procedural rather than technologically embedded. The infrastructure does not easily accommodate graduated or reversible levels of support.

Furthermore, there needs to be recognition of when the balance shifts and donors may need to be protected from criminals taking advantage of their vulnerability. However, it is not always clear cut, as stated in the Mental Capacity Act (2005) principle³, “A person is not to be treated as unable to make a decision merely because he makes an unwise decision”.

“need exists on a sliding scale... Yet the operational reality within banking often remains binary”

Independence and Dignity

Financial independence is deeply connected to dignity and autonomy. Retaining control over everyday spending, savings, and decision-making is central to a person's sense of agency.

Public policy in relation to vulnerability increasingly emphasises supported rather than substituted decision-making. The objective is to help individuals manage their affairs safely for as long as possible.

However, when infrastructure offers only full transfer of authority, formal delegation can feel like surrender rather than support. As a result, some individuals resort to unsafe work-arounds. Research by the Money and Mental Health Policy Institute found that one in five people with mental health problems has shared their PIN or online banking credentials to obtain help managing money, and more than 40% have allowed someone else to use their bank card.⁴

These practices expose individuals to fraud and undermine consumer protections. They are often adopted not because formal routes are unavailable, but because formal routes are perceived as inflexible or overly complex.

Informal arrangements for supporting people who require assistance in managing their affairs means that there are minimal safeguards in place for individuals who agree to such arrangements. In abuse situations stemming from informal arrangements, the victim has little recourse for the recovery of funds from financial institutions and the Police can offer little support in terms of criminal investigation and penalty against the perpetrator.

Even when the formal path of LPA is followed, as highlighted in the Hidden Heros report “people with a lasting power of attorney were more likely to agree that they were accessing passwords and security details belonging to the person they help. This highlights a gap between people's responsibilities as attorneys and the digital access options currently available to them.”⁹

“when infrastructure offers only full transfer of authority, formal delegation can feel like surrender rather than support”

continued

Independence and Dignity

Donors who retain capacity can still be highly vulnerable to financial abuse, such as romance scams, and therefore require stronger support from financial institutions to protect their funds. This creates a difficult challenge for attorneys, who must navigate the complex boundary between respecting a donor's autonomy and recognising potential harm. At what point should a decision made by a donor be considered 'unwise' or, indicate that there is a decline in the donor's mental capacity for such decisions, particularly when the donor remains otherwise financially independent?

A modernised software framework could enable graduated delegation, which could also reflect the preferences and instructions as outlined in the LPA registration form. A donor might retain full day-to-day control while granting attorneys visibility over transactions. Higher-value payments could require dual approval. Spending categories could be restricted. Permissions could expand during periods of illness and contract during recovery. Such an approach preserves independence while strengthening protection.



continued

Independence and Dignity

Case study

Nancy' and her sister are joint and several attorneys for their mother and have identified the need for greater flexibility and oversight of her affairs.

Nancy's sister lives in Gloucestershire while both Nancy and her Mum live in Dorset. Her Mum is 89 and has a history of schizophrenia. Her level of capability fluctuates, depending on whether she is having an episode, but overall, she is capable of day-to-day transactions and both Nancy and her Mum are keen that she retains some independence.

One of the key issues Nancy has had is that her Mum finds direct debits confusing especially if the amount changes, she becomes suspicious and when she had full control of the account would change and cancel them. She would also go into branch and get frustrated with branch staff.

When Nancy spoke to her bank, they were very helpful and gave her access to the account (as LPA), but they could not offer a different or reduced access for her Mum. Therefore, her Mum no longer has access to her account. Nancy also said that initially her sister was a little concerned about her having full control of the account and what she was spending money on.

To give her Mum some independence, Nancy has been using a prepaid card, but this was limited to one store and is being withdrawn.

What the family needs is a debit card for Mum that Nancy can control, allowing her to provide appropriate funds for everyday spending such as shopping or coffees.

Alongside this, they need an oversight tool that enables Nancy to ensure Mum always has sufficient funds, while also giving Nancy's sister visibility of transaction, providing transparency and reassurance about how the money is being managed. This oversight should also extend to household bills, direct debits and income, so both sisters have a clear, complete view of Mum's finances.

A Proportionate Shift in Control


Preserving independence does not mean ignoring risk. There are moments when the balance must shift, when a donor's vulnerability exposes them not only to external abuse, but to harm arising from impaired judgement or exploitation.

Financial institutions increasingly encounter cases where individuals, acting in good faith, transfer substantial sums to criminals, believe they are in genuine romantic relationships with fraudsters, or become convinced they are assisting legitimate causes. In such circumstances, the risk is not always the attorney misusing funds; it may be the donor themselves acting under manipulation or diminished capacity.

A modern system must therefore be capable of recognising when support should intensify. Protection should not depend on a permanent and total transfer of authority, but on the ability to adjust permissions in response to changing risk. Oversight mechanisms could strengthen temporarily, introducing dual authorisation, enhanced transaction monitoring, or spending thresholds, while maintaining transparency and clear audit trails.

This is not about removing autonomy. It is about ensuring that autonomy is exercised safely. Just as support can recede when independence is strong, it should be able to expand when vulnerability increases.

Designing systems that accommodate this calibrated shift allows independence and protection to coexist. It reflects the reality that capacity is not static, and that safeguarding to be effective must be dynamic, proportionate, and embedded within the financial infrastructure itself.



“Protection should not depend on a permanent and total transfer of authority, but on the ability to adjust permissions in response to changing risk”

Fragmented Processes in a Scaling Market

Operational fragmentation remains a central challenge. Attorneys must register separately with each financial institution. Processes vary widely, from digital applications to in-branch requirements. Ease of registration differs significantly between providers, and not all accept the access code (introduced in 2020 by the OPG). To introduce a streamlined ‘tell us once’ system, similar to the DWP (Department for Work and Pensions), would decomplicate the process offering greater support to attorneys.

In Nov 25 Smarter Contracts partnered with the Vulnerability Registration Service to pilot a national ‘Vulnerability Passport’ that allows vulnerable individuals to verify their status once and share it across any organisation. Wayne Foster explains, “Register once with VRS. Service providers verify status without accessing underlying sensitive data. Vulnerable people maintain control and never have to repeatedly disclose the hardest moments of their lives.” The results of the pilot will be available Q2 2026, learnings which may inform a solution to reducing the complexity of multiple applications to different financial providers.

Unsecured lending, such as new overdrafts, credit cards or loans, is generally not permitted for attorneys, reflecting the higher risk involved, but this remains restrictive in practice. While some providers allow attorneys to remortgage on behalf of a donor, this is not consistent across the market. Opening new accounts remains a significant point of friction, with only 30% of those surveyed⁶ describing the process as easy. Where a new provider is required and the donor lacks standard identification, such as utility bills, a passport or driving licence, opening an account can be almost impossible. The concern here is whether donors have access to the best products available, or whether the attorney status restricts their choice.

Further challenge is found when appointed joint or severally and one, both or many are not UK residents. Some financial providers do not allow attorneys who do not hold a UK address to be granted access. In addition, joint attorneys may be required to attend branch appointments together. Some providers restrict debit card issuance where attorneys are appointed jointly. Online and telephone access varies depending on appointment structure with no access for jointly appointed attorneys. As branch numbers have reduced dramatically to nearly half over the past decade⁵, reliance on in-person processes has become increasingly problematic.

“Attorneys must register separately with each financial institution. Ease of registration differs significantly between providers”

continued

Fragmented Processes in a Scaling Market

Consumer Duty, within principle 2A.6.5R sets out that “where a person is authorised by a retail customer or by law to help in conducting the retail customer’s affairs (such as power of attorney (PoA)), the firm must provide the same level of support to that person that they would have provided to the retail customer.”

Furthermore, paragraph 9.11 of the Duty Guidance states that “while we do not prescribe which channels a firm must offer, firms ‘must ensure the channels they do offer meet the needs of their customers, including customers detailing with non-standard issues, and customers with characteristics of vulnerability.’”

Sam Richardson, Deputy Editor of Which? Money, observed: “Taking on power of attorney for a loved one is a big and often stressful responsibility, but our research has found that it’s been made needlessly more difficult when it comes to registering and using that power with banks.”⁶

He continued: “Firms need to up their game to ensure those registering power of attorney can do so in a timely and efficient manner.”

Almost three in ten⁶ attorneys report difficulties in using their powers with banks or building societies. As LPA volumes continue to rise, manual and inconsistent processes will become increasingly unsustainable. Scalability is not only about accommodating more registrations. It is about ensuring that rising volumes do not amplify friction and risk.



Safeguarding and Systemic Risk

As the number of LPAs grow, safeguarding becomes a systemic consideration rather than an isolated issue. Cases of fraudulent registration and financial abuse have demonstrated vulnerabilities within the broader ecosystem. Hourglass estimates that the total yearly social and economic cost to the UK of the abuse of older people is over £16bn⁷ and that this figure is most definitely an underestimate.

The LPA framework has historically relied heavily on trust, creating vulnerabilities that have been exploited by criminals. Prior to the Powers of Attorney Act 2023, there was no formal identity verification for attorneys or witnesses and no systematic background checks by the OPG, only confirmation that signatures were completed in the correct order.

Reported cases of abuse illustrate the risk. In December 2021, BBC Radio 4 highlighted a case in which a fraudster successfully registered as an attorney, falsely claiming to be the donor's sister, despite the donor having no sister. The individual gained full control and attempted to sell the victim's home. The fraud was uncovered only because a solicitor, during the conveyancing process, requested identification and medical confirmation of incapacity.

The Power of Attorney Act (2023) was introduced to strengthen safeguards against fraud by false representation, including the introduction of identity verification measures and restricting LPA applications to donors themselves. These reforms represent important progress. However, they have yet to be implemented and no definitive timetable has been published. In the interim, the system continues to rely on forms last updated in 2015.

Financial abuse remains widespread, whether deliberate or through lack of understanding. For example, 25% of the Hourglass survey respondents did not believe that 'taking items from a relative's home without asking is a form of abuse'. Research by HCR Law found that 87%⁸ of respondents had encountered at least one case of financial abuse in the past year, most commonly denying the victim access to their own money, unexplained or excessive cash withdrawals or transfer of funds to another's account.

“the absence of structured oversight mechanisms highlights the importance of robust digital controls within financial systems themselves”

continued

Safeguarding and Systemic Risk

Alongside clear-cut abuse sits a more ambiguous “grey” area. Disputes can arise where one attorney makes a financial decision that another attorney does not agree with, only for concerns to surface too late due to limited transparency, incomplete record-keeping, or the absence of robust authorisation and oversight mechanisms. This situation is made even more challenging when one or more of the attorney’s live outside of the UK, which is a common situation family’s find themselves in.

Although steps have been taken to improve the LPA application and registration process, financial institutions have made far less progress in adapting their operational systems to provide the flexibility needed to deliver better, more responsive service. In addition, financial institutions do not have the duty to monitor spending to ensure the donor’s money is being spent in their best interest. Therefore, there is no mechanism in place to alert a change in way the attorney actively uses the donors money, or support for donors who wish to take actions to have the attorney removed. And once in place, there are no checks or flags to ensure attorneys are still fit (e.g. if they become bankrupt or subject to a debt relief order) or indeed are not vulnerable themselves to financial abuse.

Deputies appointed by the Court of Protection are required to hold security bonds to protect donor assets. LPAs do not carry the same mandatory financial safeguards. While LPAs are based on trust and personal relationships, the absence of structured oversight mechanisms highlights the importance of robust digital controls within financial systems themselves.

Scalable infrastructure should therefore combine flexibility with accountability. Digital audit trails, real-time status validation, and structured permission frameworks can support both independence and protection

References

- 1 Office of Public Guardian – Family Court Statistics & FOIA request – 250808012 Sep-25
- 2 ONS: Population estimates – local authority based by single year of age 2024
- 3 Research conducted by Opinium, March 2025. Sample survey - 2000 UK Adults
- 4 ‘If I needed someone’ – Oct 25 Money & Mental Health Policy Institute
- 5 ONS: Business activity size and location via the NOMIS database
- 6 Which? survey Dec 23 1530 people
- 7 Hourglass “Growing Old in the UK” survey 2024
- 8 HCR Law The Prevalence of Financial Abuse in Older & Vulnerable Adults in England and Wales.
- 9 Hidden Heros – Devon Fields Consulting March 2026

Conclusion

Lasting Powers of Attorney are no longer peripheral legal instruments. They are now embedded in the fabric of mainstream financial planning, with volumes that reflect structural demographic change rather than cyclical growth. As registrations continue to rise, the gap between legal reform and operational capability within financial services becomes increasingly pronounced.

Recent legislative change will strengthen the front end of the process once delivered, improving identity verification and reducing the risk of fraudulent registration. Yet the downstream experience, where attorneys and donors interact with banks and other financial institutions, remains constrained by systems designed for a simpler, lower-volume era. Binary control structures, fragmented registration processes, limited transparency, and inconsistent digital access are no longer operational inconveniences; they are systemic friction points in a market that has scaled beyond them.

Crucially, financial vulnerability does not operate in absolutes. Capacity can fluctuate. Support needs can expand and contract. Independence can coexist with oversight. A system built on full substitution of authority does not adequately reflect lived reality. Nor does it sufficiently address the safeguarding risks that emerge as volumes increase and informal workarounds persist.

The question is therefore not whether LPAs will continue to grow, they will, but whether the financial services infrastructure that supports them will evolve in parallel. Modern, secure, and scalable software solutions offer a pathway to do so. By embedding graduated permissions, transparent audit trails, real-time validation, and structured oversight within core systems, institutions can support both autonomy and protection. Flexibility and accountability need not be competing objectives; they can be designed to reinforce one another.

For industry, regulators, and policymakers, the opportunity is clear and the responsibility is immediate. A coordinated, joined-up approach is essential to enable shared learning, unlock efficiencies, and deliver meaningful change at scale. The UK is modernising the legal framework. It must now modernise the operational systems that underpins it. In doing so, it can strengthen consumer protection, reduce systemic risk, and most importantly, preserve the financial independence and dignity of millions of donors whose needs will continue to evolve over time.

