

We caught up with Paul Lewis, consumer champion, award-winning journalist and host of BBC Radio 4's *Moneybox*, for his views on financial abuse

"Frenkel Topping is my kind of independent financial adviser – very, very cautious."

Chairing the London Deputy Day 2019 conference has really opened my eyes to the very serious and shockingly widespread issue of financial abuse.

There is a growing army of people – well-meaning or otherwise – who have agreed to take on power of attorney for a relative or friend, but don't understand the serious legal duties and onerous responsibilities it brings. They probably have no medical training to understand whether the person they represent has capacity, and no legal training to judge what their duties and responsibilities are.

Consider this example:

Tom is elderly, frail and can no longer live alone, so his nephew Harry and Harry's wife have taken him in. Harry becomes responsible through being granted power of attorney for the significant amount of money that Tom's house sold for. Harry wants to make Tom's life comfortable so he makes improvements to his own home – he wanted to make sure Tom had somewhere private with his own ensuite facilities, so he built an extension – and in the process spends Tom's money to add value to his own home.

Was that for the benefit of Tom?

Harry and his wife take Tom on holiday, three holidays in fact – all of which were paid for by Tom. Were these entirely for Tom's benefit? Tom couldn't go alone, so Harry and his wife looked after him, but could never have afforded these holidays for themselves.

Tom was completely happy with the situation and, although Harry had power of attorney, he felt that Tom had full capacity and fully understood how Harry and his wife were spending his money.

Doctors, however, didn't think that Tom had capacity. And Harry's niece complained to the Court of Protection because she expected to inherit money from Tom and felt Harry had abused his position.

Harry was very upset, believing that everything they'd done had been for the benefit of their elderly uncle Tom.

So – is this financial abuse or is it relatives giving a frail old man the best life he could have in his final years?

A difficult question.

The former senior judge at the Court of Protection has said that, if he had his way, he wouldn't grant anyone power of attorney unless they were a professional deputy (often a lawyer), as power of attorney could all too frequently have a devastating effect on family life.

And it brings another problem. How does the person with power of attorney know what to do with the sum of money they may suddenly control – if an elderly relative has sold their home or their business, or has been awarded damages for accident or illness, for example.

How do they maximise the income, and either keep it safe or spend it fairly to give the person the best possible life?

Getting advice from an independent financial advisor is a good place to start – and you can seek advice from different providers until you find an approach you're happy with.

Frenkel Topping is my kind of IFA – very, very cautious. Their experience means they can spot signs of financial abuse and sound alarm bells early on. Handing a substantial lump sum to people who have been left with little or no capacity to manage their own financial affairs can leave the door wide open to abuse.

It's so important that the issue of financial abuse – or coercive control – is addressed. In my opinion, the Government proposal to include financial abuse within the definition of domestic abuse can't come quickly enough.