

THE AGEING POPULATION: COPING MECHANISMS AND THIRD PARTY ACCESS





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the Big Window® is very proud to have been commissioned by the FCA to conduct this study.

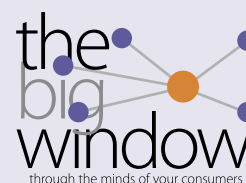
We are grateful to a number of individuals who supported us in writing it including the industry stakeholders and academics. In particular, we would like to thank everyone involved in the project at the FCA, Victoria McLoughlin, Vivienne Man, Anna Seligman and Leslie Sopp.

the Big Window® is an award-winning agency that works with clients across sectors and, in particular, the financial services sector. We specialise in utilising psychology in the design, conduct and analysis of primary and secondary research to ensure the most challenging of truths are uncovered and translated into action.

The study was led by Lisa Edgar. The research team comprised Frances Green, Victoria Ward and Mark Gumbley.

Disclaimer:

The recommendations made in this report are those of the Big Window®, not the Financial Conduct Authority ('FCA'). They do not constitute FCA rules, guidance, policy or other form of instruction to the industry.



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1 Introduction



1.1 Background

In recognition of the changing structure of the UK population, the Financial Conduct Authority ('FCA') is seeking to encourage **firms to reflect on what they can do to better meet the needs of older consumers and then adapt their practices accordingly.**

As a result, it embarked on the **Ageing Population Project**. This was launched in 2016 with a collaborative Discussion Paper. The paper features contributions from a range of experts, stakeholders and organisations on what older people need from financial services providers and some of the barriers that might get in the way. Following on from responses to the Discussion Paper, the FCA has developed a programme of work that looks holistically at the issues facing older consumers as they engage with financial services.¹

People are living longer on an unprecedented scale. The fastest growing segment of the UK population is those aged 85 and over. Demographic change is at the heart of the challenges posed by the ageing population. Regulators and firms need to adapt to make sure that financial services are still fit for purpose, and able to meet the wide ranging needs of today's older consumers. The FCA is mindful that there are already initiatives, such as UK Finance's 'Financial Services Vulnerability Taskforce', that are considering the needs of older consumers.

The research that informed this report was commissioned to understand the practical steps that older people and their carers take to manage their access to retail banking services². It aimed to give a complete picture of their experience in setting up and using formal and informal routes to access their money.

In particular, the research aimed to explore and understand:

- The reasons why older people need to access retail banking services
- The challenges they experience in doing so, particularly when they need support from a third party, such as a relative or friend
- How older people and their carers cope with these challenges
- The extent to which their needs are met by current options to allow third party access
- Whether there is a need to improve the current options and/or develop new solutions

We all rely on retail banking to help meet our financial needs, such as paying bills, accessing cash or receiving income. It is therefore imperative that all consumers are able to access the services they need.

It is expected that this report will be used to help regulated firms understand the challenges faced by older people and, where appropriate, their carers. It can be read in conjunction with ‘The Ageing Mind’³, which explores how the mind changes with age, and how these changes affect consumers in their interactions with financial services.

Both reports identify opportunities to improve customer services or increase innovation. The FCA will also use the research as a source of evidence to inform its Ageing Population Strategy.

1.2 Terminology

Formal arrangement

Within this report, a ‘formal arrangement’ refers to delegated authority such as a Third Party Mandate and/or Lasting Power of Attorney (‘LPA’).

A Third Party Mandate is an agreement between a bank and a customer, which allows a named person (the ‘third party’) to access an account on the account holder’s behalf. It may be suitable if that account holder needs help to manage or access their account. For long-term arrangements, an LPA or a court order, may be more appropriate.

In England and Wales, LPA is registered with The Office of the Public Guardian (OPG); in Scotland, LPA is registered with The Office of the Public Guardian (Scotland); and in Northern Ireland, responsibility for LPA lies with the Office of Care and Protection. Different processes, laws, terms and terminology apply.

This report makes reference to the two different types of LPA in England and Wales.

- **Property and Affairs Lasting Power of Attorney:** this allows an individual of ‘mental capacity’ to appoint one or more people to act on their behalf in matters relating to property and financial affairs. It covers payment of bills, managing a bank account, collecting benefits or a pension and the sale of a home. This can be used as soon as it is registered, with the individual’s permission. The appointed person is known as the ‘attorney’.
- **Health and Welfare Lasting Power of Attorney:** this allows an individual of ‘mental capacity’ to appoint one or more people to make decisions about daily routines (such as washing, dressing or eating), medical care, moving into a care home and life-sustaining treatment. This can only come into effect when the individual is unable to make their own decisions. The appointed person is known as the ‘attorney’.

Informal arrangement

An 'informal arrangement' refers to when an individual shares confidential information to gain assistance with management of their finances. Examples of this are:

- Sharing their personal identification number (PIN) to access fund from an Automated Teller Machine (ATM)
- Asking someone else to use online banking on their behalf
- Asking someone to represent them on the telephone

1.3 Methodology

The research that informed this report involved:

- Sixty-two extended interviews, with 30 older people and 32 carers (details of the sample are provided in Appendix 1). The older people interviewed were living with an age-related condition, and receiving support with managing their day-to-day finances from a spouse, other family member or friend
- Interviews with a number of stakeholders to obtain a specialist perspective of the issues covered (listed in Appendix 1)

In this report, when we refer to the experiences of the research participants, we use the terms 'few', 'some' and 'many' to provide a sense of the frequency with which views were expressed. We use:

- 'Few' when a particular viewpoint or experience was mentioned by only a small number of respondents
- 'Some' when a viewpoint was expressed by more than a few but was not the majority
- 'Many' when most respondents shared a perspective or experience.

1.4 Report structure

The report is structured as follows:

Section 2: Executive Summary

Presents the main findings from the research together with our recommendations⁴.

Section 3: Main Findings

- 3.1 Stakeholder interviews: describes the key themes that emerged from interviews with stakeholders
- 3.2 Changing financial needs of older people: presents the differences and similarities in the needs and preferences of the older people, in relation to managing finances
- 3.3 Challenges of access to banking services: discusses the difficulties faced by older people and their carers when carrying out day-to-day banking
- 3.4 Coping with the challenges: describes the informal and formal solutions used by older people and carers to cope with the challenges of day-to-day banking
- 3.5 Solutions: offers recommendations for improving the access to day-to-day banking services by older people and their carers

Section 4: Conclusions

Appendix 1: Methodology

Describes the research methods, characteristics of the respondents and inclusion criteria.

2 Executive Summary



2.1 Context – diversity of characteristics

Although the older people we interviewed were living with age-related conditions, these varied in nature, and impacted differently on their ability to manage day-to-day banking. A number of factors were influential. These included carer-participant relationship, existing routines, past experiences and their digital capability.

Digital capability varied markedly. Of the 62 people interviewed, 12 were perceived to be digitally competent because they could bank or shop online without support, whilst 32 had no reported digital experience whatsoever.⁵

2.2 Shared needs and preferences

Despite this diversity, the older people that were interviewed shared a number of needs and preferences:

- **Day-to-day banking needs were simple**
- **Having cash in hand** was important
- **Face-to-face interactions were preferred** and many relied on a local branch to obtain cash and pay bills
- **Paying bills on time was a priority.** Some needed occasional help with making payments, for example when setting up a new direct debit or paying a one-off bill
- **Paper statements and receipts** were reassuring and helped older people recall the actions they had taken
- **There was a strong preference for familiar routines**, which helped prolong autonomy and independence

Confusion, frustration and anxiety about money management were considered to be one of the first signs of decline and vulnerability. This would often manifest itself in losing money. Some participants, because of their condition (for example Alzheimer's disease or alcoholism), were seriously mismanaging their money, creating financial problems for themselves and/or their families.

2.3 Challenges

Participants described a number of challenges associated with accessing retail banking services.

Access to local branch

- Not having a local bank branch
- Not receiving the help they required in branch

ATM usage

Whilst some said that they successfully used ATMs, others highlighted difficulties:

- They distrusted them
- They found them challenging, confusing and frightening
- They had trouble recalling their PIN
- The screen instructions were too fast
- Concerns were expressed about physical safety when using an external ATM

Telephone banking

Telephone banking presented older people with significant challenges. These included:

- Negotiating long call menus
- Responding quickly to the instructions
- Recalling numbers and passcodes
- Answering security questions

Carers reported problems using telephone banking systems to support older people. Most providers allowed the carer to discuss the account of the person they cared for, if the account holder was present to authorise access. However, often this was not possible and caused stress and anxiety to all concerned. In this situation, carers felt they were not given advice and guidance for future occasions. Advisers rarely suggested other third party access options.

Internet banking

A number of concerns were raised about internet banking:

- Many expressed strong fears about security
- Inconsistency and complexity of log-in procedures
- Having to recall passwords and other memorable information

2.4

- Using code generators

Informal solutions

In order to circumvent perceived problems with access, many older people and their carers were adopting informal workarounds.

These included sharing of card and PIN numbers with their carer to:

- obtain cash from an ATM
- pay bills
- purchase goods/services

Carers also used the older person's details to:

- access online banking
- use telephone banking
- set up direct debits or take other online actions on their behalf.

This sharing of confidential information puts both the older person and carer at risk. It is a breach of the terms and conditions of use, meaning the account holder is no longer protected against fraud. It is also fraudulent behaviour by the carer. The older person, or their carer, did not always appreciate these risks.

In instances where an older person was making frequent cash withdrawals due to forgetfulness, carers set up a 'feeder account' to limit the amount that could be withdrawn. On a few occasions, they pretended to be the older person to do this.

The anonymity of internet banking allowed carers to easily by-pass the normal restrictions of other channels such as the telephone. Informal third party access strategies were considered by many older people and their carers to be acceptable because of their familial relationship and the trust this implied. Whilst a few carers expressed unease, many did not question what they were doing and none considered the risks involved. Many appeared to have drifted towards using informal solutions rather than considering, and then rejecting, formal options.

2.5 Formal solutions

Third Party Mandates

Awareness of Third Party Mandates was low. However, the few respondents who had a mandate considered it to be an acceptable alternative to a more formal arrangement. This highlights how a Third Party Mandate can offer a transitional solution where financial arrangements are simple or lower risk. It can provide the access required by carers, without the cost or emotional impact of an LPA⁶.

Lasting Power of Attorney

Lasting Power of Attorney ('LPA') offered peace of mind to those who had put this arrangement in place. However, in general, there was a noteworthy lack of awareness regarding LPA and much confusion surrounding formal third party access options.

For those without a formal agreement in place, LPA was the most commonly known solution. However, there was confusion surrounding the two types (Property and Affairs and Health and Welfare).

There appeared to be a considerable stigma attached to setting up an LPA, together with fear and resistance because it suggested the older person was incapable. For some carers supporting a male older person, LPA represented a potential loss of masculinity and/or identity as head of the household.

There was a lack of awareness that LPAs can be set up and registered in advance of need. Equally, amongst the interviewees, there was low awareness that LPA can only be set up when the donor has 'mental capacity'⁷. Nor did they understand that if the donor does not have mental capacity, an application has to be made to the Court of Protection, which can be both lengthy and costly. There was also limited awareness that LPA could be tailored to allow bespoke levels of access.

The task of applying for LPA was daunting to some. Barriers included a lack of time, reluctance to tackle forms, legal language and the use of acronyms. Interestingly, those who had been through the process of setting up LPA, said they found it more manageable than they had expected and two people had not required a solicitor.

Once obtained, registering LPA with different organisations sometimes proved onerous and time-consuming. In some cases, LPA did not deliver the benefits anticipated in terms of ease of access, due to difficulties with the registration process. Difficulties included a lack of consistency in processes across different organisations and within different divisions of the same organisation. Costs were also a problem.

2.6 Recommendations

the Big Window® has made a number of recommendations in response to the research findings.

The research has highlighted the following goals are important:

- Empowering and enabling older people to manage their own finances for as long as possible
- Ensuring products and services meet their changing needs and are delivered in a way they can access
- Communicating clearly and appropriately with older customers

It is clear that frontline banking staff can often be the critical first step in identifying difficulties faced by a customer and communicating the available options to them and/or their carer. Given the breadth of their remit, it is impractical for all staff to be trained to deal with all the issues that they might face. However, they can be trained to notice when a customer is experiencing difficulties and ensure that the customer is referred to a specialist team speedily and seamlessly.

To help with this, banks could create a safe environment and a culture where customers are comfortable to discuss the difficulties that they are experiencing, secure in the knowledge that the bank understands them as customers and will respond to their needs appropriately.

There also appears to be a role for the government to address a number of the barriers that older people and their carers may face in setting up and registering LPAs. The Government has a role in raising awareness and normalising LPAs, ensuring that myths are dispelled and the language surrounding LPAs is more positive, constructive and reflective of its flexible nature. Furthermore, the benefits of setting up and registering LPAs earlier in life, perhaps alongside mortgage administration or writing wills, could be communicated.

The Government could reassess the language and structure of LPA itself, ensuring that the complexity of application does not prove to be a barrier. It could provide more example templates to aid completion.

Finally, a central registration service and online database may make it easier to register LPA with multiple organisations.

The following table details our recommendations based on our analysis of the interviews in this research.

	Summary of recommendations
Raise awareness and understanding of the access issues faced by older people	The issue of older people gaining access to retail banking services should be more widely publicised, with financial services providers, the government and charities working together to improve and promote formal access routes.
Address the needs of older customers and carers	<p>Banks and building societies need to take further steps to create a safe and receptive environment to encourage consumers to come forward and discuss their needs.</p> <p>There is scope for more active marketing of existing solutions (such as Third party Mandates, joint accounts and Chip and Sign) by banks, building societies and card issuers.</p> <p>Larger bank and building society branches could hold 'carer sessions' to help carers share best practice.</p>
Improve frontline identification and response	<p>Frontline staff should be trained to notice when a customer has a difficulty and be confident to intervene or ensure that the customer is referred, speedily and seamlessly, to a specialist team.</p> <p>All financial services providers should have systems that allow 'flags' to be put on accounts to identify vulnerability and note particular customer circumstances or requirements. This would create better, more integrated customer services for dealing with older customers experiencing difficulties.</p>
Provide telephone banking services that work well for older people and their carers	<p>All financial services providers should offer an alternative to scripted calls and rigid telephone banking systems. This could include providing a specialist team to assist older consumers and their carers.</p> <p>Providers should also offer a straightforward process for older people to authorise carers to speak on their behalf, which meets data protection and the Financial Conduct Authority's ('FCA') regulations.</p>
Enable older people to use online banking effectively	<p>Older people's requirements for the following should be met:</p> <ul style="list-style-type: none"> • Clear signposting, standard symbols, larger size text and less clutter on internet banking sites • Support to help set up online banking or use other appropriate access routes when branches close or services change • Secure options to authorise some level of online banking access to a carer to help them manage their day-to-day banking needs • Support to make use of online or 'branch-lite' providers, such as the Post Office, for information and services when branches close

<p>Normalise LPA</p>	<p>There is a need to raise awareness and destigmatise LPA through greater collaboration between organisations. Case studies and testimonials should be used to promote the importance of ‘acting now and not putting it off’ to normalise this behaviour and avoid the problems and expense of leaving it too late.</p> <p>There is a need for more free, user-friendly guidance and support from all those concerned with the wellbeing of older people (financial services providers, financial advisers, solicitors, local community groups, NHS and charities).</p> <p>There should also be a greater choice of application channels, including online and telephone. The option of setting up without a solicitor should also be widely promoted, together with no/reduced fees for those who qualify.</p>
<p>Simplify the process of setting up and registering LPA</p>	<p>There is a need for simple, clear and more consistent processes to set up and register LPA, for example a service to help registration with multiple organisations. This could be similar to the Government’s ‘tell us once’ bereavement service or it could be a central registration and database. A document storage service, with the ability to download documents, would assist carers with administration. Paper-based alternatives could still be an option for those reliant on them.</p>
<p>Develop innovative solutions for flexible, secure third party access for carers</p>	<p>Develop innovative solutions for flexible, yet secure, third party access for carers. Options could include:</p> <ul style="list-style-type: none"> • Offering different levels of online and telephone access, tailored to the individual • Cards with limited authorities • Statements that show carer banking activities • Online passwords to allow limited view/online activities • Flags on the systems to communicate the specific needs of the older person to branch/call centre staff and the status and authority of the carer • Sharing of information within a business about the needs of the older person and the status and authority of the carer
<p>Play a role within the community</p>	<p>Banks could offer scaled down services in community settings (such as in libraries or post offices), to give guidance on setting up online and telephone banking services.</p>

3 Main Findings



3.1 Stakeholder interviews

To complement the interviews with older people and their carers, a number of interviews were undertaken with industry representatives.

It was apparent from these interviews that the needs of older people, in terms of accessing banking services, have risen up the agenda. There is commitment and energy to address many of the associated challenges. However, there was also a recognition that, whilst banks have good intentions, this needs to be translated into tangible changes throughout the customer journey.

The key themes to emerge were:

- Empowering older people to manage their own finances for as long as possible
- Avoiding stereotyping and recognising the diversity of older people
- Recognising that barriers associated with Fintech⁸ solutions can leave older people isolated and vulnerable
- Avoiding excessive security which can create barriers
- Acknowledging that carers are often stressed and not necessarily financially savvy
- Encouraging people to plan ahead and facilitating this at the appropriate point in the customer's lifetime
- Recognising the gap between age-friendly policy and practice with staff struggling to identify and respond to the issues that arise with older customers
- Recognising that older customers and their carers receive a mixed service from providers when setting up, registering and using Lasting Power of Attorney ('LPA')
- Aspiring for organisations to work together to provide an integrated approach

3.2 Changing financial needs of older people

Key finding 1:

Older people and their carers are a diverse group with a range of different needs

Although the older people who were interviewed were all living with age-related conditions, these varied in nature, and impacted differently on their everyday lives. Conditions could be physical (for example, mobility, hearing or sight related) or they could be cognitive (for example, memory loss, confusion or anxiety). Some people experienced a mixture of physical and cognitive conditions. Those with dementia also experienced day-to-day variations, for example, being able to recall their PIN or date of birth on one day but not on another. As such, experiences of old age were not consistent: the challenges changed over time, every situation was different and the picture was diverse and complex.

A number of other factors varied across the sample. These impacted on the way in which older people and their carers managed financial transactions. Influences included:

- The personality and character of the older person and their carer
- The relationship between the older person and their carer
- The personal situation of the carer
- The older person's past experiences and routines
- Their location (rural, semi-rural or urban) and their proximity to a bank branch
- The older person's level of financial literacy
- The older person's degree of comfort with technology

Digital capability, in particular, varied across the sample. Of the 62 people interviewed, 12 were perceived to be digitally competent because they could bank or shop online without support, whilst 32 had no reported digital experience whatsoever. Although this was qualitative research with a relatively small sample, perceived digital capability was strongly correlated with age. Those aged 80 plus, demonstrated least capability, and those aged under 75, were the most digitally proficient.

As a result of this diversity, the range of needs was very broad which, in turn, suggests that solutions need to be flexible. This point was also made by stakeholders in their interviews. It was agreed that it was necessary for financial services providers to understand the older person as an individual together with the specifics of their situation. Stereotyping older people had a negative impact:

"If you tell someone they are old and can't do things, then they believe they can't do them." (Stakeholder)

The three Case Studies⁹ that follow demonstrate the diversity of respondents. The first is based on an older person with short-term needs where the carer is their spouse. The second is based on an older person with intermittent needs. The third concerns a carer supporting her mother with dementia who resides in a care home and whose situation is long term. The first and second case studies also demonstrate the strong desire to maintain existing habits and routines.

Case study 1:

John and wife, Pauline, 76 years Short-term needs

Pauline is putting temporary coping mechanisms in place while waiting for brain surgery. Pauline's husband John is currently taking control of all the household and financial chores in preparation for the operation. They do not want to overly worry their two adult children who have children of their own.

Pauline has always preferred to deal with her banking needs face-to-face in branch and does not trust internet banking. She used to go to her local branch once a week to withdraw cash and pay her bills. She was comfortable using an ATM to withdraw cash, but would always get a mini-statement printed out after each transaction.

She still uses a cheque book, but they have recently set up a direct debit to transfer money from her deposit account to her current account on a regular basis. Her husband or children now go to the branch on her behalf as she has been finding it more difficult to get into the branch herself:

"I'm not so mobile just now. I have lost my balance so I can't drive and I don't feel safe, so John will take my card and do it for me – it doesn't make any difference. I trust him with my life, it's just a cash machine and it's not going to be a regular thing."

Pauline hopes to resume full control and return to her normal routines after recovering from the surgery. She sees no need to make any formal arrangements as her difficulty is likely to be temporary.

Case study 2:

Sally and husband, John, 68 years Intermittent needs

Sally cares for John who has a chronic breathing problem and has to intermittently spend time in hospital, typically for several weeks at a time.

Sally and John have always had separate accounts. This is the second marriage for them both and they are used to having their own money. John is a very private person, particularly about finances:

“I think he perceives his financial affairs to be very private. He used to criticise me for leaving statements that were private in full view. But I wasn’t bothered about mine.”

When John is admitted to hospital, he is usually too ill to manage any of his money or buy anything that he might need. Given their separate accounts, this presents a number of challenges, resulting in quite complicated workarounds:

“I do it [pay for things] in his name. I pay a bill, little things – things were paid out of my account and he refunded the money. He doesn’t trust online banking like I do.”

A good example of this is when John needs items or bills to be paid during his stay in hospital. Sally has to buy these items or pay these bills using her own payment cards and money. She then keeps a tally of these and presents them to John when he is discharged from hospital (often weeks later). This is typically followed by Sally driving John to the cashpoint or bank branch and John withdrawing, in cash, what he owes Sally.

Case study 3:

Leanne (carer) and her mother, 90 years Long term needs

Leanne’s parents went into a care home in June 2015. Her father died later that year. She had to sell her parents’ bungalow and the money is now being used for her mother’s care fees. Her mother has dementia and is not aware of her own condition:

“I feel that I’m my mother’s voice. While I don’t physically care for her, I have to care for her affairs and make sure that she is being looked after.”

Her parents never discussed any of their financial affairs with her – they were ‘quite secretive’. She only recently found out they had equity release on their bungalow. Her mother doesn’t look after any of her own finances now. There is LPA in place and Leanne pays the care bills and handles the account. Her mother doesn’t have to handle any money in the home.

LPA is a long term strategy as the situation will not change:

“I wanted to get the best out of the money, for it to last as long as possible to pay for the care bills. My mother could go on for another ten years – her physical health is fine. The Power of Attorney will come into its own.”

Key finding 2:

Despite being diverse, the older people in the sample shared a number of characteristics and needs

Most people in the sample had simple day-to-day banking needs and liked regular routines. For many, access to cash was very important because it helped them to feel calm, in control and, importantly, gave them a sense of autonomy and independence:

“If I have got £10 in my pocket, I’m fine. If not, I drive myself mental.”
(Rose, 87)

In the main, older people felt they could keep a better account of their money with cash than with electronic payment systems. There was a preference for face-to-face interactions and many relied on a local branch to obtain cash and pay bills, which were paid with cash or, sometimes, cheque:

“I’m of a different generation and I don’t like standing around punching in numbers. I want to deal with a member of staff. I feel safer then, not under so much pressure to do it quickly.” (Cathy, 79)

Many liked certainty in their lives and were anxious that bills were paid on time. This was recognised by carers. Decreased mobility, cognitive decline and/or branch closure had forced many older people to change their bill payment routines and switch to using direct debit to pay regular bills. These were often arranged by carers, as many older people were unaware and unfamiliar with the set-up process. Once set up, direct debits worked extremely well for regular bills and provided a straightforward solution that removed anxiety for the older person.

Paying irregular bills, for example paying tradespeople, was more of a problem. Older people often paid with cheques or withdrew large amounts of cash to settle a bill. There was a reluctance to use less tangible, electronic payment methods such as cards and internet banking. Paper statements and/or receipts for transactions often reassured older people because they reminded them of the payments they had made.

The older people who were interviewed desired familiarity and were often resistant to change. Forcing older people to change routines had an adverse effect on their confidence and, consequently, on their autonomy and independence. Enabling older people to work within their existing routines gave a sense of control, which helped with both:

“Mum likes to write cheques, but she ran out of cheques and the bank hadn’t sent her a new book – it was a nightmare. I went in to talk to the bank but they wouldn’t listen to me. I had to get Mum to write a letter and bring it in.”
(Malcolm, Carer)

Stakeholders agreed financial services providers should focus on empowering older people to manage their own money for as long as possible. Where support is required, it

should not restrict their right to access their money, unless absolutely necessary. It was recognised that the systems that are designed to protect consumers and providers can have a negative impact on the customer's experience:

“We live in a risk averse society, where risk management often becomes confused with blame avoidance and defensiveness – and it is people's independence that ultimately suffers.” (Stakeholder)

Key finding 3:

Difficulties with money management were often one of the first signs of vulnerability

Some carers commented that confusion, frustration and anxiety about money management were the first signs of decline and vulnerability. This would often manifest itself in losing money.

Importantly, some of the older people who were interviewed had not asked for help when they experienced difficulties. There were different reasons for this such as being in denial or overestimating their ability to cope alone. Also, some adopted informal arrangements as coping mechanisms, unaware that there could be risks attached.

“She used to say to anyone that went out, ‘Will you nip and get me some cash out?’ - like a friend down the road's son. She might be at a friend's and say, ‘Will you nip to the bank for me?’ which isn't right, is it?” (Sharon, Carer)

Carers recounted stories of older people losing their money. In a few instances, older people had lost the ability to differentiate clearly between the different coins and notes. This could be due to visual impairment and/or cognition difficulties. In one case, the older person appeared to be coping well because she was doing her own shopping but, in reality, her behaviour was putting her at risk:

“She went to the local shop but she couldn't find the right amount so she handed her purse to the shopkeeper.” (Marian, Carer)

Some older people had difficulty reading card numbers, due to visual impairment. Others were confused about the differences between debit and credit cards, for example they misinterpreted credit limit to mean money they had available to spend:

“He couldn't understand the difference between a debit and a credit card so he would think of credit as being money he owned and he would take money out of the bank with a credit card. And he would eventually then use a debit card and get the money out to pay back the credit card.” (Louise, Carer)

Some carers reported that the older person, who they were supporting, had lost their sense of the value of money, particularly when it was outside of their normal routine. In some cases, excessive amounts had been paid for a product or service:

“A man knocked on the door offering to cut down trees. She asked him to cut down three trees and he charged her £500. She likes to have a cheque book but she didn’t comprehend that that was a lot of money. We could have found someone to do it much cheaper. She has always been quite careful with money so that wasn’t like her at all.” (Debbie, carer)

Key finding 4:

The impact of an older person’s condition on financial wellbeing could be serious

Some participants, because of their condition (for example Alzheimer’s disease or alcoholism), were seriously mismanaging their money, creating financial problems for themselves and/or their families.

Case Study 4 demonstrates the problems that can arise when an older person’s health condition contributes to their mismanagement of the household’s finances.

Case study 4:

Jane and her husband, Dave, 82 years

Jane is the carer for her husband, Dave, who has memory problems and is an alcoholic:

“The psychiatrist lady used the word ‘Alzheimer’s’. But we don’t say Alzheimer’s because his dad had it and his grandmother. With the family history we already know what the outcome is.”

One of the first signs that something was wrong was that Dave stopped paying the household bills:

“He was willy-nilly with the bank. He was getting money out, not paying bills and getting overdrafts – it was a nightmare every month.”

Jane consulted the bank:

“He had always done the household bills and I didn’t want to tell him that he couldn’t do it as that would have wound him up and he would have dug his heels in. So I went and saw the bank manager. The bank suggested opening another account and transferring my housekeeping money into it to leave him with money, but, if he went overdrawn he can’t get any more.”

Her husband withdraws his money over the bank counter, because he cannot remember a PIN:

“They all talk to him and say hello and he will say he wants some money and it comes up on the screen (his situation/needs) – it all comes up on the screen. If he were to go to a branch elsewhere he would have trouble getting it out.”

Key finding 5:

Some older people had lost interest in managing their financial affairs

Whilst some older people relished paperwork, others noted that their ability and willingness to process financial information had changed. They were no longer interested in managing their affairs, for example, leaving letters and statements unopened:

“I noticed she wasn’t opening any of her letters, she said ‘I can’t be bothered anymore.’” (Lisa, Carer)

Very few older people in the sample shopped around and many were loyal to providers. A few had accrued debt and there was evidence of overpaying or taking up duplicate products or services. We heard examples of each of the following:

- Over insuring
- Being unsure which financial products they hold
- Holding several financial products that do the same thing
- Holding products they don’t need, for example travel insurance when they don’t travel

“My son was horrified when he found out how much I was paying for my house insurance. I just let it renew each time to be sure I was covered.” (Cathy, 79)

“I discovered a few years ago he had two or three insurances for one item. He would sign up to it not realising he had already got it with someone else.” (Simon, Carer)

Reduced motivation for financial tasks and a reluctance to shop around is consistent with the findings of the literature review about cognitive ageing (The Ageing Mind) conducted for the FCA by the Big Window®.

3.3 Challenges of accessing banking services

Key finding 6:

Older people face many difficulties using different financial services options

Figure 1 summarises older people's day-to-day banking needs and the options they perceived as available for meeting these requirements. Notwithstanding that the research is qualitative, needs are listed in broad order of frequency. The options are not listed in order, since some are used by the carer with, or on behalf of, the older person rather than by the older person themselves.

Figure 1: Older people's banking needs and perceived options for meeting these

Older people's banking needs	Perceived options
Access to cash	Branch External ATM Internal ATM Cashing pension at Post Office counter Cashback
Paying regular bills	Direct debits/standing orders Cash or cheque at bank counter/PO counter
Paying irregular bills	Cash Cheque Online banking
Account balance	Regular statements Branch ATM Telephone banking Online banking
Query on account	Branch Telephone banking Online banking
Transferring money between accounts	Branch Telephone banking Online banking
Setting up direct debit	Branch Online banking

Older people and their carers faced challenges in using these options to meet their needs. The challenges, by option, are summarised in **Figure 2** below. Stakeholders also recognised that some of these options caused problems or presented access barriers for older people. In particular they believed older people are concerned about security and less comfortable with remote channels – such as telephone and online banking.

Figure 2: Specific Challenges Accessing Banking Services

Accessing a branch	<ul style="list-style-type: none"> Accessing a branch without help Physically negotiating the branch without help Local branch has closed Communicating effectively with staff in branches (due to Perspex screens, background noise, crowded environment, feeling rushed)
Using ATM:	<ul style="list-style-type: none"> Getting to an ATM Reading the screen Following instructions Anxiety about security
Using Chip and PIN	<ul style="list-style-type: none"> Feeling rushed Inserting the card Recalling the PIN Confusing debit and credit cards Reading numbers (and other information) on card Understanding value of money in the transaction
Telephone banking:	<ul style="list-style-type: none"> Giving authority to a third party, such as a carer, to speak on their behalf Recalling codes/passwords/date of birth Navigating long menus Remembering or acting on instructions
Online banking	<ul style="list-style-type: none"> Lacking sufficient digital skills to successfully complete tasks Lack of confidence in capability Unable to use without help

Key finding 7:

Branch access was important to many older people but experiences varied

Many older people valued the familiarity, social routine, social contact and sense of purpose that came with visiting a branch. There were reports of positive branch experiences relating to attentive staff, access to telephones and physical spaces that were well suited to older customers:

“I always leave my cards in the machine and the girls come running after me.” (Rose, 87)

“They know me. I know them. And the lady tellers say, ‘Good Morning Mr X. How are you?’ They are very, very friendly.” (Charles, 82 years)

“You can use their telephone as well if you’ve got a problem. I used it once when we had to change our numbers - how easy that is. Instead of coming home and having to do all that on the phone, we could do it with the branch. That was very helpful.” (Lynne, Carer)

“They have a lift in the bank to get up to the private rooms - it is only up three steps, but it’s ideal. And there are seats everywhere so you can catch your breath.” (Lynne, Carer)

Whilst many of those interviewed recalled positive experiences in branch, interactions with frontline staff varied and in some cases staff did not appear to be trained in recognising and dealing with age-related issues. As a result, their response did not always lead to the best outcome for the older customer. For example, some staff lacked awareness of potential options and could block a transaction without offering guidance about alternative third party access routes:

“The banks could give you more advice on what’s available - what they could help you with.” (Charles, 82)

“The banks should have an understanding that I rely on a carer. Rather than pretend it doesn’t happen they should deal with it head on.” (Edna, 89)

In one instance, staff did not identify that a customer with LPA in place was vulnerable and allowed her to withdraw all the money in her account, which she subsequently lost. Whilst the carer accepted that the customer was entitled to do this, she expected the bank to recognise that the customer was potentially vulnerable and act accordingly:

“There should have been a flag on her account to say she had dementia and Power of Attorney was in place. They could have checked before letting her empty her account.” (Alison, Carer)

To a few respondents, charities were better placed than the banks to offer advice and solutions about third party access. Charities were perceived to be more familiar with the issues older people were facing and could suggest alternative solutions that had worked well for others in a similar situation.

Stakeholders recognised that branch closures, and increased automation within branches, caused difficulties for older customers. Moreover, a decline in the number of staff in branches meant that remaining staff had to cover more ground, making it difficult to identify customers experiencing difficulties and to respond appropriately.

Occurrences in branch that could indicate an older person, or their carer, needs support are listed in **Figure 3**.

Figure 3: Occurrences in branch that could indicate an older person, or their carer, needs support

- Appearing confused in the branch
- Asking for help in the branch
- Repeating a request
- Asking for what appears to be the opposite of what they want or might need
- Making a request that is unusual (e.g. asking to withdraw very large sums in cash)
- Coming in more often and taking out cash (i.e. appearing to have forgotten that they had taken out cash on the previous or same day)
- Being accompanied in branch by a third party who is obviously assisting them in some way (e.g. linking arms to support them/speaking for them/doing things for them)
- Paying regular bills in branch (could suggest offering help to set up direct debits)
- Leaving money in an ATM
- Leaving card in branch machine

Key finding 8:

ATMs suited some, but not all, customers

Many older customers successfully used ATMs for cash, and the mini-statement facility was particularly valued by some. Others distrusted ATMs and found them challenging, confusing, stressful and frightening, due to unfamiliarity and fears about security. These difficulties could be real or perceived:

“The generation that she comes from, it’s all about passbooks. So when it came to the ATM it was very difficult for her to grasp the concept that you just punch a few numbers in and your money will then be given to you. She was convinced her money would disappear if she pressed the wrong button.”
(Rena, Carer)

“Because it didn’t issue her with any cash she thought her account was empty and panicked.” (Louise, Carer)

In a few cases, older people had become distracted and then walked away without the cash:

“He takes his card and walks away before the money has been dispensed.”
(Sally, Carer)

Both older people and their carers articulated fears about physical safety when taking cash out of external ATMs:

“I don’t use an ATM because I have this fear about people looking over my shoulder or clubbing me over my head or cameras being hidden within the system.” (Charles, 82 years)

Some older people had trouble recalling their PIN and others found the screen instructions operate too quickly. Inconsistency between ATMs, in terms of layout and process, heightened difficulties with responding to instructions. A few experienced difficulties reaching lower ATMs designed for wheelchair users:

“The only thing that’s a bit of a pain is when the machine is too low down. Some are high up which is good, but the low down ones do cause a bit of a problem. It’s so simple but it is a nuisance.” (Lynne, Carer)

Importantly, an unsuccessful ATM experience could prove demoralising and lead to a loss of confidence and an unwillingness to use machines in the future, including Chip and PIN:

“She’s lost confidence in going to the ATM machine. She’s lost confidence in paying in the shops on a card. She can’t find the slot for the chip and PIN. She’s going round the back, she’s going underneath. She says, ‘It’s not here’ – cause she’s in her 80s. She can’t find it and also in a supermarket you feel under pressure, you feel rushed, so that makes things ten times worse.”
(Sharon, Carer)

Key finding 9:

Telephone banking was the most challenging channel overall for both older people and carers

Telephone banking presented older people with significant challenges and communicating with banks by telephone caused issues for both older people and their carers.

In the case of older people, there were a number of reasons why telephone banking was difficult. Some disliked interacting with a machine and found it challenging to negotiate menus, citing the number of options and the need to respond quickly to instructions. Some struggled with the aural, rather than visual, interface. Others felt under pressure to recall numbers and passcodes, which made the experience stressful for them:

“They [the bank] were very difficult one day on the phone because she [the older person] was fumbling. She couldn’t remember the PIN. She had written everything down but kept asking me, ‘Is it this number? Which number is it?’ I kept saying let me speak to them. Eventually we got through to someone who was able to help. Sometimes, it can be a young person on the phone who doesn’t understand and they keep saying that she has put in the wrong details. I usually get on the phone and explain the situation and that my mum’s eyesight is poor. She has a big blood clot behind her eye and cannot see out of that eye. They are usually good in the end but it takes a bit of explanation.” (Laura, Carer)

Several experienced difficulties with hearing or cognition and found the number of security questions difficult to answer:

“They will ask him his date of birth and his mother’s maiden name and things like that. And then he’ll say, ‘Can you speak to my wife? I don’t understand what you are saying.’ And he’ll hand the phone to me and they will say, ‘You need to go into the bank to sort this out, we can’t discuss it with you, you’re not the bank account holder.’ And I will say, ‘I want to know his balance’. And they say, ‘You need to put him back on the phone’. And so I put him back on the phone and he says, ‘Yes you can tell my wife the balance.’ And he gives the phone back to me. Sometimes we get the balance, sometimes we don’t.” (Sally, Carer)

Older people were often asked to repeat themselves, which was hard for those with memory and retrieval issues. When faced with call centres, and staff that appeared to lack flexibility to deviate from scripted answers or set procedures, some older customers failed to get what they needed:

“It would be helpful if they could flag his account, so everyone was aware of his age and his need for help, maybe a different script when dealing with him.” (Mark, Carer)

There were times when providers had not been sensitive to the needs of older customers. In **Case Study 5**, the call handler is not sensitive to an older customer’s level of anxiety when dealing with the request, or potential implications that the lack of resolution may trigger for her.

Case study 5:

Susie and her mum, 65 years

Susie cares for her mum who is 65 and divorced. She was a year or so off reaching the term on her interest-only mortgage and telephoned the bank to see what her options were. She made several telephone calls but was told it was too early to take any action and that she should call back nearer the time. She became increasingly anxious and yet could not seem to get any answers or guidance:

“She ‘phoned a centralised number and they said there was no point in talking about it now – it was too far ahead. She felt fobbed off and she was getting quite upset as it was playing on her mind, a constant worry – she began having trouble sleeping. She would have liked someone to explain the different options to her – not just say, ‘call back’. As she has got older, she doesn’t always understand everything people tell her, so there were times when I thought I should just ‘phone up and pretend to be my mum, I know the answers and I could do it for her. The bank didn’t try and help, they didn’t empathise – it’s like they didn’t appreciate that we were talking about her home.”

Some of the situations and circumstances that might present on the telephone, suggesting an older person needs support, are shown in **Figure 4**.

Figure 4: Situations which might present on the telephone suggesting an older person needs support

- Carers ringing on their behalf
- Difficulty providing security information on the telephone
- Difficulty in recalling passwords and numbers
- Having someone else with them when using telephone banking
- Aborting the call prematurely after showing some confusion
- Getting distressed on the call
- Difficulty in recalling the purpose of their call

Technological advances, for example voice recognition or video links, may help consumers use telephone banking in the future. However, this research showed that telephone banking caused anxiety for several older people, some of whom simply tried to avoid it, or sought help from their carer.

Carers also reported problems using the telephone. Some providers allowed the carer to discuss the account of the person they cared for, if they were also on the line to give authority. However, often this was not possible or difficult and caused stress and anxiety to all concerned. When this happened, many felt they were not proactively given advice and support to help on future occasions and other options were rarely suggested by the adviser on the call.

In the next Case Study, a carer, who needed support to manage his mother’s account whilst she was seriously ill in hospital, did not receive any advice on how to avoid a recurring difficulty when there was no formal arrangement in place.

Case study 6:

Mark and his mother, 80 years

Mark was given little help from the bank when managing his mother's finances while she was ill in hospital.

Prior to her becoming very ill, his mother managed the household finances for herself and his father. But recently, whilst she was in hospital, Mark had assumed that role. They have no formal arrangement in place.

When Mark was managing his mother's finances, the bank would only speak to him on the telephone if his mother gave her authorisation, so he had to take the telephone to the hospital and make the same call from there:

"When she was in hospital I had to go up to the hospital with the mobile phone just so that they could hear her voice saying that she gave me permission to act on her behalf. You think that if someone is in hospital, there would be some way to allow people to act on their behalf. They never spoke to me about a way around that."

Mark thought the bank could have suggested alternatives to him as they could see that the situation was difficult. The problem was, to some extent, solved by a friend who suggested Mark set up an internet banking account for his mother which he could manage on her behalf:

"The only help I had was from a friend who had the same thing with her parents. She gave me advice about setting up online banking. Ten minutes and we were on the website. It seems the stuff is there [here he is referring to formal arrangements not online banking] but they don't tell you about it. When your parents get to a certain age, it should be mentioned that these things can be put in place."

Key finding 10:

Some used online banking successfully but many older people were not receptive

Online banking and banking 'apps' suit some, but not all the older people interviewed. **Case Study 6** is an example of an older person and spouse who have successfully transitioned to the online banking 'app' with the support of their branch. It demonstrates that online access can benefit customers who struggle with mobility issues, or no longer have a local branch to visit.

Case study 7:

Anne and David, 75 years

Anne cares for David who has stage 4 Prostate Cancer. He is frail and has restricted mobility, speech and hearing problems as well as memory loss. Anne holds LPA for David.

Anne and David have always had a joint account. They both use the ATM, Anne to withdraw cash and pay bills and David to withdraw cash. He believes that remembering his PIN keeps his brain active. Everything else is done by Anne who uses a banking app on her mobile telephone. She accesses her account through the app by using fingerprint technology:

"I feel safer with the fingerprint than I do putting the number in. If everything failed I can still put the number in - I haven't forgotten it, but I feel safer if I lose my phone, having a fingerprint to open it."

The staff at their local branch talked her through the app and she went a couple of times when she had questions:

"I was terrified of it at first. I didn't like it at all, I thought I wouldn't use that. I'd still go back to the branch. And I went back a few times just to get them to go over it again, but once you got it up and running it's fine. It's like everything else, the more you use it, the easier it is."

Whilst some respondents were comfortable using technology, many were hesitant or resistant. Most of these did not completely rule out technological solutions but needed support to set them up and become familiar with them. For others, though, it was a step too far and they struggled with internet banking. Some had no experience of computers, or refused to set it up on their own but were willing to allow their carer to set it up and use it on their behalf. This was not formally agreed with the bank, and was generally not brought to the bank's attention.

Fears over the security of internet banking were expressed strongly and frequently by older people. In addition, the nature and inconsistency of login procedures, having to recall passwords and other memorable details, as well as using code generators, proved very difficult for those with memory and retrieval issues.

Older people placed a great deal of importance on recording and checking. They were reassured by having a paper trail, something perceived to be lacking with online banking:

"She likes to write everything down before she goes to the bank so that she doesn't forget anything when she gets there. She's old school - she can't learn new things now. Online, she feels rushed. If it's on paper she has time to process it." (Ruby, Carer)

"He likes paper statements. He likes to check them. He says it's proof. He has chosen not to bank online because he fears that something will go wrong. He feels he might press the wrong button and it would all disappear without any proof." (Audrey, Carer)

A few older people had inadvertently clicked to discontinue paper statements, and others thought they were still receiving them. This suggests it would be helpful if providers offered some form of 'feedback loop' to check that what older customers have asked for is really what they want.

Key finding 11:

It was felt that banks could be more pro-active in offering support

To older people and carers, banks were sometimes perceived to prioritise efficiency and security over usability. It was felt that systems often lack the flexibility to cater for the varied needs of older people and their carers. Many respondents did not think their bank was aware of their situation and were not proactive in offering support if there were signs of difficulty.

Many carers were under stress both practically and emotionally. They had to deal with their own lives, family and work issues as well as fulfilling their role as carer. Carers thought more could be done by banks to help overcome the obstacles and challenges they face as carers:

"I've not had to deal with this situation before so I need some guidance, but it's as if they'd never come across this situation before either!"
(Malcolm, Carer)

Initiatives that were suggested by older people, carers and stakeholders included:

- Recognising the role of carers and appreciating their needs
- Sharing expertise on the options and processes so carers can learn from the experience of other carers. This could be delivered through FAQs, Top Tips, case histories, testimonials, links to forums etc.
- Guidance about how to best communicate on behalf of a loved one living with hearing, mobility or memory issues
- Help streamlining the older person's financial affairs to make them easier to manage and ensure they do not hold on to products that no longer meet their needs

One carer described how it was a battle to be heard:

"You have to be prepared for a fight and a lot of arguing with these companies. The information is never given to you – you have to look for it. You have to fight for it." (Sally, Carer)

3.4 Coping with the challenges

Key finding 12:

Many were relying on informal workarounds to get the access they needed

In order to get around perceived problems with access, many older people and their carers had adopted informal workarounds. Older people often shared their card and PIN with their carer, who obtained cash from the ATM on their behalf. The majority considered this of no consequence:

“I’m not 100% sure of what the legalities are if my mum gave me her card and her PIN and I can withdraw cash. Is that legal? They don’t, to my knowledge, do spot checks at the banks, so you don’t think about it. You automatically do it.” (Joanne, Carer)

When trying to set up direct debits on their behalf, carers often experienced difficulty accessing the older person’s accounts through the formal channels. This led carers to by-pass official channels, either by using the older person’s card and PIN to make payments and/or using the older person’s details to access online banking and set up direct debits on their behalf:

“I do it online, I just pretend to be him.” (Mathew, Carer)

Case Study 8 is an example of a carer setting up an online account for an older person that is managed on his behalf. This was done with the best interests of the account holder and, as such, it is consistent with the accounts of other interviewees. The branch, however, missed opportunities to offer help with more formal arrangements, such as Third Party Mandate or LPA.

As with other Case Studies, informal workarounds leave the older person exposed to fraud or theft and in the longer term there is a risk that they will be unable to access their account if they lose capacity.

Case study 8:

Sonia and her father, 80 years

Sonia cares for her dad who lives with Sonia and her husband. Her father relies on her to do all his day-to-day banking and to take out the money she needs to buy food and cover his living expenses. He likes to use his card to get cash out of the ATM, but does not like using his card to pay bills. He gets muddled at the ATM and sometimes withdraws too much money. She worries about him withdrawing cash and losing it. She works, so thought it would be easiest to set up an online account that she could control:

“We [Sonia and her husband] set it up with him so that we could access it and transfer small amounts into his savings account. He can withdraw cash, but only from his savings account. We went into the branch with him – they didn’t ask many questions. We just said he wanted to set up an online account. It’s in his name, but we know all the passwords. He only wants to withdraw cash. He doesn’t want to pay bills. He wants us to do that for him. So now he can withdraw cash and doesn’t have to ask us to get the money out for him. It gives him a sense of independence. The bank don’t know we are using his online account. We have no legal status, but Dad has given us permission. He feels he is still in control. We manage it for him in his best interests. We have an informal agreement – we are family.”

Key finding 13:

Some situations were particularly sensitive for the older person and their carer

Carers found it particularly difficult when an older person was mismanaging money without realising it. Conditions like alcoholism or Alzheimer’s disease raise additional difficulties and may mean the older person does not recognise when they are making poor decisions. In these situations, carers wanted to intervene to safeguard the older person and the household finances. A few set up ‘control systems’ without consulting the older person and managed the situation subtly in the background. This allowed the older person a degree of autonomy.

The types of interventions that were typical in these situations were:

- Setting up feeder accounts to limit the older person’s access to cash
- Managing the older person’s response to offers to apply for cards and credit
- Limiting their exposure to scams and driving home the risks
- Helping the older person to make better decisions by being more proactive in keeping abreast of their finances
- Auditing their affairs to ensure they were not over insuring/holding inappropriate accounts/products etc.
- Monitoring calls to check for unexpected activity or numbers as alerts for potential scams or unwarranted financial commitments

These situations were difficult for a carer to handle, both practically and emotionally, and help and support were valued when offered. The following two Case Studies show the differing experiences that carers have with banks. In **Case Study 9**, the carer resorted to an informal coping mechanism because of a perceived lack of understanding on the part of the bank. This exposed her to a potential accusation of fraudulently opening an online account in her husband's name.

Case study 9:

Sally and her husband, Graham, 65 years

Sally's husband Graham, 65, has been diagnosed with early onset Alzheimer's disease. This has resulted in significant changes for them both and Sally is eager to minimise this change, wanting to keep things as they are for as long as possible.

Graham was regularly taking money out from the ATM and losing it. Sally was hesitant to talk to the bank about this as she feared they would freeze his account. She was reluctant to take out LPA as she felt this would be taking all power away from Graham. Even though Sally has produced documents to prove his diagnosis, the bank has not made it easy for Sally to help Graham manage his account. She feels the bank does not understand her situation.

Sally received help from a Young Onset Social Inclusion Support Worker, including advice on financial security. She was advised to set up an online account and have Graham's money transferred to her account so that she could limit the amount of money Graham could access. She felt the Support Worker truly understood the challenges she and Graham were facing and the advice improved things for them both:

"I want my husband to be the man of the house for as long as he can. I do enough already; my role has changed significantly and to take out LPA is almost taking another bit of him away and I don't want to do that."

"The Support Worker was well aware of the issues. They went through everything with me including financial security. They suggested I get the money transferred into my account."

The Case Study above illustrates how a bank could have a conversation about LPA at an early stage, while the customer still has capacity. Because the bank was insensitive to the needs of the carer, she was discouraged from approaching them again to find a suitable solution. Given that the illness of the account holder was degenerative, more formal control will inevitably be required in the future. There is a chance that LPA will not be set up at an appropriate time and the customer and carer will need to go through the longer and more laborious process of applying for a Court of Protection Order.

Key finding 14:

The anonymity of online banking facilitated carers to use it on behalf of older people

As already discussed, online banking allowed carers to arrange direct debits, make transfers and oversee the account by signing in as the older person. The anonymity of online banking allowed carers to easily bypass the standard restrictions and security processes of other channels, such as telephone banking.

The sheer convenience of online banking meant those involved typically gave little thought to the implications of what they were doing:

“I set up online banking but Mum hasn’t the foggiest how to use it. I used my email address but when I log in it says, ‘Hello Mrs Brown’. I’d prefer to log in as me and not have to pretend to be my mother.” (Andrew, Carer)

“What I’m doing now may not be entirely legal – I don’t know. We trust each other completely.” (Sharon, Carer)

Carers were not aware of any checks on the system once logged in, and this gave some the sense that the banks were somehow complicit in what they are doing.

Key finding 15:

Carers had mixed views on the legitimacy or otherwise of the informal workarounds they were using

Carers typically believed they were operating with permission of the account holder and all believed they were acting in the older person’s best interests. In many cases the banks did not appear to have any knowledge about the older customer’s situation and felt peripheral to the needs of the customer, especially if the local branch had closed:

“I trust my daughter with my life, so she takes my card and does it for me. It doesn’t make any difference, the bank doesn’t need to know.” (Edna, 89)

“I have my mother’s authority to use her card.” (Joanne, Carer)

Many of the carers and older people interviewed were familial and trust was implicit. This lent credence to the informal third party access strategies they used. For example, older people were not aware that giving someone permission to use their debit or credit card was breaking the terms of their agreement:

“The way we do it seems to work, if it ain’t broke...” (Tilly, Carer)

The Case Study below refers explicitly to the importance of trust. It shows how close family relationships override any concerns about the potential consequences of breaching the terms of the account. Both the carer and older person prefer to maintain existing

routines and avoid the perceived cost of LPA. There is also little evidence of planning for the future and preparing for the implications of deteriorating health. This is typical of the individuals interviewed.

Case study 10:

Helen and her father, 78 years

Helen is a full-time carer for her father who has been severely disabled for the last eight years. She does all the cooking, cleaning, shopping and personal care and administers his medication. She also manages all of his finances.

Her father used to use online banking until his eyesight deteriorated. They now do it together two or three times a month with Helen operating the account. It reassures him that he is not falling into debt.

They visit the ATM together, or she withdraws cash for him using his card and PIN. If they go shopping together, she pays for anything he wants to buy using his card. They are both comfortable with doing things in this way:

"I felt comfortable because he's my dad. Many years before he was poorly he'd say, 'Go and pay for that, I'll wait outside'. It came naturally, it wasn't like, 'Oh my god it's my dad's money'. I didn't feel uncomfortable doing it. It wasn't a major issue to have my dad's card and get what we needed. I'd always get a receipt when I needed one."

Helen has considered LPA and rejected it on the grounds of cost and because she feels it is unnecessary because of the trust that exists between them:

"We do what we call a 'bank check' don't we? So I sit there and read out what's got to come out, what is in the bank until he gets his next lot of money. I don't do it on my own. He is there with me. It is Dad's money. It is important that he still knows what is going on...It is a natural thing. We have always had a very close relationship. We don't need the formalities."

"You could do Power of Attorney but it costs an awful lot of money to do. It was in one of the Carer's Packs I got from Adult Services. When I last looked it cost £200 or £300 to do and what does it give you that I don't do already?"

A few carers, however, felt uncomfortable with informal workarounds.

"Whenever and wherever possible, I like my mum to use her card. Because even though I am her daughter, I don't want it to look as if I'm spending all my mum's money. But I feel that when I use her card, even for her shopping, it's me spending her money." (Sharon, Carer)

One informal solution, that worked for one respondent, was a joint account. In this instance, mother and daughter both used their cards to access the account. In this way the mother retained some independence whilst the daughter could pay for things when convenient.

However, one respondent expressed concern about becoming associated with someone else's debt through a joint account arrangement:

"When my dad said, 'Can Lisa help me with my bank account because I got in trouble?', they said 'Yes' and I said, 'Yeah, just put me down as a name that can speak on his behalf till the power of attorney comes through'. The next thing, the bank statement comes through with my dad's name and my name on that joint account, which is never what I wanted. I've got my own house, my own mortgage, my own children and I don't want debt associated with me. I've never been in debt." (Lisa, Carer)

Key finding 16:

Overall there was a lack of awareness and much confusion surrounding formal third party access options.

Respondents could not recall any publicity or information surrounding the options for formal arrangements and thought this should be addressed:

"The banks could do more to promote LPA. They could have posters or leaflets in the branch. They would have to emphasise the benefits of LPA and how it can make life easier. The banks could target people in their 40's." (Anne, Carer)

There was a general lack of awareness of formal options amongst the participants. When people did refer to formal options, they tended to have more knowledge of LPA rather than Third Party Mandates. Overall, there was confusion surrounding the two types of LPA (Property and Affairs and Health and Wellbeing), and limited knowledge of the benefits, set-up processes, options and costs:

"Why would we get LPA? It's another cost for nothing if you trust each other - which we do. I'm not gaga yet!" (Mary, 90)

"Do you need a solicitor? How much will that cost?" (Joanne, Carer)

"I don't know why I would need one. Is it something to do with if she has to go into care eventually? I'm not one hundred per cent sure. I've been in three different banks, gone on three different joint bank accounts, they have all seen my mum when we've gone to the bank and they all know she is elderly. But nobody has said, 'Have you thought about doing a Lasting Power of Attorney?' I presume it's because the bank can't sell it to you that they don't mention it. I think when you get to that age they just want your money in the account." (Sharon, Carer)

"Is it possible to have more than one attorney?" (Rena, Carer)

"They take over your affairs, they can do what they want when they want." (Cathy, 79)

There was a lack of awareness that LPAs can be setup and registered in advance of need. Equally, amongst the interviewees, there was low awareness that LPA can only be set up when the donor has 'mental capacity'¹⁰. Many did not know that the older person's account could be frozen if mental incapacity was declared, necessitating access via the Court of Protection which took time and could be costly. There was also limited awareness that LPA could be tailored to allow bespoke levels of access.

In **Case Study 11** the carer was in the process of applying for a Court of Protection Order at the time of interview. It clearly demonstrates the costs, delay and anxiety involved if carers do not obtain an LPA at an appropriate stage.

Case study 11:

Susan and her mother, 77 years

Susan looks after her mother who has had dementia for the last seven years. She stays with her mother during the week and goes home every weekend to see her grandchildren. At that point, carers take over and her mother is never left alone. Susan's mother's dementia was identified late and, by the time it was diagnosed, she had lost mental capacity.

Susan has appointeeship, given to her by the Department of Work & Pensions, to act on her mother's behalf as she lacks capacity to manage her own affairs. This arrangement only applies to her mother's state pension, and Susan does not have LPA or other formal arrangements regarding her mother's other financial affairs.

During Christmas 2015, a family member died and left Susan's mother £20,000. As an appointee, Susan can only manage her mother's pension, and is not able to use the additional money to help improve her mother's quality of life, or take other steps to manage it in her best interests. Susan is anxious to use the money to benefit her mother whilst she can:

"If we had a wheelchair accessible car, I could wheel her straight into it and take her for a drive around. It would be used for Mum and help her make the most of life."

Susan has been to a solicitor in order to apply to for a Court of Protection Order but is very concerned about how long this is taking and how much it will cost:

"It has been since last year and we still haven't got any money. This is a nightmare. I am worried about how much the solicitor will charge – a letter costs £25. You think you could trust a solicitor but everything is taking so long. I daren't go in to see them and am frightened to ring them because it all costs money. On the 16th December it will be a year, she could have had a car by now."

As of April 2016, the solicitor's fees were over £1,000.

Key finding 17:

There appeared to be a considerable stigma attached to LPA

For many of the participants, LPA signalled a loss of capabilities. As a result, older people were resistant to the idea, whilst carers were unwilling to initiate the conversation.

“It doesn’t apply to me, I haven’t lost my marbles yet.” (Rose, 87)

“It frightens me, when you get to that stage, you are incapable of making your own decisions.” (Charles, 82)

“It’s just a legal sounding name that I think sounds actually quite sinister. When you hear it, it sounds ‘end game’.” (Joanne, Carer)

This stigma was based on the perception that LPA was about transferring, rather than sharing, responsibility. There was an additional concern that a conversation about LPA might be detrimental to the older person or family relationships.

“We don’t like to talk about him getting worse. I would feel like I was overstepping the mark. I’d be worried it’d bring on another stroke.” (Tilly, Carer)

Those caring for older males, typically husbands or fathers, were particularly sensitive about eroding their sense of identity as head of the house. These respondents associated masculinity with managing household finances:

“I was brought up to always do what my father said, so now it’s like I’m saying to him, you have to do what I say – it’s reversed the relationship.” (Barry, Carer)

“He’s always made all the decisions and taking out LPA is like him losing that last bit of being a man.” (Lisa, Carer)

The stakeholders who were interviewed recognised these barriers and believed that people should be encouraged to plan ahead and be made aware of the formal third party access routes sooner, including LPA. This would allow families to have conversations earlier and ‘normalise’ LPAs. They suggested that banks and building societies raise LPA with customers at the time they are taking a mortgage. Planning ahead would avoid leaving LPA until a crisis occurs or it is too late. Older people and carers, however, need support to plan ahead.

Key finding 18:

Beyond the emotional barriers, there were a number of practical barriers to applying for LPA

The task of applying for LPA was daunting to some carers and there were a number of barriers. These included:

- Carers were often busy and under stress which meant they were unwilling or unable to investigate LPA
- A lack of awareness of the costs involved and the possibility of exemptions, or reduced fees, for those on low incomes. One respondent, who had setup LPA, found out subsequently that she could have done it at a lower cost
- A reluctance to tackle forms and a fear of making errors, which might lead to additional costs
- The legal language and acronyms used (for example, 'Donor', 'Attorney', 'OPG') were off-putting

There was no awareness of the helplines and support services available, and many participants were unsure, when asked, where to turn for help. They reflected that they would appreciate additional guidance that was tailored to their needs. Examples included: online videos, step-by-step explanations and a checking service (similar to the one at Post Offices for passport applications). It was suggested that organisations with whom respondents had an existing relationship (for example banks, charities, financial advisers, health centres and family solicitors or accountants) are well placed to provide this type of help and guidance.

Key finding 19:

Those who had been through the process of setting up LPA found it manageable

Twenty-four out of sixty-two respondents had formal arrangements in place.¹¹ Of those who had a formal arrangement in place, the vast majority were LPAs, with four having Third Party Mandates, one Appointeeship (England) and one Deputyship (Scotland).

Those who had been through the process of setting up LPA found it more manageable than they had expected and their experiences were positive. The process was most commonly described as 'straightforward', even in the two instances when a solicitor was not used (although both respondents described themselves as 'good with forms').

Three Case Studies are presented below to illustrate the different, but positive, experiences of older people who have LPAs in place.

Case Study 12 demonstrates that, even when there is a caring and trusting relationship between the older person and their carer, a formal arrangement can bring additional security and reassurance. It also ensures that the older person has control for as long as possible over their finances.

Case study 12:

Marian and her mother, 69 years

Marian has LPA for her mother, Geraldine, who lives in sheltered accommodation and has had two brain operations which have affected both her mobility and her memory. The LPA gives them both peace of mind.

They decided to set up LPA seven years ago while her mother was still aware of what was happening. Marian cannot remember who first suggested it but thinks it might have been her mother's financial adviser.

The process was easy and straightforward; the benefits allow peace of mind and ease for both:

"It gives Mum no worry. It gives her freedom. I don't have to keep saying, 'Can I have some money, can you pay me back?' It's freedom really, and security knowing everything's good. She can't cope with worries and problems. We didn't know what the future held for us, after Mum's brain operation. It was peace of mind for both of us."

It also protects her mother and provides reassurance for the future. Geraldine believes that, without LPA, she would have had to go into a care home:

"We don't know how Mum's memory will go really. The Power of Attorney gives me full power I suppose, that I make the decisions for Mum, always in her best interests, so that if Mum can't make any decisions any more, she knows she's got somebody who will do the best for her."

Case Study 13 is a good example of the type of resistance that older people might offer when carers initiate discussions about LPA. However, as illustrated by the Case Study, the outcome is often one of relief for both parties.

Case study 13:

Laura and her mother, 88 years

Laura's mother recently had a bad fall and spent some time in hospital. She now has very restricted mobility and has become very forgetful. She lives 40 minutes away and Laura spends four days a week with her to provide carer support, with other days covered by family and friends.

In terms of managing her mother's money, Laura has recently obtained LPA. This was suggested by the GP and, although her mum initially expressed reservations, she did agree after being reassured.

"It was a big step for my mum and a big hoop for her to jump through. She has worked in a bank all her life and handled money so the thought of not being able to handle her own money was a big thing to come to terms with."

Laura arranged the LPA herself:

"I am intelligent and thought we didn't need to get a solicitor involved. I thought I could do it myself. I printed off all the information and me and my mum went through it together and she saw the sense in it. It took three months for her to agree to go ahead. My mum was frightened that that was it. She would have no control. She said to me you will have everything when I die and I had to explain that it isn't about that, it is about having access to things if I need to. If you aren't capable, I can sort out your account and withdraw cash. Now, I think she is quite relieved."

Laura set up both types of LPA, covering her mum's health and well being, as well as her finances.

The bank has never been in touch and she doesn't think that they are aware of her mum's situation.

Laura approached completing LPA herself with confidence, and found the process straightforward. She believes she has saved herself a lot of money by not consulting a solicitor. It is possible that her mother would have been eligible for a reduced cost or free LPA. The fact that Laura was aware that she could set up LPA independently is positive, but not typical of carers interviewed.

For some, witnessing others struggling with the situation had been a key trigger to considering LPA. **Case Study 14** demonstrates the role that third parties, outside the immediate family, can play in influencing the decision to apply for LPA.

Case study 14:

Dee and her mother, 83 years

Dee and her husband have noticed that her mother's mental wellness is deteriorating. Her telephone bill indicates that she has been calling the speaking clock every hour and she has been stockpiling food at her home. Dee's mother has refused to go for tests for Alzheimer's disease.

Dee has had LPA in place since March 2015. When her mother was in hospital, a friend had just completed LPA for his parent and he recommended it. Dee also knew about LPA from Martin Lewis¹² and also from friends who had to sell their parents' home when they went into care.

They applied themselves and found the process relatively quick and easy:

"It was all straightforward. We got it all back in six weeks. We were surprised how easy it was. It is like a will, you can do that yourself."

Key finding 20:

Carers sometimes experienced problems registering LPA

Once obtained, registering LPA with different organisations proved onerous and time-consuming for a few. Often, carers felt they had to work too hard to realise the benefits in practice. The issues encountered by carers were as follows:

- The length of the document made it inconvenient to make multiple copies
- Some organisations would not accept a 'certified' copy but insisted on seeing the original
- A formally notarised copy had to be paid for
- There had to register with multiple providers
- Processes varied across providers. For example, some banks insisted on involving the donor, which could prove difficult or impractical
- Not all branches or branch staff were authorised to carry out the process and a few carers had to wait for a trained staff member, or go to another branch to register LPA
- Some banks had not linked different access channels. For example, LPA may be registered successfully in branch, but the attorney is not allowed access to internet or telephone banking without making a separate application with each division.
- Some organisations don't appear to allow attorneys online access at all and some reported difficulty opening/closing accounts (without a signature from the donor), even though they have registered LPA

“It was costing me £8 every time I wanted to send one away. I had to make sure that it was signed for when it arrived, so I could track it and know they’d received it. You only get one copy, so if someone else wants it, you have to say, ‘It’s with somebody else at the moment - you’ll have to wait.’ I had to do that several times! You could get copies but it cost to have copies made.”
(Leanne, Carer)

“I went around in circles sorting it out for each account in different departments. It should be easier.” (Simon, Carer)

“I’ve not registered it with anyone but the building society. I can’t be bothered - it’s such a hassle.” (Barry, Carer)

A few carers were unsure who to register LPA with and would have welcomed guidance. Carers were nervous about keeping the original document safe and would have liked to download the document.

The following two Case Studies highlight the types of problems carers experienced in registering LPA. **Case study 15** highlights inconsistent processes. In this instance, the carer is using informal methods, which apparently work well alongside a formal arrangement. However, the bank is unaware of the informal arrangements.

Case study 15:

Debbie and her mother, Diane, 80 years

When Diane was diagnosed with Alzheimer’s disease, her daughter, Debbie, obtained LPA. This was set up by a solicitor. Debbie’s main concern was consolidating Diane’s numerous savings and investments accounts. Debbie and her sisters have spent the last few months trying to find out what savings their mother holds and where.

As a result of this process, they have been in contact with a number of investment companies, and encountered varying levels of support:

“X are a nightmare. They won’t deal with me. They want to speak to mum. They keep asking her the same questions that she doesn’t know the answer to. They are asking when was it actually opened and security questions that she doesn’t know the answer to. It was years and years ago. The solicitor is going to have to sort it out.

Y, on the other hand, were fabulous. We have given them all the details and they didn’t have to speak to Mum.

Z won’t even let us know if there is anything in the account. There is, because they keep sending us letters about it. They keep asking her questions and she has no idea. I have emailed them the LPA but they still won’t deal with me.”

They have not registered LPA with the bank and continue to use informal methods when necessary. On the whole, Diane manages her day-to-day banking herself with occasional help from her daughter. For example, Diane purchases goods and services online, such as insurance, using her mother’s card and PIN.

Case Study 16 demonstrates the work involved to register LPA across different bank channels, as well as different providers. Because the bank did not ask the carer about internet banking access at the point of registration, there have been continuing problems and difficulties for both the customer and her carer.

Case study 16:

Karen and her mother Anne, 80

Anne has been diagnosed with Alzheimer's disease and her daughter, Karen, feels having LPA has made third party access harder for them.

Although Karen has LPA in place, she is not able to use online or telephone banking on her mother's account. Neither of these options were suggested to Karen when she registered the LPA with the bank. Subsequent attempts have been hindered by the bank:

"We didn't set it up there and then, probably because we had had an hour's appointment and it slipped our minds. So a couple of months later we wanted to do the online banking. It was a horrendous service. I was there for 45 minutes to an hour and then they asked me to come in again because they had forgotten to ask for my signature. They then sent it where it needed to go because they don't do it in branch. Then it got lost and they said we would have to go in and do it all again. "

Taking time off work for another visit to the branch is very inconvenient for Karen who thinks, in some ways, they could manage better without LPA:

"We tried to do telephone banking the honest way but she failed security so, with hindsight, it would be better to not get LPA. That would have made life easier because we would still be able to use telephone banking."

"Telephone banking is a nightmare. They want to talk to her even though she has got Alzheimer's and we have been into the branch with the LPA. They want to know her date of birth but she can't tell them. So, now we can't use telephone banking, we are stuck with using the branch."

In their interviews, stakeholders also commented that not all staff know or follow the same procedures when registering LPA. As a result, navigating existing systems can be a very negative experience.

Stakeholders identified the need for:

- More/better staff training to raise awareness and knowledge so that they can provide information as well as support
- Clear guidelines for staff to follow
- More consistent processes between providers
- A more cohesive approach to communication across the industry

From a customer perspective, the ideal solution would be a central registration process. One respondent suggested a central database along the lines of the government's 'tell us once' initiative for the bereaved:

“I wish there was a central database where companies can check you are registered.” (Jane, Carer)

Even with LPA in place, some considered or found its usefulness to be limited. Many carers liked the peace of mind it offered. However, a few questioned the extent to which it actually authorised the actions they were taken on behalf of an older person. For example it was noted that:

- There were no checks on the actions they take as attorney
- They had total freedom to move funds around and make purchases
- They were not required to keep records to justify their actions
- They were uncertain about who to turn to for help and guidance, or how to make a complaint

Amongst a minority of carers, there was some uncertainty about the restrictions of the attorney's role and a few felt their actions could be questioned. A few feared that they had too much power.

Although there is a requirement to 'act in the best interests' of the donor, in practice, carers do not always understand this obligation. This is an area where banks and financial organisations could do more to provide information and education to customers and their carers:

“I can treat Mum's account as if it were my own; I don't have to ask anybody.” (Deborah, Carer)

The key knowledge gaps for carers were making gifts in 'limited circumstances' and 'keeping the donor's money separate from your own'.

Case Study 17 describes the difficulties that a carer may face in deciding when and how to access the money of the person they are caring for.

Case study 17:

Tim and his mother, 90 years

Tim has recently got LPA for his mother who lives in sheltered accommodation and is living with dementia. Tim is unsure about a few aspects:

“I wasn't sure when it came to gifts, because Mum had always liked to give cash gifts to us all on birthdays and Christmas and liked to contribute when any of her grandchildren travel abroad. Should I continue to do this on her behalf? I had to email the solicitor and even he didn't seem that sure, but he did send me a link to something from the Office of Public Guardian that went into it in detail. It's all a bit subjective to be honest.”

Key finding 21:

Third Party Mandates could represent a useful transitional solution

Four respondents had Third Party Mandates. Their experience was that they worked well and removed anxiety and stress. Third Party Mandates tended to be set up in response to a specific issue as in **Case Study 18**. In this instance, it was a decline in her mum's health that prompted the carer to set up a Third Party Mandate. This Case Study also highlights the need for individuals to be proactive in seeking solutions.

Case study 18:

Joanne and her mum

Joanne is a carer for her mum who suffers from arthritis and has severe mobility issues:

"She can't stand so I am doing more and more for her. Once a week I go and get her cash. I withdraw it for her by using her card. Then I had an issue as I wanted to draw out a bigger sum than you can from the machine. So I phoned the bank and asked them what I could do. They set up a meeting in the branch, gave me a form and we set up a formal arrangement that gives me permission to access that account. It has a clause in it - I need two signatures for withdrawals of significant amounts. The bank mentioned LPA at the time, but Mum didn't need to sign her life over to me. It [the Mandate] gives us what we want at the moment. I would never have known if I hadn't asked. You have to go and find out about it, they don't send you any leaflets about it."

A Third Party Mandate appeared to be a useful transitional solution for a number of reasons:

- It was perceived to be a less intrusive solution than LPA
- It provided a shorter term solution to a specific need
- It is limited in its scope and gives access to a single account
- It is less final than LPA.

"It gives us what we need at the moment. In the future we will upscale to a Power Of Attorney. We wanted a short-term solution. They suggested LPA but Mum thought that would be writing her off as useless! With this [Third Party Mandate] we didn't need to turn her life over to me. It gives me permission to access the account." (Joanne, Carer)

"It legalises what I was doing anyway." (Simon, Carer)

'I just felt it was a step forward into getting my parents to hand over some of the responsibility to me.' (Leanne, Carer)

3.5 Recommendations

In this section we summarise the points raised earlier and look at the implications for developing solutions.

It is important that older people are empowered to manage their money and finances for as long as possible

Stakeholders, older people and carers all agreed that older people should be empowered and enabled to use and manage their own money and finances for as long as possible. However, there are obstacles to achieving this.

Whilst recognising that older people's access to retail banking has risen up the agenda, stakeholder noted significant ongoing issues:

- Competition between institutions means that efforts are siloed and communications are fragmented
- There is a gap between policy and practice, despite examples of good practice

The research has highlighted that frontline staff can often be the first and critical step in identifying the issues and communicating the relevant options available to both older people and carers. Appropriately trained, frontline staff can play a key role in suggesting options to enable older people to manage their money for as long as possible, with minimal risk.

Frontline identification and response

Customer service currently seems to be more often than not designed around standardisation and efficiency. As a result, the ability to meet the needs of older people was inconsistent. Some encountered a lack of empathy.

This indicates that frontline staff could be trained to notice when a customer has a difficulty and ensure that the customer is referred to a specialist team speedily and seamlessly. To help with this, the banks must create a safe environment and a culture where customers are comfortable to raise potential difficulties they are experiencing.

Chip and PIN

Many older people struggled to remember their PIN, especially when 'under pressure'. They also confused debit and credit cards. Alternatives and solutions do exist, for example Chip and Sign, but awareness is low and more needs to be done to both promote existing solutions and develop new ones, whilst balancing protection with access.

Biometrics have the potential to allow older people to continue to use cards to make payments and access cash themselves. More could also be done to help older customers

distinguish between different payment card types, for example, different types of indentations in debit cards compared to credit cards.

Bespoke authority levels

There is a need for a more nuanced and flexible structure for third party access - a more modular approach that mirrors the way people naturally respond to the challenges of ageing. A secure, modular approach¹³ would offer older people and their carers the flexibility to add, or remove, features so that the arrangement suited them and satisfied their immediate need (for example, cards and accounts with limited authorities and pre-paid cards).

Telephone banking

Telephone banking was challenging for both older people and carers. Many expressed frustration and discomfort accessing telephone options and interacting with telephone banking. In particular, processing aural instructions and dealing with scripted responses were difficult. Banks need to adjust the ways in which they deliver telephone services so that they better meet the changing needs of their older customers.

Technological advances may help. For example, voice recognition offers a potential solution. In-branch support would be needed to encourage the set up and use of these types of initiatives.

If retail banks could offer an alternative to scripted calls and rigid telephone banking systems this could have a very positive impact on the experiences of older people and their carers. A particularly important area to address is the way older people can authorise carers to speak to the bank on their behalf:

“The systems and automatic approaches need to have the ability to draw out what people really need, rather than what their pre-defined scripts suggest.” (Stakeholder interview)

Online banking

Accessibility features such as clear signposting, the use of standard symbols, larger text size and less clutter could make internet banking sites more useable to more people.

Offering more support to transition older people to online channels, or other forms of access, when branches close, would be a significant improvement. Offering more options for an older person to authorise some level of access to a carer to help them manage their day-to-day banking needs (for example, help setting up direct debits) would reduce the use of informal workarounds.

The importance of normalising LPA and encouraging people to plan ahead

Raising awareness and de-stigmatising LPA, requires greater collaboration between industry, government and the third sector. Co-ordinated action is needed to encourage

people to plan ahead and normalise LPAs so that they are more commonplace. Case studies and testimonials would be one route to helping promote the importance of 'acting now' to normalise this behaviour and prevent problems and the expense of leaving it too late. Banks could use in-branch publicity initiatives to help facilitate this. Larger branches could also hold 'carer sessions' to help carers share best practice and highlight risks.

Setting up LPAs

In order to make the task of setting up LPA less daunting, free help and guidance could be given, with a greater choice of application channels (including online and telephone banking).

The option of setting up an LPA without a solicitor should also be widely promoted, as should the free option/reduced cost option for those who qualify.

Support should be offered to suit the varying needs of individual applicants by providing enhanced access to, for example, 'step-by-step' guides, 'easy read' leaflets and 'how to' videos, together with a form-checking service.

Registering LPA with firms

There is a need for simpler, clearer and more consistent processes to register LPA. Help with simultaneously registering LPA with multiple organisations would be useful (along the lines of the Government's 'tell us once' bereavement service) or a central registration service could be created. Paper-based alternatives, for those reliant on them, could also be maintained. A document storage service, and the ability to download documents, would assist carers with the administration.

Organisations with which older people, or their carers, have existing relationships are well placed to offer help. These could be the banks, charities, financial advisers, health centres or family solicitors and accountants.

In the community

Finally, there is scope for financial services providers to play a more active face-to-face role in the community, particularly in the face of branch closures. Whilst branch closure strategies are unlikely to be reversed, there remains a need, and perhaps a responsibility, for providers to play a role in the community. A scaled down 'satellite' role in libraries, post offices and other places could facilitate this. This would enable the bank to offer a face-to-face service as well as provide guidance for transitioning to other channel interfaces, for example, online and telephone banking.

Community 'hubs' could be a way to achieve this role in the community. These could house local activities and offer a place to interact with and conduct banking. They could also serve as a venue for financial experts to talk to the local (older age) community about more complex financial issues. Community 'hubs' could fulfil corporate social responsibilities as well as meeting the customer's need for a face-to-face option.

	Summary of recommendations
Raise awareness and understanding of the access issues faced by older people	The issue of older people gaining access to retail banking services should be more widely publicised, with financial services providers, the government and charities working together to improve and promote formal access routes.
Address the needs of older customers and carers	<p>Banks and building societies need to take further steps to create a safe and receptive environment to encourage consumers to come forward and discuss their needs.</p> <p>There is scope for more active marketing of existing solutions (such as Third party Mandates, joint accounts and Chip and Sign) by banks, building societies and card issuers.</p> <p>Larger bank and building society branches could hold 'carer sessions' to help carers share best practice.</p>
Improve frontline identification and response	<p>Frontline staff should be trained to notice when a customer has a difficulty and be confident to intervene or ensure that the customer is referred, speedily and seamlessly, to a specialist team.</p> <p>All financial services providers should have systems that allow 'flags' to be put on accounts to identify vulnerability and note particular customer circumstances or requirements. This would create better, more integrated customer services for dealing with older customers experiencing difficulties.</p>
Provide telephone banking services that work well for older people and their carers	<p>All financial services providers should offer an alternative to scripted calls and rigid telephone banking systems. This could include providing a specialist team to assist older consumers and their carers.</p> <p>Providers should also offer a straightforward process for older people to authorise carers to speak on their behalf, which meets data protection and the Financial Conduct Authority's ('FCA') regulations.</p>
Enable older people to use online banking effectively	<p>Older people's requirements for the following should be met:</p> <ul style="list-style-type: none"> • Clear signposting, standard symbols, larger size text and less clutter on internet banking sites • Support to help set up online banking or use other appropriate access routes when branches close or services change • Secure options to authorise some level of online banking access to a carer to help them manage their day-to-day banking needs • Support to make use of online or 'branch-lite' providers, such as the Post Office, for information and services when branches close

<p>Normalise LPA</p>	<p>There is a need to raise awareness and destigmatise LPA through greater collaboration between organisations. Case studies and testimonials should be used to promote the importance of ‘acting now and not putting it off’ to normalise this behaviour and avoid the problems and expense of leaving it too late.</p> <p>There is a need for more free, user-friendly guidance and support from all those concerned with the wellbeing of older people (financial services providers, financial advisers, solicitors, local community groups, NHS and charities).</p> <p>There should also be a greater choice of application channels, including online and telephone. The option of setting up without a solicitor should also be widely promoted, together with no/reduced fees for those who qualify.</p>
<p>Simplify the process of setting up and registering LPA</p>	<p>There is a need for simple, clear and more consistent processes to set up and register LPA, for example a service to help registration with multiple organisations. This could be similar to the Government’s ‘tell us once’ bereavement service or it could be a central registration and database. A document storage service, with the ability to download documents, would assist carers with administration. Paper-based alternatives could still be an option for those reliant on them.</p>
<p>Develop innovative solutions for flexible, secure third party access for carers</p>	<p>Develop innovative solutions for flexible, yet secure, third party access for carers. Options could include:</p> <ul style="list-style-type: none"> • Offering different levels of online and telephone access, tailored to the individual • Cards with limited authorities • Statements that show carer banking activities • Online passwords to allow limited view/online activities • Flags on the systems to communicate the specific needs of the older person to branch/call centre staff and the status and authority of the carer • Sharing of information within a business about the needs of the older person and the status and authority of the carer
<p>Play a role within the community</p>	<p>Banks could offer scaled down services in community settings (such as in libraries or post offices), to give guidance on setting up online and telephone banking services.</p>

4 Conclusions



Conclusions

Stakeholders, older people and their carers all agreed that it is in the interests of older people to be empowered to manage their finances for as long as possible.

However, in practice, older people faced a number of hurdles when accessing retail banking services. These were mainly associated with remote channels - online banking and, particularly, telephone banking. In general, branches were the channel of choice for older people, which meant that branch closure programmes created a number of problems.

Whilst some older people were comfortable with technology and found the transition to online banking easy, many were not. Some indicated they would never use online banking, whereas others were willing to explore it, if offered help and support. Community 'hubs' could enable retail banks to maintain a presence in the locality and support older people in making this transition.

Telephone banking emerged as the most problematic channel for older people. They would be greatly helped by more flexible scripts and less rigid telephone banking systems. Carers also reported difficulties when speaking on behalf of the account holder, and more straightforward and flexible ways to authorise this would be advantageous.

In order to get around the difficulties they experienced, many older people and carers operated informal workarounds that by-passed providers' security systems. Whilst a few expressed concerns about the legality of what they were doing, the loving and trusting relationship between the older person and their carer often overrode concerns about any implications. In most cases, those using informal arrangements had not actively considered and rejected formal arrangements - they had simply defaulted to the easiest option.

Of the formal solutions, awareness was highest for Lasting Power of Attorney ('LPA'), although understanding was low. In particular there was a perception that putting LPA in place meant an older person was completely incapable. This perception caused older people to reject LPA as unnecessary and made carers unwilling to raise the topic. There were also concerns about the process and cost of obtaining LPA and not all were aware of the consequences of leaving it too late. Although only a few had a Third Party Mandate, and awareness of this option was low, it did appear a useful transitional solution.

Much more needs to be done to proactively promote formal arrangements and, in particular, encourage people to plan ahead in order to normalise and de-stigmatise LPA.

Those with LPA had, on the whole, found the process for obtaining LPA easier than they had anticipated. However, a number had had problems with registration partly due to a lack of training and awareness on the part of providers' staff and inconsistent procedures between providers and different divisions within the same provider. As a result, LPA did not always deliver the benefits around easy access that older people and their carers desired.

Stakeholders' observations mirrored many of the experiences and frustrations of older people and their carers. Clearly, meeting the needs of the ageing population has risen up the agenda for some financial services providers and initiatives are being put in place. However, for these to be really effective, the momentum for improvement must continue, and much more needs to be done to improve communications, both within providers and externally with customers.

In particular, there is a requirement to ensure that improvements to third party access are genuinely effective, with commitment from senior management to invest in changes, and ensure change is implemented throughout the customer journey. Frontline staff need to be equipped with the tools and understanding to confidently and appropriately meet the needs of older customers and their carers on a daily basis.

The research also highlighted the role of government, through its Office of the Public Guardian ('OPG') and equivalents in Northern Ireland and Scotland. Specifically, the Government has a communication role involving both raising the awareness of, and normalising the conversation about, LPAs in addition to communicating the benefits of setting up and registering them with the OPG much earlier in life. This could be alongside mortgage administration or writing wills. The Government also needs to reassess the language and structure of the LPA itself, ensuring that the complexity of application does not prove to be a barrier.

Finally, a central registration service and online database could make it much easier to register LPA with multiple organisations and, in doing so, make it more likely that those with LPAs use them to achieve the outcomes they are seeking, whilst maintaining paper-based alternatives for those reliant on them.

Appendix

Methodology

The methodology was wholly qualitative.¹⁴ We conducted sixty-two extended in-home depth interviews. Of these, 30 were with older people and 32 were with carers. In six interviews we interviewed older people and their carers together. In all other cases, it was the older person or the carer who were the focus of the interview, although in many cases older people had their carer present. Carer interviews typically lasted an hour and a half; interviews with older people lasted up to two hours.

The sample for the research was purposive, that is, participants were selected in line with the needs of the study. It therefore provides illustrative insight for the FCA and readers to consider, but is not a representative sample survey. The respondent criteria were as follows:

- All the older people included in the research needed support with their day-to-day banking and were using third party access to obtain cash and manage their accounts
- All carers had a personal relationship with the older person, for example, their spouse, adult offspring, friends etc. None of the carers interviewed were paid carers¹⁵

The need for support was as a result of age-related conditions including Alzheimer's disease, Vascular Dementia, restricted mobility and medical conditions such as Cancer and Diabetes. In addition, there was a range in the nature of the support:

- Short-term: support required on a temporary basis
- Medium-term: support required on a permanent basis with some but not all aspects of day-to-day financial management
- Long-term: support required on a permanent basis with all aspects of day-to-day financial management

Additional recruitment requirements were set in terms of:

- Whether the carer was in the same/separate household as the older person
- Level of savings/investments held by the older person
- Urban/rural or semi-rural location
- Whether there was a formal agreement, such as Lasting Power of Attorney (61LPA), in place

The emphasis in the sample was on those with a medium or long-term need for support. As a result, the majority of those receiving support were aged 75 years or over. The breakdown of the sample for both older people and carers is shown in the table below.

	Older People	Carers
Total interviews	30	32
Age		
Under 74 years	10	9
75 to 84 years	15	12
84 years plus	5	11
Household		
Same	16	16
Different	14	14
Location		
Urban	15	17
Rural	15	15
Type of arrangement		
Formal	11	13
Informal	19	19
When formal arrangement set up		
Last 1 year	1	6
1 to 2 years	6	5
2 to 5 years	3	2
6 to 10 years	—	—
Longer ago than 10 years	1	—
Nature of support		
Short	4	3
Medium	11	11
Long	15	18
Older persons level of assets		
Upper (over £50,000)	9	8
Middle £25,000 to £49,999)	11	14
Lower (up to £24,999)	10	10

Interviews were conducted in November 2016 in the following locations in Great Britain.



A number of stakeholder interviews were conducted to obtain a specialist perspective on the issues to be covered in the research with older people and carers. The stakeholders interviewed were Age UK, the Alzheimer's Society, Barclays, British Banker's Association ('BBA'), Engage and Create, Legal & General, Money and Mental Health Policy Institute, and the Office of Public Guardian ('OPG'). Interviews were conducted face-to-face or by telephone.

Notes

- 1 <https://www.fca.org.uk/news/news-stories/ageing-population-update-fca>
- 2 We have not considered non-retail products in this report because feedback from this sample was insufficient
- 3 This was also conducted by the Big Window®
- 4 The recommendations made in this report are those of the Big Window, not the FCA. They do not constitute FCA rules, guidance, policy or other form of instruction to the industry
- 5 Of the thirty-two without any digital skills, half were older people describing themselves in this way and half were described in this way by their carer
- 6 Whilst recognising that the two mechanisms offer differing levels of protection, benefits and risks, for example LPAs impose requirements to act in the donor's best interests
- 7 Mental capacity refers to the ability to make one's own decisions
- 8 Fintech is the term to describe the use of computer programs and other technology to support or enable banking and financial services
- 9 The names of all Case Studies and quotations have been changed for anonymity
- 10 Mental capacity refers to the ability to make one's own decisions
- 11 This was a quota requirement for the sample and may, therefore, not be indicative of the proportion holding formal arrangements amongst this group
- 12 Journalist, TV presenter and author and creator of the website MoneySavingExpert.com
- 13 Modular means that there are a number of different elements that can be mixed and matched together as required. For example, by giving customers the option to select the appropriate level of authorisation for a third party, from a trusted person receiving a copy of their statement through to someone acting on their behalf to manage their finances
- 14 Qualitative research is a naturalistic, interpretative approach concerned with understanding the meanings that people attach to actions, decisions, beliefs, values and the like within their social world, and understanding the mental mapping process that respondents use to make sense of and interpret the world around them (Ritchie and Lewis)
- 15 Paid carers are typically not permitted to carry money on behalf of older people and so were not included in the carer sub-sample