



Ministry
of Justice

Small payment scheme

Part 1: Information



EasyRead version



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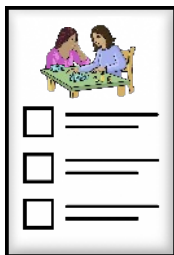
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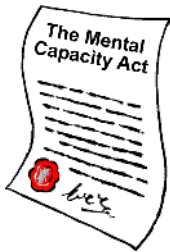
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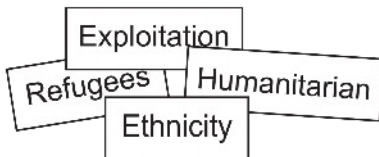
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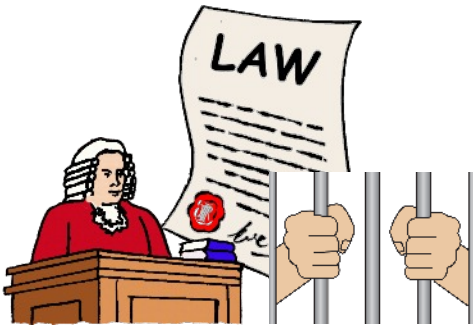
Who we are



Ministry
of Justice



We are the Ministry of Justice, a part of Government.



We look at laws and try to make sure everyone gets justice. Our work includes running the courts, making new laws and managing prisons

What this paper is about



In 2021 the Government looked at ways to make it easier for your family or carers to help you with your money if you lose your **mental capacity**.

Mental capacity is when a person cannot make important decisions for themselves such as how to look after their money.



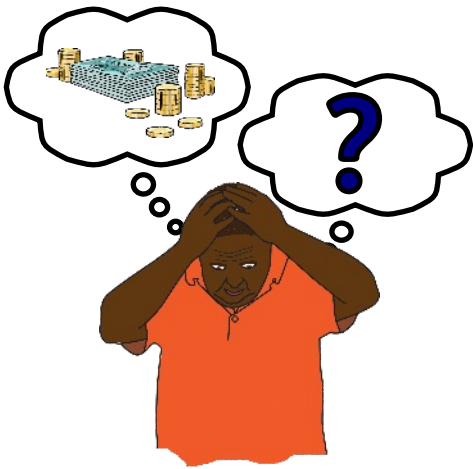
We asked people to answer 50 questions.



This paper is split into 2 parts, this part has our information about mental capacity and what we wanted to know about.

And part 2 has what you told us.

What happens now when you need help making a decision about you own money



Sometimes a person cannot look after their belongings and money.

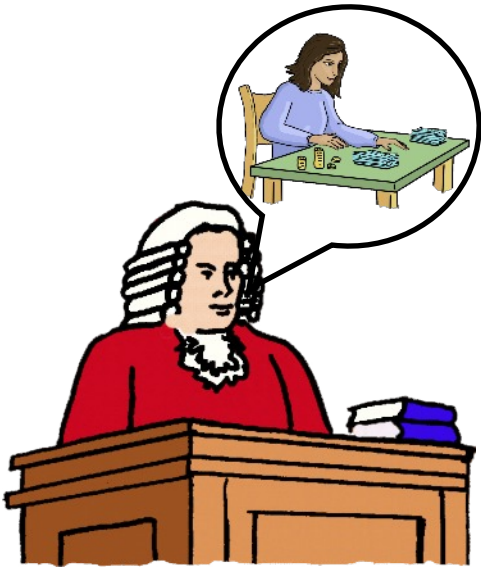
This can be because they have lost their mental capacity.



When you lose your mental capacity you need someone else to help you keep your belongings and money safe.



If you can still make your own decisions, you can say another person can look after your belongings and money with a legal document called a **Lasting Power of Attorney**.



But if you have not made a Lasting Power of Attorney document, or have already lost capacity, the **Court of Protection** makes an order to say who can help you.

The **Court of Protection or CoP** is a court in London that makes decisions about money and welfare for someone who has lost their mental capacity.

The Court of Protection



Asking the Court of Protection for an order makes sure no one can take your money without legal permission. This keeps your money safe.



The Court of Protection is very busy and has to look at a lot of information. So you may have to wait a long time. But they are trying to find ways to get faster.

The 3 aims of the Small Payments Scheme



So in 2021 the Government looked at ways to make it easier for your family or carers to help you with your money if you lose your mental capacity.



1. It will be useful for everyone. This is called the **scope**.



2. It will be safe for vulnerable individuals. This is called **security**.



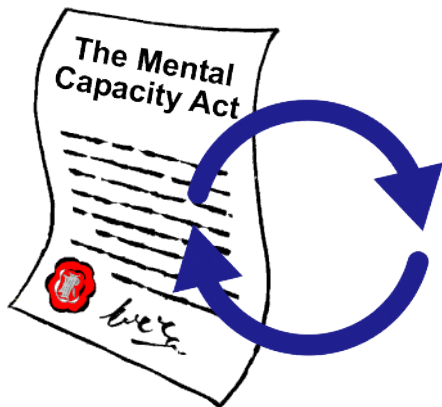
3. It will be easy to use. The person helping you pay for small bills will get money quickly and it will be easy for financial organisations like banks too. This is called **simplicity**.



We called this a **Small Payment Scheme**.

A **Small Payment Scheme** would let your parent or carer take small amounts of money out of your bank account so they could help you pay for things.

They would do this by asking your bank for the money.

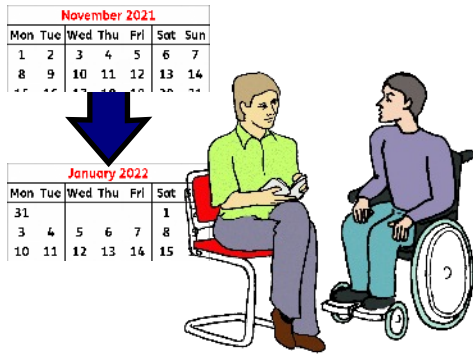


To make the Small Payment Scheme the Government has to change a current law called the Mental Capacity Act 2005.



Before we could change a law, we have to ask people for their ideas. This is called a consultation.

Consulting people



From November 2021 to January 2022 the Government talked to people about the Small Payment Scheme.

We consulted which means we talked with lots of people such as:



- parents and carers of people who have lost mental capacity
- charities
- finance businesses and banks
- groups who speak up for elderly people and people with disabilities.



Over 200 people replied to our questions.



About 140 were from organisations.



About 80 were from:

- members of the public such as parents and carers
- lawyers
- and financial organisations such as banks.

The rules of the Small Payments Scheme



This is what we told people about the Small Payment Scheme.

It will let a person get small amounts of money from someone else's bank account without needing permission from the court of protection.



These will be the rules for the Small Payment Scheme:

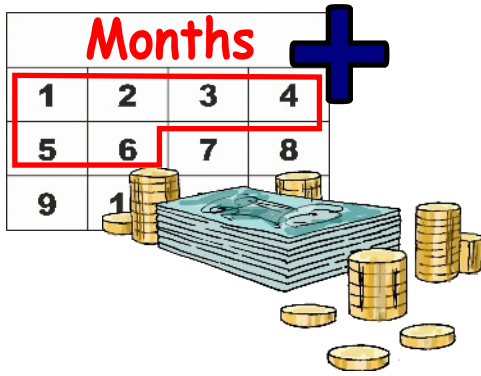
- It will work for only 1 of your bank accounts.

Months			
1	2	3	4
5	6	7	8
9	10	11	12

- There will be a 6 month limit.



- Your parent or carer can only use up to £2,500.



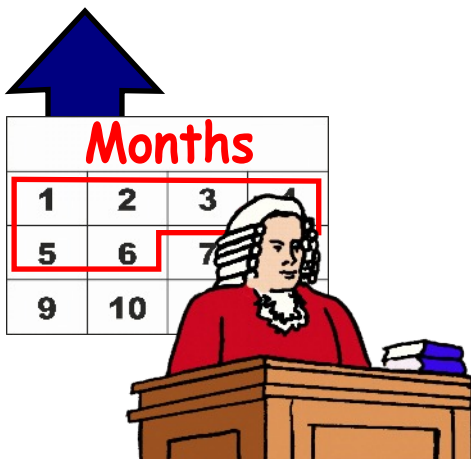
- Your parent or carer can ask for one more lot of 6 months if they have not spent £2500.



- Financial services such as banks will run the scheme.

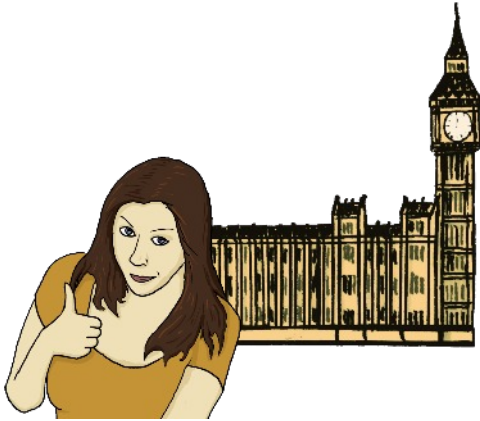


- It is not just for family members. Any person who can show they are suitable can help you.



- People will still have to ask to the Court of Protection if they want to set up longer-term management of accounts.

What the government thinks



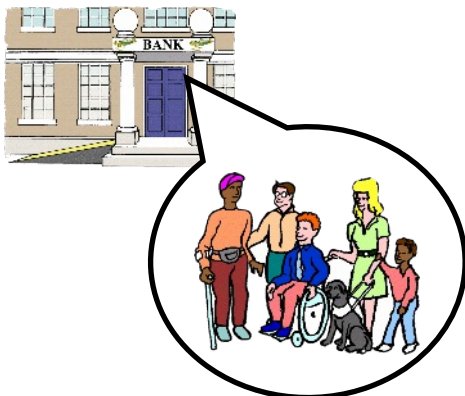
The Government is very pleased so many people took part in the survey.



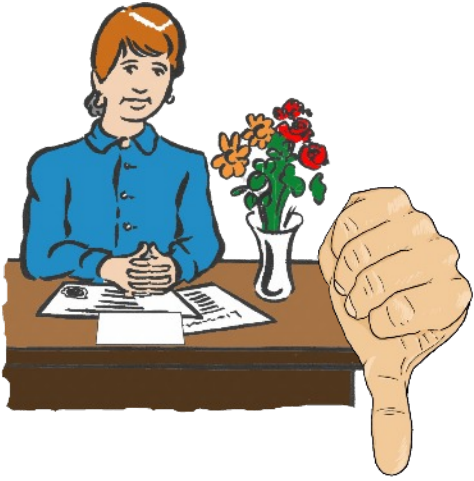
We found most people thought we need a Small Payments Scheme.



People could not agree about how to design the scheme and the safeguards.



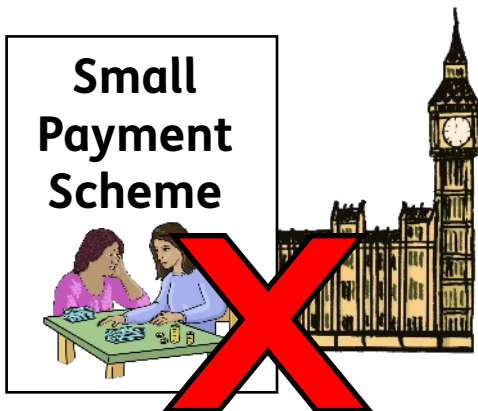
Financial firms like banks said only a small number of people would use the scheme.



The scheme would be difficult to run.



We found there were problems with the way things were done and how little people knew about the service.



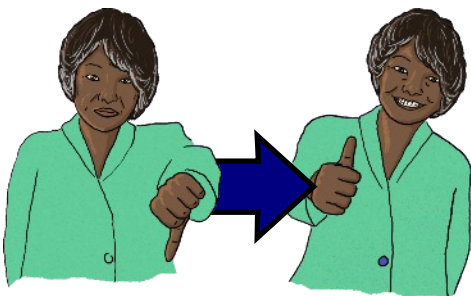
So we decided not to go ahead with a Small Payments Scheme.

Changes at the Court of Protection or CoP



People told us the current CoP process is:

- costly
- slow
- difficult



The CoP wants to make its service easier to use.

October 2021						
Mon	Tue	Wed	Thu	Fri	Sat	Sun
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17



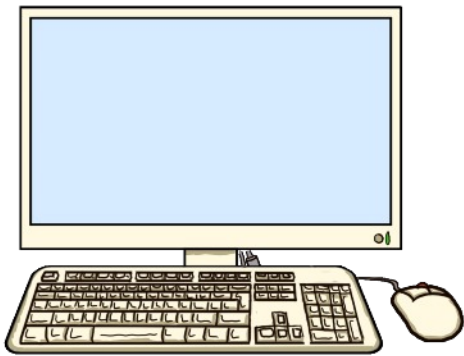
December 2022						
Mon	Tue	Wed	Thu	Fri	Sat	Sun
			1	2	3	
5	6	7	8	9	10	
12	13	14	15	16	17	



The CoP tried out some new and better ways of working with a small group of people from autumn 2021 to December 2022.



Now everybody can use the new CoP process.

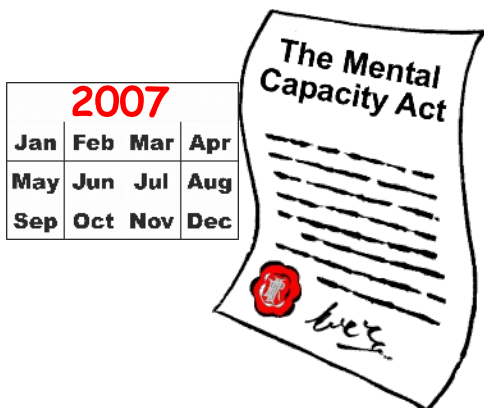


The new digital service will soon made available to everyone.



The CoP will be making more changes to make things easier for your family and carers.

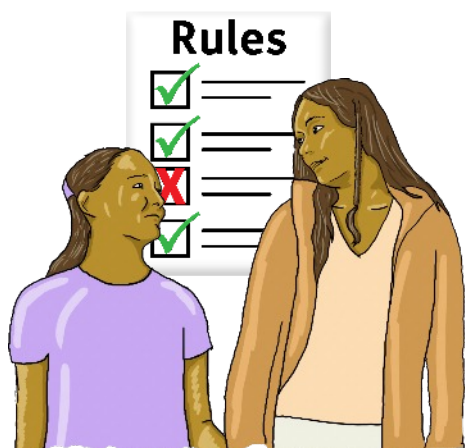
Helping people know more about the Mental Capacity Act



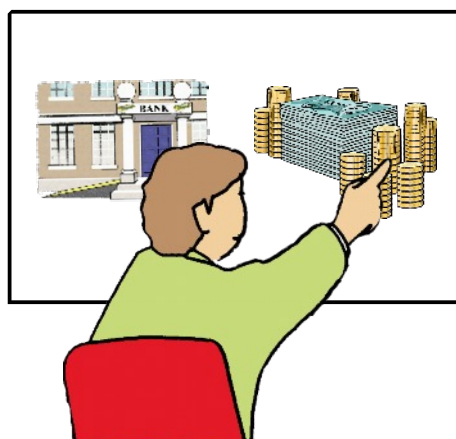
The Mental Capacity Act or MCA started in 2007.



We found many people do not know about it or think it is only useful for elderly people.



We found many parents do not know the rules about what happens when their child turns 18.



At the age 18 we assume young people are adults who can make their own decisions. This means the parent cannot access their child's **Child Trust Fund**.



We will provide help and information so people know more about the MCA.



We will talk to:

- other government departments like the Department for Education and the Department for Work and Pensions



- the National Mental Capacity Forum
- the financial sector such as bank



- charities who help the elderly
- people from the learning disabilities sector
- the public.

What the words mean

Account holder. This is the person whose name is on the bank account.

An **applicant** is the person saying they can help someone with a loss of mental capacity.

Being **approved** means the bank has done all the checks to make sure the applicant is an honest person.

A **characteristic** makes a person or a group different from others. **Protected characteristics** include:

- disability
- race
- religion
- sexual orientation
- transgender identity.

Child Trust Fund or CTF is a savings account for children born between 1 September 2002 and 2 January 2011. It is tax free.

Consultation is when the government talks with lots of people to get their opinions.

The **Court of Protection or CoP** is a court in London that makes decisions about money and welfare for someone who has lost their mental capacity.

Fraud is when a person tricks another person out of money.

Lasting Power of Attorney or LPA a legal document to let another person look after your belongings and money.

Mental capacity is when a person cannot make important decisions for themselves such as how to look after their money.

The **Office of the Public Guardian or OPG**. The OPG helps people in England and Wales to stay in control of decisions about their health and finance and make important decisions for others who cannot decide for themselves.

A **referee** is a person who will speak up about the honesty and character of the applicant.

A **Small Payment Scheme** would let your parent or carer take small amounts of money out of your bank account so they could help you pay for things.

Scope: how the Small Payments Scheme can be useful for everyone.

Security: how the Small Payments Scheme can be safe for vulnerable individuals.

Simplicity: how the Small Payments Scheme can be made easy to use.

Credits



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