



Ministry
of Justice

Small payment scheme

Part 2: Answers to our questions



EasyRead version



What people told us during the consultation

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

3



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

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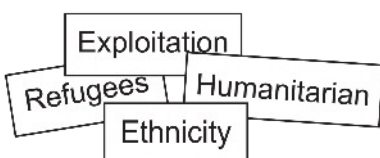
3. Simplicity: how the Small Payments Scheme can be made easy to use

39



Equalities

49



What the words mean

51

What people told us during the consultation



We asked people to answer questions about the 3 areas:

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

Questions 1 to 14 are about scope.



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

Questions 15 to 36 are about security.



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

Questions 37 to 48 are about simplicity.



After looking at how people answered the questions, we found they could not find a good balance between security and simplicity.



The next pages explain what people told us.

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



Question 1: Do we need a Small Payments Scheme?

1. Most people said it was a good idea.



But they did not all agree on:

- how a new scheme would work
- if a new scheme will be safe
- if a new scheme will be simple.



2. People said they want an easier way to access the **Child Trust Fund** and their children's bank accounts.

The **Child Trust Fund** keeps money in accounts for their children.

The Child Trust Fund holds a child's money until they turn 18.



3. Asking the Court of Protection for an order makes sure no one can take your money without the courts permission.



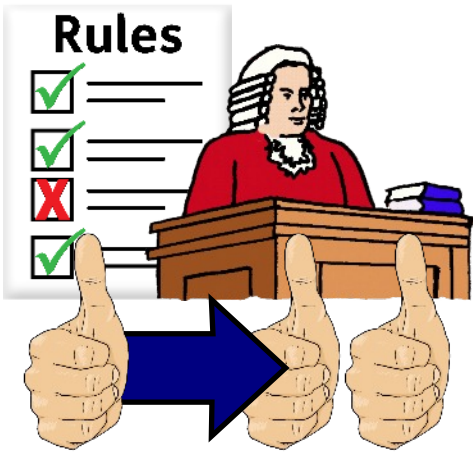
People said it is hard to apply to the Court of Protection.



But they did not remember that you can ask the Court of Protection for a quick decision and you do not always have to pay a fee to the court.



4. People said they worried about an easier scheme being abused. They like the way the rules currently protect a person's money.



People said maybe we could make the Court of Protection rules better instead of making a new scheme.



Question 2 is about people who have lost their mental capacity.

How do you think the scheme will affect people without mental capacity?



1. Most people said a new scheme will make it quicker and easier to get funds.



2. This will be good for the person who has lost mental capacity.



3. Some people worried about fraud and abuse.



4. They wanted safeguards to protect people from being financially abused.



Question 3 is about carers of people who have lost mental capacity.

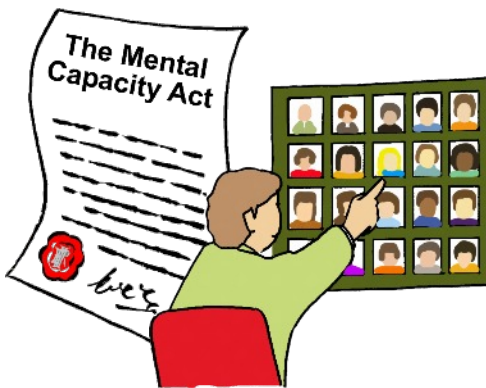
How will the scheme affect the carers of people without mental capacity?



1. Most people thought a simpler scheme would be good. Some said that this would be because it would free up time for parents and carers.



2. Some people thought that the scheme would make sure the money was used for the right things.



But the Mental Capacity Act says that people have the right to make their own decisions.



3. Some people had fraud and abuse worries.



Question 4 is about the sorts of things people would spend their money on.

What categories do you think the scheme would most likely be used to pay for?



1. Most people said:

- clothing and shoes
- then housing, looking after their home and buying furniture



- recreation and entertainment.

2. Other people said:

- health



- travel



- food and drink



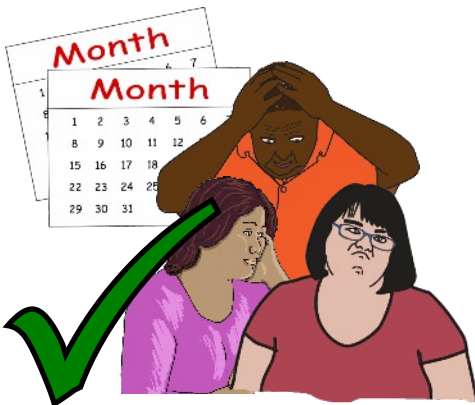
- electronic items.



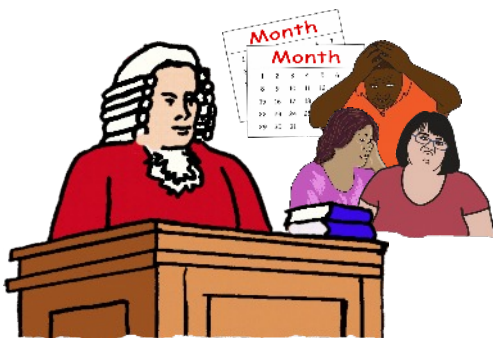


Questions 5 and 6 are about people who only have short-term loss of capacity.

Should we use the scheme for people with short-term loss of capacity? How long is short-term?



1. More than half of the answers said the scheme should cover people who have short-term loss of capacity.



2. Just under half the answers said people were not sure and the Court of Protection could help where people have short-term loss of capacity.



3. People did not agree about what short-term means.



Question 7 is about how much money people will need to pay for things with this scheme.

Is £2,500 a suitable limit to the funds you can access through a small payment scheme?

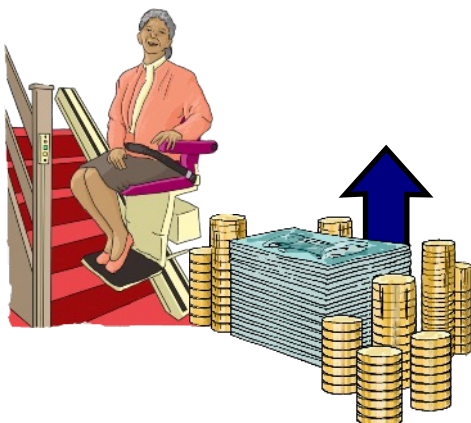


People gave mixed answers.

1. Just under half said they would need more.

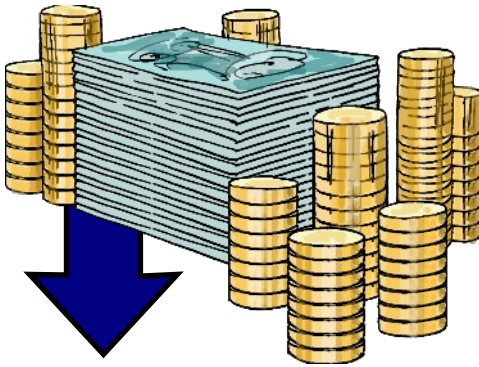


2. Over one third of people thought the limit should remain at £2,500 or be lower.



3. Some people gave a reason for their answer.

For example 49 people said the limit should be more than £5,000 to cover care costs, bills, specialist equipment and modifications.



4. Some people said £2,500 is a lot of money so the limit for the Small Payments Scheme should be lower such as between £500 - £1,500.

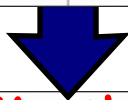
Months			
1	2	3	4
5	6	7	8
9	10	11	12



Question 8 is about how long a Small Payments Scheme should last.

Is six months a suitable time limit for access to the Small Payments Scheme?

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

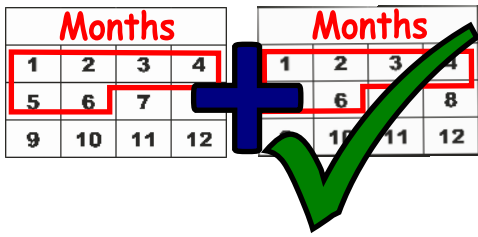


Months			
1	2	3	4
5	6	7	8
9	10	11	12

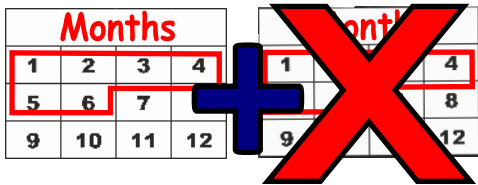
1. People gave mixed answers for this question. Some people thought we should increase the time limit to 12 months. This would give families enough time to take care of their person's business and payments.

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

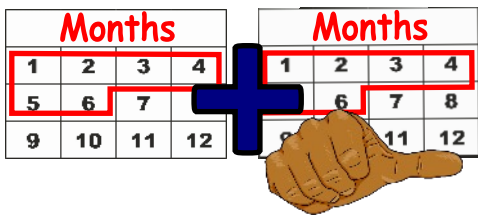
Question 9 is about people being able to add another 6 months onto the scheme. This would happen if they have not spent the £2,500 limit.



1. 76 people said yes.



2. 55 people said no. Adding another 6 months made things too complicated.



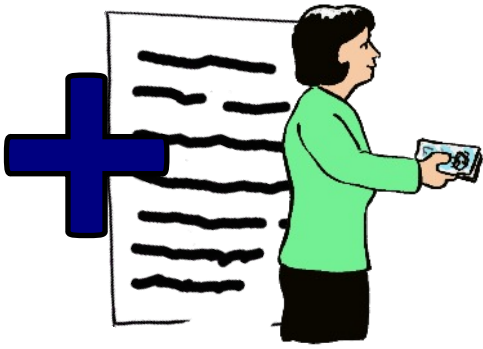
3. 73 people said they were not sure. They thought the scheme should be flexible.



Question 10 is about the different bank accounts and things to be paid for using the Small Payments Scheme.



1. Over half agreed with the bank accounts on the list.



Question 11 asked what people thought we could add to or take off the list of bank accounts and things you could pay for using the Small Payments Scheme.



1. Only 38 people answered this question.



2. They said the list could also include fees, care costs and tax-free accounts like child trust funds.



Question 12 is about who should look after the scheme.



1. Just under half said financial organisations such as banks:
 - know how to look after money
 - know their customers so they can make good decisions about how the Small Payments Scheme should be used.



2. About a third said they do not think financial organisations like banks understand the Mental Capacity Act so they may not make good decisions. These people said the Court of Protection should be in charge.



Question 13 is about working out the best people to apply for the Small Payments Scheme.



1. Just under half said only people who can already manage your money should be allowed to apply for the Small Payments Scheme.

They said this would be easier and safer.



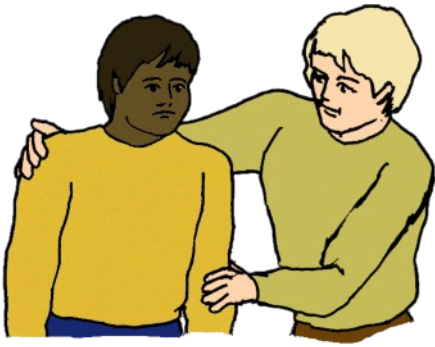
Question 14 is about what you are looking for when you choose a person to manage your money under the small payment scheme.



People said:

- parents, legal guardians and long terms carers
- people who already help to manage your money





- people who can prove that the person they are helping has lost mental capacity



- people who have been checked through criminal record checks



- people with a letter from their employer or doctor saying they are honest



- people who can explain why they want to help a person who has lost mental capacity.

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



We know that most parents, guardians and others look after the best interests of the person lacking capacity.

But we know this is not always the case.



We wanted to make sure the scheme has **safeguards**.

Safeguards are a way to give you protection and safety.

The safeguards we thought about were:

- a **referee** check.

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

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





- checking on the applicant's financial history



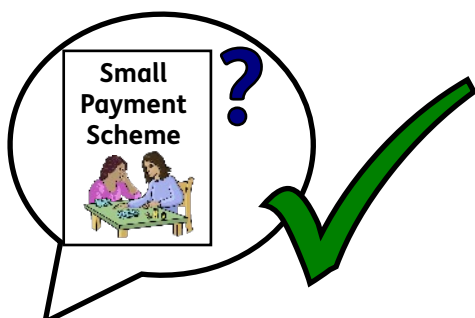
- a list of how the funds would be spent.



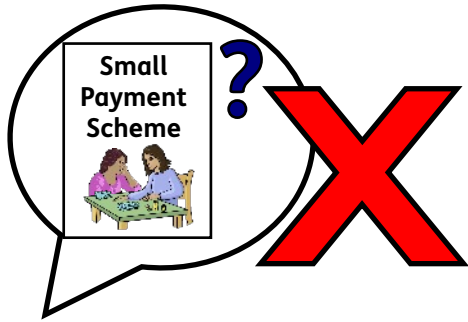
Questions 15 to 18 are about the **applicant**.



Question 15: Do you think the applicant should have to say why they want to manage a small payment scheme instead using an order from the Court of Protection?



1. More than half said yes. This is safer.



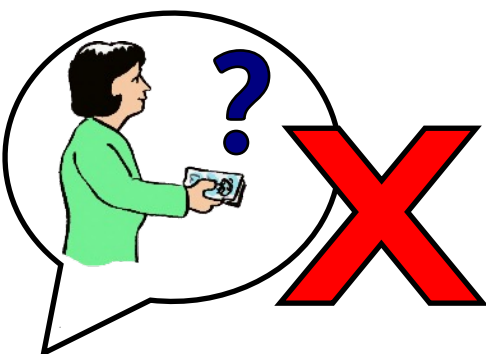
2. The rest said no. Saying why you want to use the scheme just makes it more stressful.



Question 16 asks if the applicant should have to say how they will use the money.



1. More than half said yes because it protects the vulnerable adult.



2. Others said no because who would check how the money was spent?



Question 17 asks if financial organisations like banks should check that the applicant can look after money.



People were not sure about this and gave mixed answers.

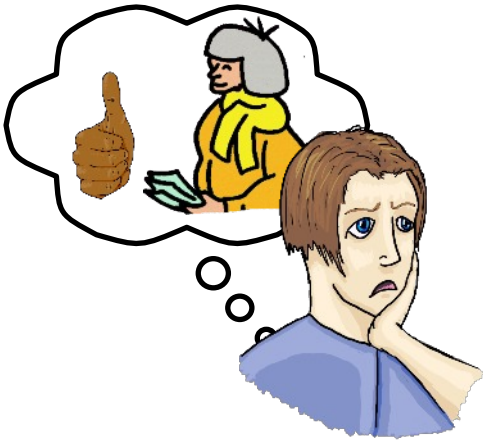


Question 18 asks for reasons why money should not be released to applicants?

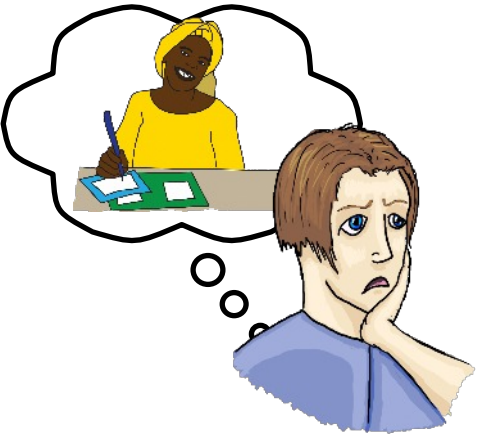


More than half said do not release money to applicants if:

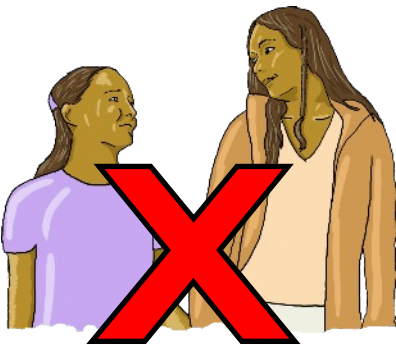
- they have a history of financial abuse



- there is a worry about money not being used in the best interests of the account holder



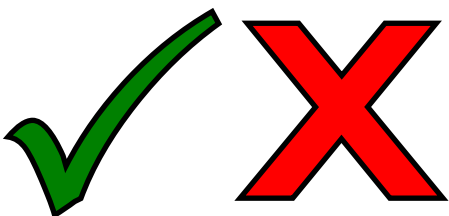
- the account holder's family and friends or other bodies have told the bank they are worried about the applicant



- if the applicant is not a close family member of the account holder



- there is not enough information to say the account holder has lost mental capacity.



There were mixed answers about looking at an applicants financial history.



Questions 19 to 23 are about asking referees about the applicant.



Question 19 asks if the applicant should name a **referee** who the account holder knows when applying to a Small Payments Scheme?



More than half said yes because this is a **safeguard**.



Other people did not agree.



Question 20 asks if financial organisations like banks should have to contact the referees in all cases before making payment?



People said different things about this question.



Some said contacting the applicant's referee is a safeguard.



Others said only if the bank has worries about the applicant.



Question 21 asks if the referee should have to sign a paper to say:

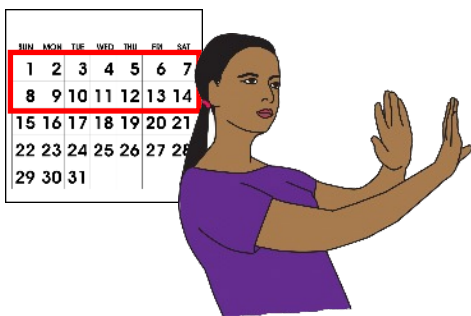
- they know the account holder
- they know applicant
- they understand the reasons for the scheme.



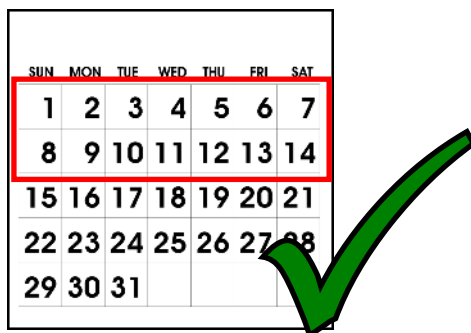
1. Over half said yes.



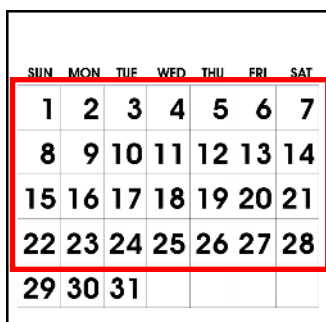
2. The people who said no explained it was too complicated and bad people could still get around it.



Question 22 asks if 2 weeks is long enough time for the account holder or referee to say they do not want the applicant to access the money.



1. More than half said yes.



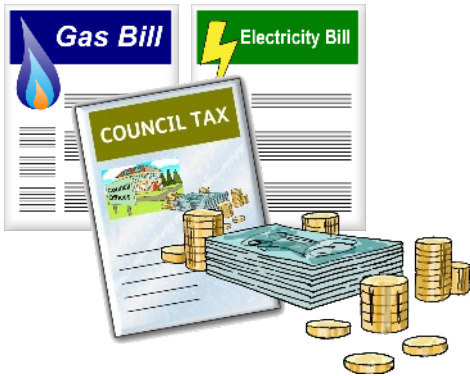
2. A few said 4 weeks would be better.



Question 23 asks if contacting referees would create problems.



There were mixed answers about this question. Some said contacting referees takes too long especially if money was needed urgently.



The next questions are about how money from the bank is used to pay bills.

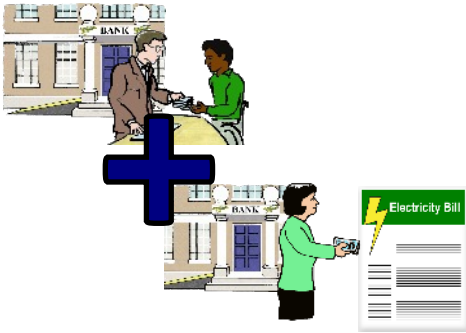


Question 24 talks about 3 options or choices:

- Option 1 – The bank pays the money directly to the applicant.



- Option 2 – The bank pays the providers of good and services.

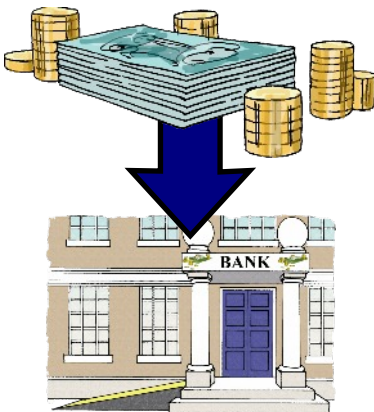


- Option 3 – Both 1 and 2.



Half of the people said yes to option 1, pay the money to the applicant.

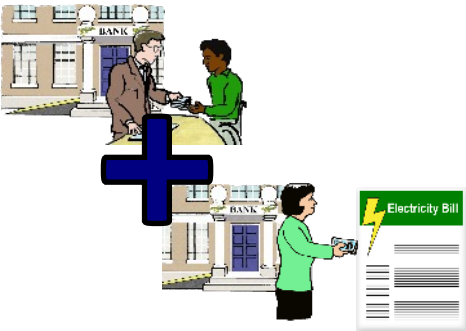
They said this way is quick.



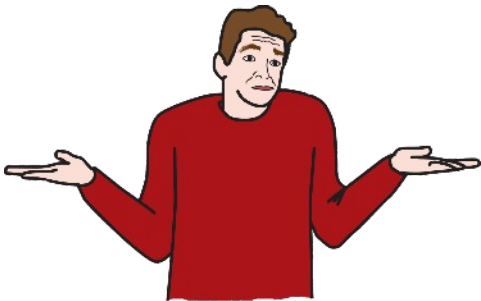
Some people said there need to be other safeguards such as moving the money to an account where it can be tracked.



Only 8 people said they liked option 2.



37 people said yes to option 3 because this would be easier for everyone.



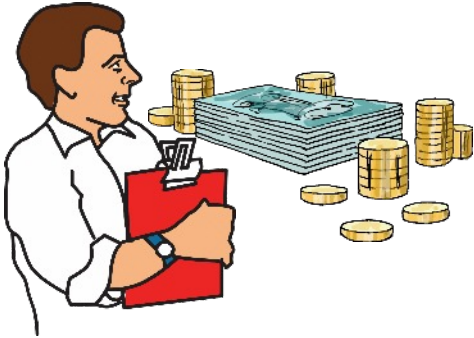
7 people said they were not sure.



Questions 25a and 25b ask about the risks of the 3 options.



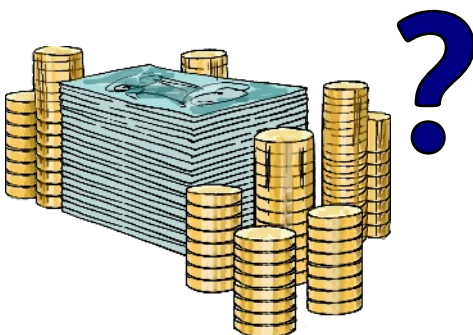
72 people were worried about financial abuse.



Others said the money can be checked and tracked.



Some people were worried that options 2 and 3 will put extra pressure on the financial organisations like banks.



Question 26 is about the amount of money you can have using this scheme. It asks if £2,500 will be enough to pay for goods and services.



About the same number of people said yes and no.



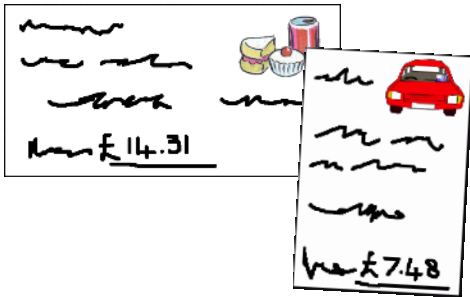
63 people said £2,500 was not enough to cover the cost of buying goods and services.



69 people said £2,500 is enough as it protects the person from being financially abused.



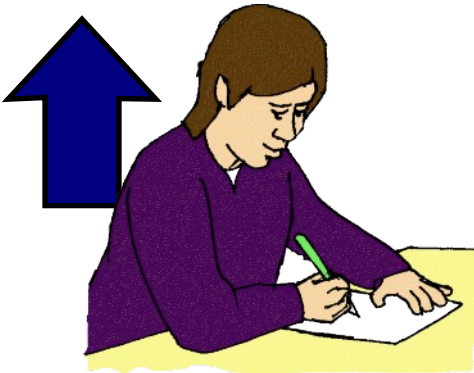
Questions 27 to 36 are questions about keeping a record of how the person's money is spent.



Question 27: Should applicants have to keep receipts of all spending?



Most people said yes applicants should keep a basic record to prove that money was being used in the account holder's best interests.



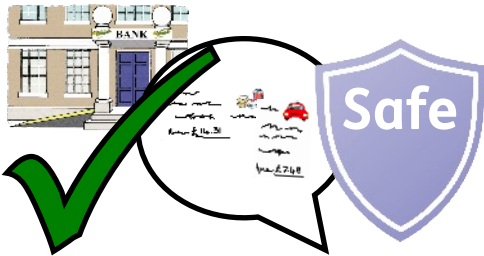
A few people said this would be too much work for applicants.



Question 28: If money is paid directly to the applicants, should they have to tell the bank how the money was spent with receipts as proof?



Just over half of people, or 100, said no because this is too much work for applicants and financial organisations like banks.



60 people said yes as a safeguard for the person who has lost mental capacity who is the account holder.



Question 29: Should account holder and applicant details be kept in a central register?



Just over half said yes.



Register

Some people thought it would be too expensive and take too much time for tracking small amounts of money.



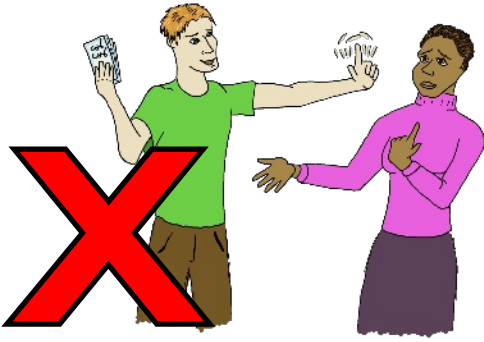
Question 30: Keeping a register would cost money. This question asks if it is fair to charge a fee to cover the cost of keeping a central register?



Financial organisations like banks may choose to pass this cost on to applicants.



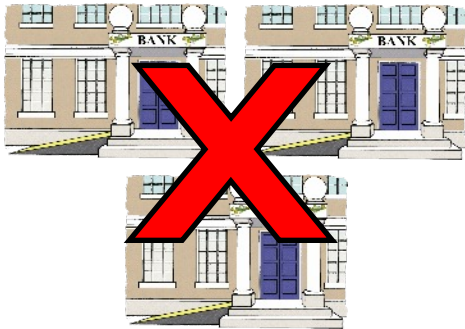
1. Most people said no.



2. A few people said yes because they thought a fee will stop financial abuse.



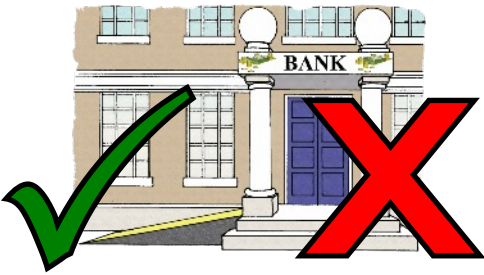
Question 31 asked if the applicant could have access to more than 1 bank account.



1. Most people said no to protect the account holder from financial abuse.



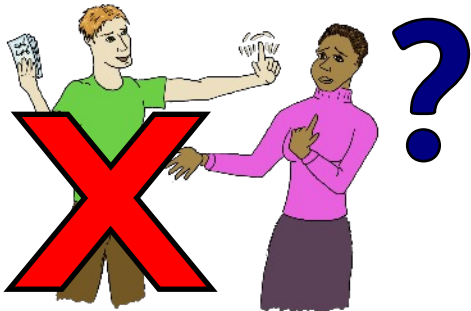
2. Some said the limit should be two accounts.



3. Others said it should be flexible.



4. Some families look after several members who lacked mental capacity.



Question 32 asked if people knew any other ways to protect account holders from financial abuse.

People said:



- Applicants should have background checks to see if they had a history of **fraud**.

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



- letters from a professional such as a social worker to say the person is honest



- yearly reporting about money spent



- spot checks and home visits to check the financial records are true.



Questions 33 and 34 are about the OPG. The OPG is the Office of the Public Guardian.

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.



Question 33 asks if the OPG should be able to investigate any fraud in the scheme.



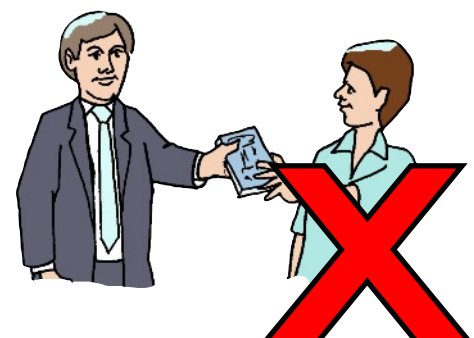
Over three-quarters of people said yes.



A few people said this is the job of the financial organisations like banks or the police.



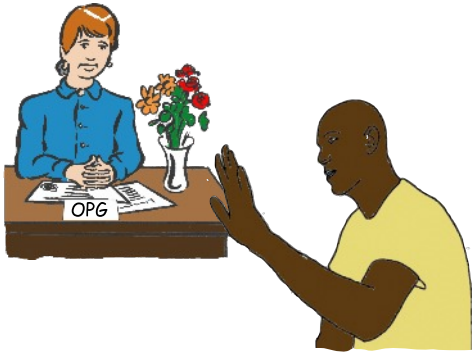
Question 34 asks if the OPG will ask you to pay a fee for their investigation.



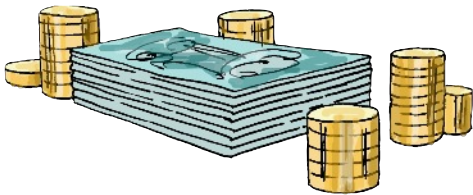
1. Just over half of people did not think there should be a fee.



2. They were worried the applicant would have to pay the fee.



This may stop people using the scheme.



The people who said there should be a fee said it should be a small fee for small amounts of money.



Questions 35 and 36 are about **fraud** and **liability**.

Fraud is when someone tricks you out of money.

Liability is about who should have to pay.



Who do you think should pay for fraud?

1. 98 people replied. Most said the person doing the fraud should have to pay.



2. Some said it should be the financial organisations like financial organisations like banks, the government or the police.

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



It is hard to keep a money scheme simple and keep it safe from fraud at the same time.



Some people were worried that the scheme might become as difficult to use as the court application process.



Financial organisations like banks said it will be hard to bring in the Small Payments Scheme.



Question 37 is about keeping the scheme both simple and safe.

People gave mixed answers.



1. 63 people said the scheme was safe enough as it only works with up to £2,500 for 6 months.



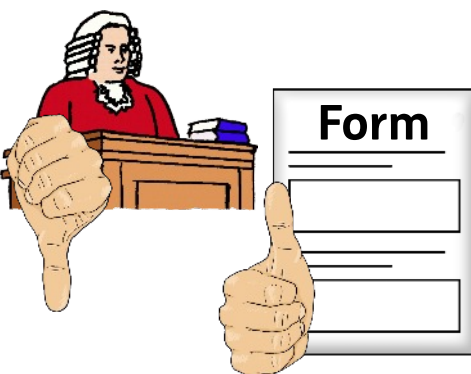
2. 51 people said the scheme has too many safeguards.



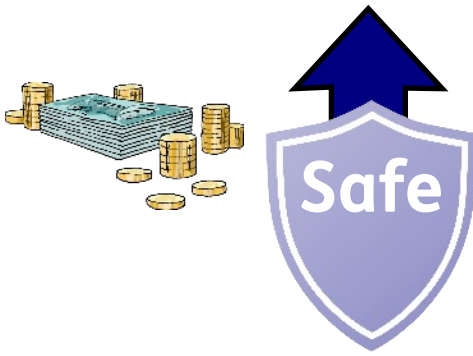
Question 38 asks if the scheme is easy for applicants.

Just over half of 176 people said it was either not simple enough or not that simple.

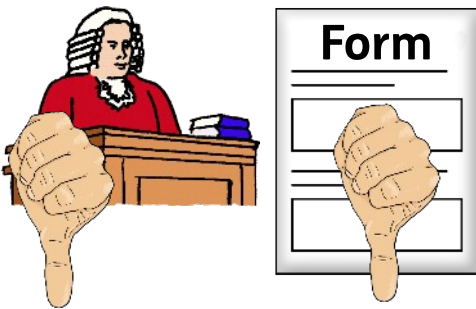
64 of those people explained their answers.



1. Many thought it will be simpler than the current Court of Protection process because there is only 1 form to complete.



2. Others said there are too many security steps for a small amount of money.



3. A few said it will be just as hard as the current Court of Protection process.



Questions 39 and 40 ask if it will be easy for financial organisations like banks to bring in the scheme and use it.



1. Half the banks said it was possible to start the scheme.



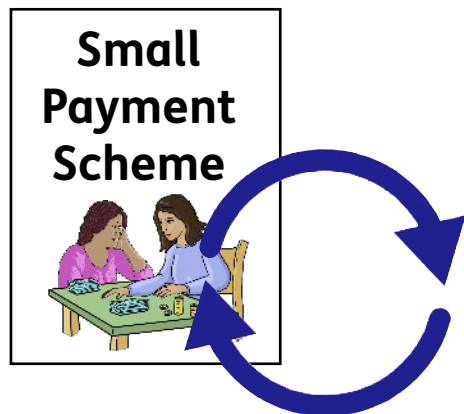
2. But most financial firms like banks said it would be fairly difficult or very difficult to do this.



3. Half the banks said it will be easy to bring in the Small Payments Scheme.



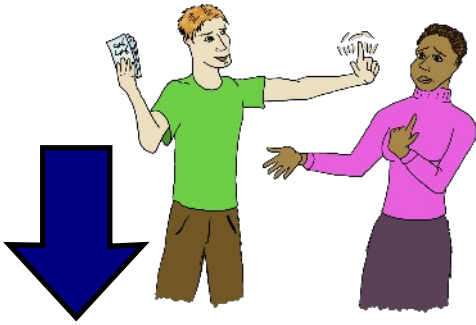
4. But a quarter of banks said it will be a problem for them.



Question 41 asks what people would change about the way the scheme works.



1. People said different things about the need for more or for less security measures.

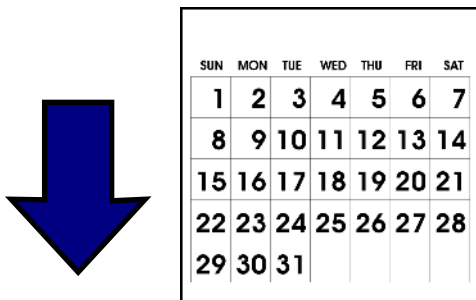


2. Those who said the scheme needs more security measures thought this would provide more safeguards and lower financial abuse.

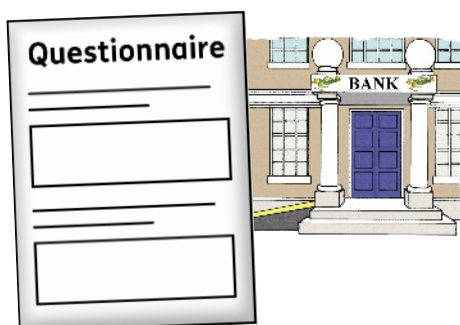


Question 42 was about time. It asked how long people thought it will take for a person to be **approved** as an applicant.

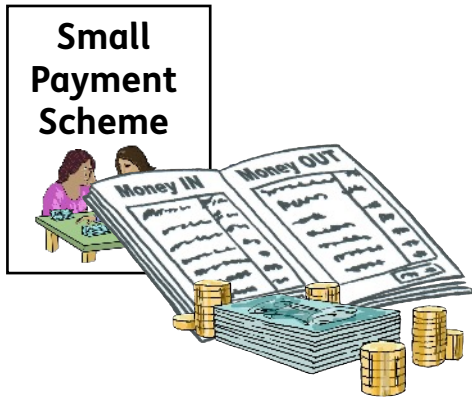
Being **approved** means the bank has done all the checks to make sure the applicant is an honest person.



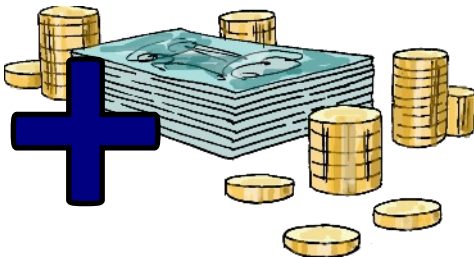
1. 67 people said the approval process should take less than one month.



The next three questions were for financial services firms like banks.



Question 43 asks banks how much they think it will cost to look after the Small Payments Scheme.



1. Over half of the 11 banks that replied said there would be extra costs to look after the Small Payments Scheme.



2. A few said there would be costs to the applicant to take part in the scheme, such as the fees for the capacity assessment and legal costs.



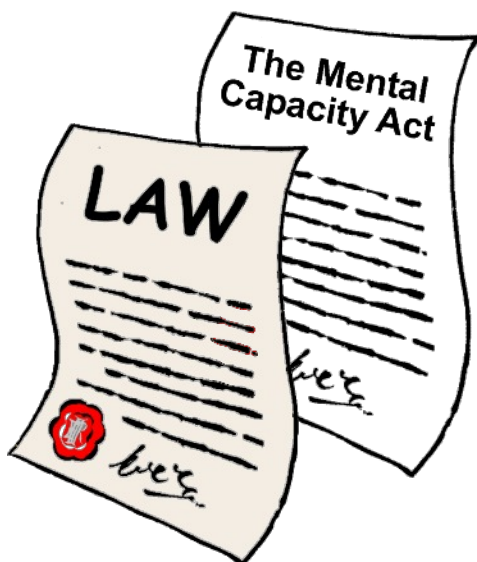
Question 44 asked how many account holders are using special measures for people who have lost mental capacity.



1. 10 banks answered. 2 said that only about 1 in 100 account holders are people who have lost mental capacity.



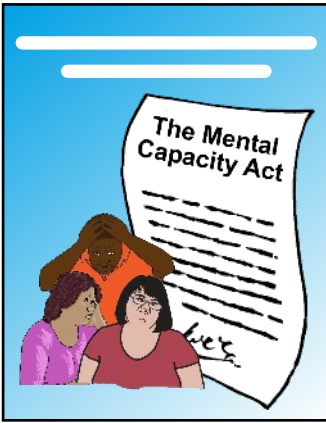
Question 45. Not enough banks answered question 45 so we have no answer.



Question 46 asks about ways to help people know more about:

- the Mental Capacity Act 2005 (MCA)
- the laws about managing the care and affairs of people who have lost mental capacity.

216 people answered in their own words.



1. Many said we need more educational advertising about the MCA from charities, financial organisations like banks and media.



2. Some said the government should give information about the Mental Capacity Act for vulnerable adults using other departments like the Department for Work and Pensions (DWP) and the Department for Education, and Health and Social Care guidance.



3. People also suggested training courses.

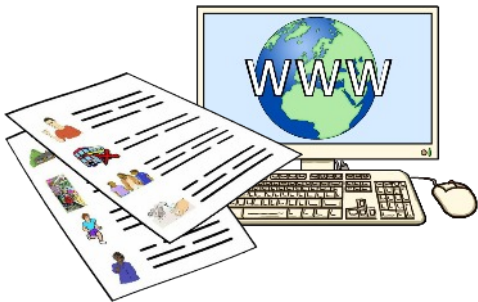


Question 47 asked how to increase understanding of and engagement with the Court of Protection or CoP.



136 people answered in their own words.

1. Tell people more about the Court of Protection so they can understand it better.



2. Use simple language and make a website that is accessible and easy to navigate.



Question 48 is about working with the Court of Protection or CoP.

Are there any barriers in the CoP process?



111 people replied about these barriers:

- CoP forms are hard to read and fill out.



- It takes too long for the CoP to look at applications.



- The fee is high. People did not know they could ask for fee help.

Equalities

Questions 49 and 50 are about people with **protected characteristics**.

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



- disability



- race



- religion



- sexual orientation



- transgender identity.



People said the scheme will improve the quality of life of people with protected characteristics.



It will give them access to their Child Trust Fund.



1. Some respondents suggested that the scheme would have a positive impact on protected groups by improving their quality of life and giving them access to their Child Trust Funds.



2. Others were worried the scheme will not be good for vulnerable individuals and the elderly because of reduced safeguards and risk of abuse.

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 keeps money in accounts for children up to the age of 18.

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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