FINANCE Q&A's



Registering Lasting Power of Attorney

Creating a Lasting Power of Attorney (LPA) gives you peace of mind that someone you trust can handle financial and health decisions on your behalf, should you be unable to do so. However, without registering an LPA, attorneys cannot immediately act on such duties. Here, Lakeside Practice Principal *Matthew Hibbert* outlines the importance of LPA registration.

Should you register an LPA and, if so, when?

M: An unregistered LPA is better than not having one at all, but, yes, we deem it essential to register an LPA. There are two different types of LPA documents that enable an attorney to make decisions for you if you cannot do so; one for financial and the other for health and care decisions. We would always advise LPAs are registered at the point of setting them up. So, once the forms are complete, they need to be sent to the government's Office of the Public Guardian.

When is an LPA required?

M: Many people associate LPAs being needed in old age, if, for example, they were to lose their mental capacity due to dementia. However, there are numerous other scenarios where you might need someone to step in and make financial or health decisions on your behalf. It could be that you suffer a stroke or are involved in a car crash. Alternatively, in light of the current pandemic, you could be stranded abroad but need a business account signing off back in the UK. As such, it's best not to delay registering an LPA.

What are the risks if you don't register an LPA?

M: It can take anywhere between 12 and 18 weeks for an LPA to be registered once the forms are submitted. Without that registration, an attorney cannot immediately step in to make decisions and assist with your finances, should you need them to. That means your finances would be frozen, and so your loved ones may not be able to do things such as pay the mortgage or access income from a business account until the LPA is registered. Furthermore, if you were to lose your mental capacity before registering an LPA, an attorney would need to send the registration on your behalf and prove your mental state, i.e. with a doctor's note, further delaying the process. Without an LPA in place at all, the government would appoint someone to take care of these decisions, which would be both time-consuming and costly.

How do you go about registering an LPA, and what is the cost of doing so?

M: You can download and fill in the forms from the Gov website though as there are many pages to fill in and signatures required, we'd advise seeking the assistance of a financial adviser. On top of the initial cost of setting up an LPA, the registration fee is £82 per form - one for financial and one for health and care decisions. Once submitted, if the Office of the Public Guardian finds any mistakes, they will require you to fill in another form, and make another payment. As part of creating a client LPA here at Lakeside, we would fill in and submit the documents to the Office of the Public Guardian to ensure all is correct, avoiding extra costs. arrangements in line with their investment risk profiles.

Please feel free to contact us for further information: *admin@lakesidefs.co.uk*

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