

Managing & Safeguarding your Credit Union Account

A guide for credit union members on how to manage and safeguard your funds throughout your credit union membership

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NI



How This Guide Can Help You...

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Introduction

The purpose of this guide is to provide you with insight into how best to safeguard the funds in your credit union account. Regardless of the amount of your savings, all members should be aware of the methods of how to best manage their money, as well as how to protect and safeguard their money from financial abuse and fraud.

All persons are potentially vulnerable to financial abuse, but this is particularly the case where you are dependent on another person to do your day-to-day transactions, owing to a physical or mental incapacity as a result of an illness, a learning disability, a bereavement, or other circumstances where you need the help of another to take care of your money. In particular, during the Covid-19 restrictions, members may be cocooning and so are not in a position to leave their home to visit the credit union. Such members may find themselves relying on another person to assist them in managing their money at this time. It may be a temporary reliance, but nonetheless, members must feel in control of their own money at all times.



Managing your credit union account

The Operating Principles of the credit union prioritise the economic and social well-being of all members through their vision of social justice, and wider benefit of this to the local community. Credit unions are highly aware of the need to safeguard all members, especially those who find themselves in a vulnerable situation.

If you need help on any matter, the credit union staff will be happy to assist you. If you need more time when transacting, or if you wish to discuss a matter in confidence, the staff will be happy to engage with you on the best solutions to managing your account and circumventing any challenges that may arise.

You may wish to discuss access to your account, insurances on your account, a possible loan, or creating or updating a nomination on your account. In particular, if you are vulnerable or concerned in relation to any of the above, please do not hesitate to contact the credit union. Even if you are cocooning during Covid-19 restrictions, the credit union may be able to remotely provide the service you require.

If you need to contact your credit union to discuss any matter, you can find their details on our CU Locator on <https://www.creditunion.ie/credit-union-locator/>.

Once the credit union is made aware of the circumstances involved, we will do everything possible to ensure that you continue to be in control of your credit union affairs, and that your funds are well-safeguarded.

Being Aware of Financial Abuse

The Northern Ireland Department of Health¹ definition of financial abuse is:

“Actual or attempted theft, fraud or burglary. It is the misappropriation or misuse of money, property, benefits, material goods or other asset transactions which the person did not or could not consent to, or which were invalidated by intimidation, coercion or deception. This may include exploitation, embezzlement, withholding pension or benefits or pressure exerted around wills, property or inheritance.”

According to the Commissioner for Older People for Northern Ireland (COPNI)² over 75,000 older people experience some type of financial abuse in Northern Ireland.

Examples of financial abuse

- » Theft of money;
- » The use of another person’s identity in relation to credit and bank cards;
- » Forging someone else’s signature;
- » Use of counterfeit cheques or being tricked into signing blank cheques.
- » It can also take the form of harmful behaviour, for example:
 - o Being pressured to sign documents or change your will;
 - o Threatening to withdraw care unless money or property is provided.
- » Abusing a third party authority or general power of attorney, by acting outside of the authorised powers or by continuing to transact where the member has lost their mental capacity
- » Not contributing to the household expenses even though they share the house with you and use household utilities such as heating, water, electricity, phone and so on;
- » Making decisions about how to spend your money without consulting you;

¹Department of Health ‘Adult Safeguarding: Prevention and Protection in Partnership’, July 2015
²COPNI Final Report May 2016- Prevalence of financial abuse against older people in Northern Ireland

- » Putting undue influence upon you to sign documents you do not understand such as a deed, a power of attorney or a will. Undue influence may take the form of deception, coercion or pressure. A person may put undue influence on you to: - make or change your will or nomination; - invest or take out money; - sell your personal property; or - buy alcohol or drugs. There are many financial abuses that are also crimes. These are examples of crimes that may be committed by people we know and trust;
- » Opening a bank account in your name without your knowledge or consent;
- » Using counterfeit cheques to withdraw money from your account.

How can the credit union help me protect myself from financial abuse?

As mentioned above, if you have any concerns that you are the subject of financial abuse, the credit union are happy to assist you in dealing with this very serious issue, in whatever way we can.

We are very aware of the need to safeguard your money, so if there are red flags in relation to financial abuse such as unusual activity and unexplained withdrawals in your accounts, new people accompanying you to the credit union, the credit union will act quickly and sensitively.

What will my credit union do if I am concerned about financial abuse?

- » The staff will be happy to meet with you privately to discuss your concerns, and will try to find a solution with you to the problem.
- » If staff believe that you may not be acting of your own free will, they may ask to speak to you alone, and can take any instructions from you regarding your account.
- » If there is another person putting pressure on you to your withdraw money, the credit union can help you circumvent the transaction in a sensitive way which protects you and protects your money.
- » If staff suspect financial abuse, they will discuss a number of options with you in how to deal with it.
- » They may contact you to verify your authority or to discuss any recent changes in transactions on your account.
- » They may seek your permission to contact other parties to help you such as your solicitor, the Department of Health, a family member, a trusted friend or the Police Service of Northern Ireland (PSNI).

It is open to you to contact any of the above parties at any time, but the credit union is happy to contact them on your behalf if you so wish.

What happens if I need assistance to manage my account?

As a general rule, where a member is incapable of managing their own affairs, the credit union is committed to ensuring that this member's funds are protected from interference, and we take our duty of care to protect the funds of the member very seriously.

Please come and speak to us if you have any questions or concerns in relation to the operation of your account in the event that you lose the mental capacity to manage your account.

Sometimes you may need assistance in managing your account. As such, the credit union can discuss options with you to plan ahead. These options might look at the following:

- a) Set up a third-party authority
- b) Set up a power of attorney
- c) Controllership
- d) Other options if you lose your mental capacity

a) Creating a third-party authority/mandate

A third-party authority/mandate lets you select someone to do day-to-day transactions on your account. If your relationship with that person changes, you can cancel the authority/mandate and they will no longer be able to access your money.

A specific form is required to be completed and signed and will remain in place for the period recorded on the form. You will need to specify who the third party is, their relationship to you, how much you wish them to withdraw, and how often this withdrawal should occur. The credit union will adhere to your wishes, and only permit withdrawals as instructed by you. If you change your mind at any time and no longer need the third party authority to be in place, let us know and we will stop third party access to your account.

If you are interested in setting up a third-party authority, check with credit union staff. They will discuss your wishes and ensure that these wishes are fulfilled.

Please note that the authority will be revoked (cancelled) if you lose mental capacity.

b) Creating a power of attorney

A power of attorney is a legal arrangement that permits another person to act for you in matters such as your financial affairs. This person is called an attorney. They should be someone you know you can trust to act on your behalf and to follow your wishes.

There are two types of power of attorney: general and enduring.

» Power of attorney

A power of attorney is put in place when you are still able to manage your own affairs but for some reason you need the attorney to act on your behalf. A general power of attorney lasts as long as you wish but it will expire upon death or when you no longer have the mental capacity to operate your affairs. This can be useful if, for example, you are travelling for long periods of time, or are house-bound due to a physical incapacity. However, if you no longer have the mental capacity to manage your own affairs, a power of attorney is no longer valid. If you decide to set up a power of attorney, make sure there is someone else you trust who can tell the credit union the power of attorney is no longer valid.

» Enduring power of attorney

An enduring power of attorney is put in place when you are still able to manage your own affairs. It must be in a prescribed form. It is important to note that if there are no restrictions or conditions, the powers of the attorney(s) start as soon as the attorney(s) have signed the Enduring Power of Attorney. The date on which the Enduring Power of Attorney comes into effect will depend on whether you have put any restrictions or conditions in the Enduring Power of Attorney. For example, you may have made it clear that the attorney(s) cannot act until you become mentally incapable or until the Enduring Power has been registered by the court. If you no longer have the mental capacity to manage your financial affairs, your Enduring Power of Attorney must be registered with the High Court (Office of Care & Protection).

If you think a Power of Attorney or an Enduring Power of Attorney is the right way for you to manage your finances, you should talk to your solicitor or the Office of Care and Protection who can provide general guidance³. Contact details for the Office of Care and Protection can be found at the back of this guidance.

³NICTS guidance (correct at March 2020) is available at <https://www.justice-ni.gov.uk/sites/default/files/publications/justice/epa-notes-for-guidance-Aug-2018-updated-Nov-2019.pdf>

c) Controllership

Where an individual loses the requisite mental capacity to look after their own affairs and they do not have an Enduring Power of Attorney in place, a family member or friend or another person close to them⁴ may apply to the Office of Care and Protection under the Mental Health (NI) Order 1986 to manage the property and/or financial affairs of an adult who is mentally incapable of doing so themselves.

The controller will manage your income to ensure that your day-to-day needs are met and bills are paid. They will also ensure that any property is kept in a good state, your income tax affairs are kept up to date and important documents are in order and kept safely.

Short procedure order

In some cases the Office of Care and Protection may decide to make a 'short procedure order', rather than appointing a controller. This is a simpler and more limited arrangement. It usually occurs where the value of someone's assets or income is relatively low. It can also occur when there is no property to be sold and you do not have a level of income that the court considers in need of being managed by a controller. A short procedure order may authorise someone to:

- o use your income and pensions etc. on your behalf;
- o use your social security benefits and money held in a credit union, bank or building society;
- o pay care home fees and any other debts and expenses; and
- o make sure any documents and valuables are safely looked after.

d) How can the credit union help if I lose my mental capacity and do not have an enduring power of attorney or Controllership Order in place?

If it becomes clear to you that you are losing your capacity through Dementia or Alzheimer's, or any other condition, the credit union will do all it can to enable you to continue transacting on your account for as long as possible.

Where it transpires that you are no longer in a position to manage your own account, the credit union will work with your family or carers, or other persons helping you to ensure that only transactions that are in your best interests are carried out on your account.

⁴If nobody suitable can be found, the Office of Care and Protection can appoint the official solicitor to act as a controller.

As mentioned earlier, if there is a power of attorney or a third party authority in place, this will be deemed to have expired, and any persons previously permitted to withdraw on your account will no longer have access to the funds.

If there is an enduring power of attorney in place, the credit union will seek evidence that it has been registered and that the power to manage your affairs is contained in the enduring power of attorney document before allowing the attorney to operate and transact on your account.

If there are no arrangements in place to manage the account in the event of your mental incapacity, there is provision within Article 20 of the Credit Unions (Northern Ireland) Order 1985 (as amended) which may assist. This piece of legislation provides that where a person loses their mental capacity, and where there is no enduring power of attorney or controllership order in place, any person claiming through the member, may make an application to the board of directors of the credit union (“the Board”) to carry out a transaction on behalf of that member. The application for a withdrawal may be permitted by the Board if there is medical evidence that the member has lost mental capacity and that they are satisfied that the transaction is being carried out in the member’s best interests (such as to pay for health expenses, nursing home fees, personal welfare expenses, etc.)

The person applying for the transaction will be required to sign a statement confirming:

- » that they understand their duty to use the monies in the best interests of the member;
- » that they are aware they may incur civil or criminal liability if the monies are misapplied; and
- » that they are not aware of any other person who is legally entitled to receive the monies.

Subsequent to the transaction, this person must sign a receipt and indemnity form.

Planning Ahead: What happens to my money in the event of my death?

a) Make a nomination

If you are 16 years of age and over and you wish for your credit union funds to go to your family or any other person upon your death, you can fill out a nomination form. The credit union is the only financial services provider to enable you to nominate your property held in the credit union separate to your estate. The form must be signed by yourself and delivered to the credit union within your lifetime.

The maximum amount you can nominate is £10,000. If your account holds more than this amount on the date of death, the monies in excess of the £10,000 will comprise part of your estate.

There is no maximum amount of nominees, however, if there is more than one nominee, it is advised that the nomination form specifies what percentage of the credit union monies should be given to each nominee – for instance a 50% share for two nominees, or a 25% share for four nominees, or 50% for a spouse and 10% for each of your five children, etc.

Similarly, it should be noted that only ‘a person or persons’ may be nominated, which means that organisations such as charities, local church, etc. may not be nominated.

Factors which can affect the validity of a nomination:

1. Where the member gets married after making the nomination, the nomination will become invalid.
2. Where the member divorces subsequent to making the nomination, the nomination will become invalid.
3. Where the nominee dies before the member, and where no new nomination to another person has been made, the nomination will be revoked (cancelled).
4. Where the nomination is not signed properly, or if it doesn't reach the credit union within your lifetime, it will be deemed invalid.

5. A nomination made to a company or charity will be deemed invalid.
6. The completion of a new nomination, will revoke the previous nomination.
7. A nomination can only be made on a sole account. This is because the monies in a joint account are owned by both joint account holders and so when one person on a joint account dies, the other person receives all the monies in the joint account.
8. Please note that a will cannot revoke a nomination as it is deemed a separate legal document.

b) What happens if there is no nomination on my account, or if it becomes invalid?

If you do not have a nomination in place, or your nomination becomes invalid for one of the reasons specified above, then if the amount in your account is less than £10,000, the “small payments rule” comes into operation.

This rule states that where there is no nomination, and where the amount in the member’s account does not exceed £10,000, this money can be paid to persons that the Board believes to be legally entitled to it, such as a spouse or children, or a civil partner, for instance without the need for a grant of probate or letters of administration from the courts.

Where there are no such persons or where there the amount of money in the account exceeds £10,000, the credit union will need to pay the monies into the deceased estate following receipt of a grant of probate or letter of administration.

Useful resources and contacts

If you, or someone you know has been the victim of abuse, whether recently or in the past, or if you are the relative of an individual this has happened to:

- » Report the matter directly to the police service on '101' the non-emergency number, and you will be put in contact with a specially trained police officer who will speak to you; or
- » In an emergency situation dial the police emergency number '999'

If you see something, say something OR if you are an adult at risk of harm and in need of protection, contact the Health Trust's Adult Protection Gateway Team on the following numbers:

HEALTH AND SOCIAL CARE TRUST	AREAS COVERED	9.00AM - 5.00PM TELEPHONE NUMBER	OUT-OF-HOURS EMERGENCY TELEPHONE NUMBER
Western HSC Trust Adult Protection Gateway Service	Londonderry/Derry, Limavady, Strabane, Omagh, Enniskillen	028 7161 1366	028 9504 9999
Southern HSC Trust Adult Protection Gateway Service	Craigavon, Banbridge, Dromore, Lurgan, Portadown, Gilford, Armagh, Coalisland, Dungannon, Fivemiletown, Markethill, Moy, Tandragee, Ballygawley, Newry, Bessbrook, Annalong, Rathfriland, Warrenpoint, Crossmaglen, Kilkeel, Newtownhamilton	028 3756 4423	028 9504 9999
Belfast HSC Trust Adult Protection Gateway Service	Greater Belfast area	028 9504 1744	028 9504 9999
Northern HSC Trust Adult Protection Gateway Service	Antrim, Carrickfergus, Newtownabbey, Larne, Ballymena, Cookstown, Magherafelt, Ballycastle, Ballymoney, Portrush, Coleraine	028 9441 3659	028 9504 9999
South Eastern HSC Trust Adult Protection Gateway Service	Lisburn, Dunmurry, Moira, Hillsborough, Bangor, Newtownards, Ards Peninsula, Comber, Downpatrick, Newcastle, Ballynahinch	028 9250 1227	028 9504 9999

ACTION ON ELDER ABUSE NORTHERN IRELAND

If you are an older person experiencing domestic or financial abuse Action on Elder Abuse Northern Ireland is a specialist charity working to protect older people from all forms of abuse and neglect.

080 8808 8141

www.elderabuse.org.uk

AGE UK

A free advice and resource service for older people

0800 678 1602

www.ageuk.org.uk

ADVICE NI

If you want help with debts or money matters, advice and support on lots of different topics, including debt, money matters, housing and benefits

0800 028 1881

www.adviceni.net/advice/get/local/list

MONEY ADVICE SERVICE

Free and impartial money advice, set up by government

0800 138 7777 (Mon-Fri, 8am – 6pm, webchat on Sat. 8am-3pm)

Typetalk 18001 0800 915 4622

www.moneyadvice.service.org.uk

SHELTER

A free information and advice service and helpline on housing and homelessness in England, Scotland, Wales and Northern Ireland

0808 800 4444

www.shelter.org.uk

HOUSING RIGHTS

A free information and advice service and helpline on housing

Telephone: 028 9024 5640

Textphone: 028 9073 1577

OFFICE OF CARE AND PROTECTION

Room 2.2A, Second Floor, Royal Courts of Justice, Chichester Street,
Belfast, BT1 3JF

0300 200 7812

24 HOUR DOMESTIC & SEXUAL VIOLENCE HELPLINE

The helpline is open to women and men affected by domestic abuse or violence. This free telephone service is available 24 hours a day, 365 days a year.

Phone: 0808 802 1414 (Freephone)

NORTHERN IRISH WOMEN'S AID

Supporting victims of domestic and sexual violence in Northern Ireland

0808 802 1414

info@womensaidni.org

www.womensaidni.org

GALOP

National LGBT+ Domestic Abuse Helpline Emotional and practical support for LGBT+ people experiencing domestic, emotional or financial abuse.

0800 999 5428 (Tuesday is a Trans* specific service)

help@galop.org.uk

www.galop.org.uk/domesticabuse

MENS ADVISORY PROJECT

MAP exists to provide counselling services for men experiencing domestic abuse

Belfast. 028 9024 1929

Foyle. 028 7116 0001

info@mapni.co.uk

VICTIM SUPPORT NI

02890 243133

belfast@victimsupportni.org.uk

foyle@victimsupportni.org.uk

LIFELINE

Lifeline is the Northern Ireland crisis response helpline service for people who are experiencing distress or despair.

0808 808 8000

www.lifelinehelpline.ie

SAMARITANS

<https://www.samaritans.org/branches>

SOLICITOR DIRECTORY

The Law Society of Northern Ireland, Law Society House,
96 Victoria Street, BELFAST BT1 3GN.

To speak to a local solicitor please visit
www.lawsoc-ni.org/solicitors
Telephone: 028 9023 1614

MIND YOUR HEAD

To search for any services available in your Health and
Social Care Trust area, go to:

www.mindingyourhead.info/services

JAM CARD

JAM Card allows people with a learning difficulty, autism or communication
barrier tell others they need 'Just A Minute' discreetly and easily. JAM Card
allows this to happen in a simple, effective non-verbal manner.

NIGHTLINE

Nightline is a confidential telephone support service for students,
run by students. You can find out about Nightline services in
your area below

www.nightline.ac.uk/want-to-talk

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Credit Union