**Mental Capacity Assessment for Finances**

**Introduction**

This is a tool that can be used in part, whole or amended as required to support practitioners to assess whether a person is;

1. Able to manage all, or some elements of their finances;
2. Unable to manage all, or some elements of their finances; or
3. In need of support to manage, or learn to manage some, or all elements of their finances; or
4. Receiving appropriate support to manage some or all elements of their finances (and whether this support is appropriate and promoting the person’s independence).

Practitioners should only use those parts of the tool that are relevant and appropriate based on the person’s needs, situation and abilities.

Some parts of the tool require you have prior knowledge of relevant spending of the person so as to make the tests meaningful to their situation.

**Part 1: Money Recognition**

To manage everyday finances, spending and reduce the risk of exploitation a person must be able to recognise commonly used coins and notes.

Using real notes and coins (not plastic or photographic examples) indicate below which the person can recognise;

£20 Y/N £10 Y/N

£5 Y/N £2 Y/N

£1 Y/N 50p Y/N

20p Y/N 10p Y/N

5p Y/N 2p Y/N

1p Y/N

**Practitioner comments:**

**Questions to ask before making a determination:**

Have you tested whether the person can recognise each note and coin more than once?

Have you tested the person’s ability to recognise the notes and coins out of sequence?

If the person is unable to recognise coins and notes do you think they will be able to do so in the future, if they have appropriate support to do so?

If you feel that the person has the ability to learn this skill you should arrange for them to receive support and then re-test their skills in the future.

**Part 2: Mathematical Capabilities**

To manage everyday spending and reduce the risk of exploitation a person must be able to perform mathematical calculations (addition and subtraction) using notes, coins and financial values.

**Test A**

Using real notes and coins indicate below whether the person can add the following together to provide a total amount;

£20 + £10 Y/N

£20 +£2 Y/N

£5 + 50p Y/N

£10 + £1 + 10p Y/N

20p + 5p + 1p Y/N

**Practitioner comments:**

**Test B**

Using pictures, objects of reference or any other supportive means indicate whether the person can add together the cost of the following items;

1. A loaf of bread costing £1 + a pint of milk costing £50p Y/N
2. A book costing £5 + sweets costing £25p Y/N
3. Shoes costing £25 + vegetables costing £3 + fruit costing £6 Y/N
4. Beans costing 33p + a pen costing 25p Y/N
5. Continue as appropriate with further scenarios

**Further scenarios used (where relevant):**

**Practitioner comments:**

**Test C**

Using real notes and coins, for each of the scenarios in test B establish whether the person can provide you with the amount of money that would be needed to purchase the items.

**Practitioner comments:**

**Test D**

For each of the following scenarios indicate whether the person can calculate how much change they would receive;

1. A total purchase of £9 where £10 is given as payment Y/N
2. A total purchase of £20 where £20 is given as payment Y/N
3. A total purchase of £3 where £5 is given as payment Y/N
4. A total purchase of £16.50 where £20 is given as payment Y/N
5. A total purchase of £1.99 where £2 is given as payment Y/N
6. A total purchase of 75p where £1 is given as payment Y/N
7. Continue as appropriate with further scenarios

**Further scenarios used (where relevant):**

**Practitioner comments:**

**Questions to ask before making a determination:**

Have you created appropriate scenarios to test the use of mathematical calculations that will reflect those that the person is likely to have to make?

Has the test been carried out in the best environment-consider going to a shop, especially if the person’s ability may be impaired in the community.

If the person is unable to perform calculations now do you think they will be able to do so in the future, if they have appropriate support to do so?

If you feel that the person has the ability to learn this skill you should arrange for them to receive support and then re-test their skills in the future.

**Part 3: Understanding the cost of everyday items**

To manage money safely a person must be able to understand the cost of everyday items so as to;

1. Avoid the risk of financial implications; and
2. Budget within their financial means.

To carry out part 3 you will need to familiarise yourself with some of the regular items that the person purchases and spends their money on, for example;

1. Food items;
2. Toiletries;
3. Cigarettes or alcohol;
4. Clothing and shoes;
5. Music downloads or DVD purchase;
6. Bus fares, fuel or taxi costs.

Then, using objects of reference, pictures or any other supportive means establish whether the person can identify;

1. How much each item generally costs; and
2. When given 2 items to choose from, which item is the most expensive.

**Items used in test:**

**Practitioner comments:**

**Questions to ask before making a determination:**

Have you used items that are familiar to the person?

Has the test been carried out in the best environment-consider going to a shop, especially if the person’s ability may be impaired in the community.

If the person does not know the general cost of items do you think they will be able to learn this in the future, if they have appropriate support to do so?

If you feel that the person has the ability to learn this skill you should arrange for them to receive support and then re-test their skills in the future.

**Part 4: Understanding other financial commitments**

If the person’s ability to manage bigger household bills, direct debits and standing orders is being assessed part 4 should be completed.

To carry out part 4 you will need to familiarise yourself with some of the regular expenses that the person has, for example;

1. Rent;
2. Utility bills;
3. Mobile phone or internet contracts;
4. Loans or credit cards.

Using objects of reference (for example statements) establish whether the person is able to identify;

1. The range of financial commitments they have;
2. The amount of each commitment;
3. How and when each commitment is paid; and
4. The implication of not making a payment.

**Items used in test:**

**Practitioner comments:**

**Questions to ask before making a determination:**

Have you used expenses that are relevant to the person?

Have you used simplified language when discussing the different expenses?

If the person does not currently understand relevant information about their financial commitments do you think they will be able to learn this in the future, if they have appropriate support to do so?

If you feel that the person has the ability to learn this skill you should arrange for them to receive support and then re-test their skills in the future.

**Part 5: Understanding the difference between ‘needs’ and ‘wants’**

A person who is able to recognise and prioritise essential spending is less likely to make unwise decisions that place them at risk of harm or negative consequences.

To carry out part 5 you will need to use the information gathered during parts 3 and 4 (or gather this information if you do not already know it).

The purpose of this test is to identify whether the person is able to;

1. Recognise the difference between essential spending and non-essential spending; and
2. Understand the implications of different spending decisions.

To test the person’s understanding, go through each item in turn and ask the questions;

1. Is this an item that you need, or something that it is nice to have?
2. What would happen if you do not buy this item/pay this bill?

It may be helpful for you to provide an example to support the person to carry out this part of the test to support the person to understand what is expected of them. For example toothpaste is a ‘need’ because without it your teeth would be damaged which could cause you lots of pain.

Alternatively, ask the person to tell you (or separate out into 2 piles) which of the items is a ‘need’ and which is not as part of a sorting activity (this is particularly helpful if a large number of pictures are being used).

Now select 1 essential item and 1 non-essential item. Ask the person to choose which item they would use their money to obtain if they could only afford one item and why?

**Items used in test:**

**Practitioner comments:**

**Questions to ask before making a determination:**

Have you only used items and expenses that are familiar and relevant to the person?

Have you taken steps to support the person to understand what is expected of them in the test?

Have you used simplified language to explain the task and the relevant information?

If the person has not been able to demonstrate an the difference between ‘needs’ and ‘wants’ or an ability to prioritise spending do you think they will be able to learn this in the future, if they have appropriate support to do so?

If you feel that the person has the ability to learn this skill you should arrange for them to receive support and then re-test their skills in the future.

**Part 6: Budgeting and planning expenditure**

Understanding the need to budget for essential expenditure and save money for emergencies or extraordinary expense is an important element of managing finances.

**Test A**

To carry out part 6 you will need to familiarise yourself beforehand with the regular items and expenses that the person purchases and spends their money on, for example;

1. Shopping;
2. Leisure activities;
3. Transport;
4. Utility bills;
5. Rent;
6. Mobile phone contracts;
7. Loans or credit cards.

Have a proportionate and appropriate conversation to establish if the person understands;

1. The level of regular expenses and expenditure they have;
2. How they make sure that they have enough money for all of those things;
3. What would happen if they did not have enough money for their normal expenses and expenditure; and
4. How much of their income is used on regular expenses and expenditure.

**Items used in test:**

**Practitioner comments:**

**Test B**

Present the person with a relevant scenario to begin a conversation to establish;

1. If they understand the range of unplanned situations and emergencies that could occur in their situation;
2. Whether they have any mechanism in place already to save and plan for such events;
3. If they are not planning for such events, do they understand the implications of not doing so; and
4. What they would do should such an event occur.

Examples could include;

1. Holidays;
2. Broken appliances;
3. Christmas and birthday expenditure;
4. A car breakdown.

**Items used in test:**

**Practitioner comments:**

**Questions to ask before making a determination:**

Have you only used items and expenses that are familiar and relevant to the person?

Have you taken steps to support the person to understand what is expected of them in the test?

Have you used simplified language to explain the task and the relevant information?

If the person has not been able to demonstrate an ability to budget for everyday expenses or to plan for emergencies do you think they will be able to learn this in the future, if they have appropriate support to do so?

If you feel that the person has the ability to learn this skill you should arrange for them to receive support and then re-test their skills in the future.

**Part 7: Staying safe**

Being able to understand risks relating to finances and taking steps to minimise any risk is an important part of making financial decisions and managing money.

**Test A**

If the person has a debit card or a credit card, have a proportionate and appropriate conversation to establish if the person understands;

1. Where they keep their card and why;
2. Whether they think it is a safe place to keep their card and why;
3. Whether there is anywhere else that they would ever keep their card;
4. The process they go through when withdrawing money using the card (specifically how they protect their PIN number);
5. If they keep their PIN number written down whether they understand the risks in doing so?
6. What they would do if a person they did not know asked them for their PIN number?
7. What they would do if a person they did not know asks them for money at the cash machine?
8. What they think would happen if they lost their card?
9. What they would do if someone asked to borrow their card?

**Practitioner comments:**

**Test B**

Have a proportionate and appropriate conversation to establish if the person understands;

1. Where they keep any notes and coins when they leave their home?
2. How much money they normally carry with them?
3. If they carry a substantial amount, do they know the risks in doing so?
4. Do they ever show other people their money?
5. What they would do if someone asked to see their money?
6. What they would do if someone asked to borrow money from them?
7. How much money they normally withdraw from the bank or cash machine, and how quickly they store this money safely away from view?

**Practitioner comments:**

**Test C**

It is important that the person can demonstrate they understand the steps to take and the help available to them should anything happen to their money, cards or other financial resources.

In each of the following scenarios ask the person to explain what they would do and why;

1. You get to the checkout with your shopping and realise that you have left your money at home;
2. Somebody you do not know keeps asking you to lend them money;
3. Your purse/wallet is missing from your bag/pocket;
4. Somebody takes money from your purse/wallet without asking you first;
5. The cash machine that you normally use is broken and you need to get some money-how do you do it?
6. Any other scenarios that are relevant to the person’s situation.

**Further scenarios used (where relevant):**

**Practitioner comments:**

**Questions to ask before making a determination:**

Have you taken steps to support the person to understand what is expected of them in the test?

Have you used simplified language to explain the task and the relevant information?

If the person has not been able to demonstrate an understanding of risk and steps to stay safe do you think they will be able to learn this in the future, if they have appropriate support to do so?

If you feel that the person has the ability to learn this skill you should arrange for them to receive support and then re-test their skills in the future.

**Part 8: Banking and Benefits**

In order to manage a bank account or claim benefits a person must be able to understand generally the banking and benefit systems and processes.

**Test A**

Have an appropriate and proportionate conversation to establish if the person understands;

1. The name of their bank;
2. Where the money in the bank comes from (specifically the association with benefits, earnings or other income the person is known to receive);
3. Some of the key everyday banking terms (cash machine, debit card, bank account, direct debit/standing order-where this is relevant);
4. Where relevant, any overdraft facility they have and the implications of using it;
5. How much money generally they have in their bank at any one time (specifically whether they are aware that this is not infinite);
6. The key information in a bank statement (specifically how to identify and respond to any discrepancies).

**Practitioner comments:**

**Test B**

Have an appropriate and proportionate conversation to establish if the person understands;

1. The benefits that they are currently claiming;
2. The amount of money they currently receive through benefits;
3. The information they have to provide to the various benefit agencies;
4. How any change in their circumstances may affect their benefit entitlement;
5. How to use benefit monies appropriately (specifically mobility monies).

**Questions to ask before making a determination:**

Have you taken steps to support the person to understand what is expected of them in the test?

Have you used simplified language to explain the task and the relevant information?

If the person has not been able to demonstrate an ability to understand banking or benefit systems and processes do you think they will be able to learn this in the future, if they have appropriate support to do so?

If you feel that the person has the ability to learn this skill you should arrange for them to receive support and then re-test their skills in the future.