

Text Transcript of Keep Control's video 'Opening a third party account'

[Conversation between Dad and Nuala in the kitchen]

Nuala: I was thinking... would it be easier for you if I was able to withdraw money from your account for the groceries. I mean it might save you the trip into town?

Dad: Well it isn't easy these days, getting out with this arthritis.

Nuala: Ah yeah I know. It's too much hassle for you.

Dad: But how would we go about setting something like that up?

Nuala: Emm... I suppose a joint account or something like that?

Dad: Now that you mention it, I think Tommy down the road did something similar with his niece. Do you remember he had that accident and he was housebound?

Nuala: Yeah I remember that. Sure why don't you give him a call and ask him for some advice on how to go about it?

Dad: The very thing. I'll do that. I'll do that.

[Conversation between Dad and Tommy on the phone]

Dad: That's fair enough Tommy, listen thanks very much for all your help. I'll see you then, take care, bye.

[Conversation between Dad and Nuala]

Nuala: Well what did Tommy have to say?

Dad: Well he said it was fairly straight forward. He said, what we need to do is to ask the bank to set you up as a third party on my account. An authorised signatory is what he said.

Nuala: Alright. Well that sounds easy enough.

Dad: Well he did say, you have to make it clear to the bank as to why we're setting up this account and he said it would be no harm to set a few ground rules as to what the money should be used for.

Nuala: Ah yeah, that sounds fine.

Dad: I have all the notes here that he told me about... I tell you what, we'll pop into the bank next week when we're in town and have a chat with them then.

Nuala: Yeah. Grand.

[Nuala and Dad meeting the bank manager at the bank]

Bank Manager: Hello.

Dad: Nice to meet you.

Bank Manager: You too.

Dad: So what I want is for Nuala to be able to take money out of my account for groceries and everyday things really. It would make life a lot easier.

Bank Manager: I see. Well for that you would need to make Nuala an authorised signatory on your account. That means that she would be able to withdraw money from your account on your behalf but she wouldn't have ownership of your account. This is sometimes called a third party arrangement.

Dad: Well that's sounds ok, doesn't it? I suppose it is important that I still have ownership of the account and control of the account. This arrangement; It's purely for convenience.

Bank Manager: Ok, that's not a problem. Will we make a start on the forms then? Do you have any particular instructions?

Dad: I don't understand. What do you mean?

Bank Manager: Well it's very important that you both have a very clear understanding of how the money can be used, what it can be used for and what it can't be used for. You might want to think about putting a limit on the withdrawals that Nuala can make at any one time?

Dad: Oh I see. I didn't give it any thought really.

Dad: I have two options here. I can set up this third party account without giving any instructions. Or I can give clear instructions to the bank and the third party as to how the account should work.

Option 1 - Set up the account now without further instruction

Dad: Well, Nuala looks after everything for me and I trust her completely. She's very good to me, very good to me. And if anything should happen to me now... I'm talking dementia here now... I want her to continue looking after everything for me. No... so, I really don't think there's any need to set up rules, or anything like that. I don't think that's necessary.

[Dad goes to the bank several months later to make a withdrawal]

Bank Teller: I'm afraid there doesn't seem to be any funds in your account at the moment.

Dad: That can't be right! Could you check it for me again please?

Bank Teller: Ok let's have a look? It seems a large sum of money was withdrawn from your account two months ago by the third party.

Dad: Oh God no! But why would she do that? Oh no, she's up to her eyes in debt. I hope she hasn't taken it out for that reason.

Option 2 - Provide more instructions before setting up the account.

[Nuala and Dad meeting the bank manager at the bank]

Dad: Well I just want the money to be used for my convenience... for day to day shopping and so forth, and so forth. I do want to keep control of the account.

Bank Manager: Well it is very important that you and Nuala have a clear understanding about how she is allowed to withdraw money from your account. Remember, although you are assigning Nuala as a third party, you still have ownership of the account.

Dad: That's fine

Bank Manager: Monthly bank statements will continue to be sent to you directly Mr O'Connor and it is very important that you keep an eye on them.

Dad: That's no problem. No problem.

Bank Manager: We'd also encourage you to get receipts for any withdrawals from your account or any payments for groceries and such.

Nuala: Ah yeah, sure that's grand. I'll make sure you get those receipts Dad.

Dad: That's grand Nuala. Sure we do anyway, don't we? You know, I'm very very fussy about keeping receipts from the shopping and I check them against the statements. God, I'm a devil you know, for keeping records.

Bank Manager: That's really good practice Mr O'Connor and we'd encourage you to keep doing that.

Dad: Oh and another thing too is... this account it's just for the moment now. It's just for our convenience. I do have what's called... now I hope I remember it... an enduring power of attorney in place, just in case something should happen to me. And Nuala is that as well.

Bank Manager: Ok well if you want the Bank to record that we would need your solicitor to notify our legal department.

Dad: Well that sounds right. It's just as well to be aware of these things.

Bank Manager: Well that's fine. You should contact your solicitor and tell him or her to write to our legal department and tell them that you have what's called an inactivated enduring

power of attorney. This means that if the enduring power of attorney is ever activated or comes into force, the third party arrangement will stop.

Dad: Yeah, I'll ask them to do that and write to your solicitor's department yeah. That's grand.

Bank Manager: It's also important that we're notified as soon as any enduring power of attorney comes into force.

Dad: Now another thing too. If I... when I die... I'm going to die at some stage... does this money in the account automatically go to Nuala? You see I do have three other children and I want to be fair to them, really

Bank Manager: Well, it is bank policy that if you die, the third party arrangement will come to an end as soon as we are notified. That means that moneys in the account are frozen and your Will, will determine who the money goes to.

Dad: That's grand. That's exactly what I want. I think now we've covered everything here today. You've been very helpful.

Bank Manager: Ok, well we'll set up everything for you now.

Dad: That's grand, thank you.

[Dad in the kitchen at home a few weeks later, checking his bank accounts, and getting receipts from Nuala]

Dad: By setting up some ground rules with my bank and with my third party and having an open conversation about our third party arrangement, I protected myself from any potential financial abuse. This also helped my third party as we were both very clear about what the money in the account was to be used for and how we were going to manage the relationship so that I could keep control over my finances. Remember, only appoint a third party to your account that you trust and can have an open conversation with about your finances. After the third party arrangement is in place it is important that you remain vigilant over your account. Check bank statements regularly and also ask your third party to give you ATM receipts as well as receipts from any expenditure they may undertake on your behalf.