

Appointing a Power of Attorney to my bank accounts: What does it mean?

At some stage, you may need to ask a family member or friend to help with your financial arrangements. You may be going on a holiday, working overseas, or you may be unable to manage your financial affairs. This is when you might consider appointing someone to act as your attorney.

An attorney is appointed under a document called a power of attorney (POA), which is a legally binding agreement that gives the attorney authority to make financial and/or legal decisions on behalf of the principal/donor. The POA will set out what they can do and how they can act on your behalf in their capacity as attorney.

This guide provides you with some helpful information about what it means for you (the principal/donor) when appointing an attorney.

As the principal/donor, you must:

- ✓ Understand that you have signed a legally binding agreement.
- ✓ Know the difference between an Enduring and General Power of Attorney. Depending on the circumstances, the Bank may not be able to accept a General POA.
- ✓ Recognise that you can still have control of your banking and finances.
- ✓ Be aware that the attorney needs to follow the instructions as outlined in the POA document.
- ✓ Provide the Bank with an original certified copy of the POA document to add your attorney to your account.
- ✓ Understand that the POA document may not come into effect immediately. Eg, it is only effective if you lose capacity or are overseas.
- ✓ Understand that the attorney must only make transactions that are for your benefit.
- ✓ Be mindful that your attorney should keep accurate and up-to-date records and receipts of transactions performed on your behalf.
- ✓ Let the Bank know if you think your attorney is not acting in your best interests.
- ✓ Consider appointing a Public Trustee in your state or territory if there are no suitable family members or friends you trust to manage your banking.
- ✓ Understand that if you have appointed attorneys jointly, (Eg, two of your children), they will need to make decisions or transactions with each other's approval.

As the principal/donor, you should not:

- x** Appoint an attorney you don't know well or trust.
- x** Allow the attorney to manage your affairs if you have the capacity to do so yourself.
- x** Allow the attorney to breach their duty as an attorney as they may be required to compensate you for losses caused.
- x** Let the attorney use the funds in your account for their personal use.
- x** Give your attorney your bank card or e-banking access details.
- x** Ignore any transactions that may appear to be fraudulent transactions made by your attorney.

This is a guide only and does not reflect all considerations you should make when appointing an attorney. You should seek legal advice to understand what it means to appoint an attorney.

Need more help?

Refer to the Compass website, which is a handy resource to find more information on appointing an attorney, including:

An introduction to making an Enduring Power of Attorney

- Choosing an attorney
- Making decisions and knowing your rights
- What applies in your state or territory
- And much more

compass.info/featured-topics/powers-of-attorney