Financial Checklist After a Dementia Diagnosis

A dementia diagnosis does not mean mental capacity has been lost.
Many people retain capacity for months or years after diagnosis.

982,000
People living with dementia in the UK in 2024, rising to 1.4 million by 2040.

1 in 3
People living with dementia do not yet have a formal diagnosis.

~20 weeks
Weeks to register an LPA, errors after capacity is lost cannot be corrected.

Do Immediately
Cannot be done after capacity is lost

Register both Lasting Powers of Attorney
Property and Financial Affairs LPA, and Health and Welfare LPA. Both are needed, one does not cover the other.

Review and update the will
A will can only be made or changed while the person has testamentary capacity. Once lost, the existing will stands, even if wishes have changed.

Review all pension nominations
Pension death nominations are expressions of wish, not bound by the will. From April 2027, unused pots enter estates for IHT. Review nominations urgently.

Record wishes while they can be expressed
Where the person wants to live, how they want to be cared for, preferences on property, captured now, honoured later.

Act Within Weeks
Time-sensitive financial steps

List all accounts, pensions, and policies
Banks will not give access without a registered LPA. Record everything in a PodVault so the family is not searching in a crisis.

Review the IHT position
Nil-rate band £325,000, residence nil-rate band £175,000. Care costs can significantly reduce the taxable estate, but require advance planning to manage.

Understand care cost exposure
Specialist dementia residential care averages £1,343/week, around £69,800/year. Model what the estate looks like at year 2, year 4, and year 6.

Request a CHC checklist assessment (when dementia is advanced)
NHS Continuing Healthcare can fund all care, including accommodation, at no cost. It must be requested in writing. It is almost never raised by the NHS.

Plan ahead
Longer-term decisions to make now

Consider property position and joint ownership structure
How the property is owned affects what happens in the means test and what the surviving spouse inherits. Take advice before any changes are made.

Review life insurance and protection policies
Are existing policies still appropriate? Are premiums still being paid? Are nominations up to date and aligned with the will?

Set up the PodVault, a single guide to all documents and contacts
Where the will is held, who the solicitor is, all account numbers, insurance providers, pension schemes. One place the family can go in a crisis.

Tell the family where everything is, while the person can explain
This conversation becomes impossible once capacity deteriorates. Do it now, before it is needed.