Understanding Financial Abuse of Older People

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Financial Elder Abuse - Overview

- Terminology
- Definition
- What is financial abuse?
- Prevalence
- Reported cases in Ireland
- Possible indicators
- Risk factors
- Impact of financial abuse on older people
- Combating financial abuse
- Challenges

Terminology

- “Financial abuse” (Reed 2005; Help the Aged 2008; O’Keeffe et al. 2007)
- “Financial mistreatment” (C公诉is et al. 1998; Laumann et al. 2008)
- “Material abuse” (Crichton et al. 1999)
- “Financial exploitation” (Conrad et al. 2010; Acernio et al. 2010)
- “Material exploitation” (Luchs & Pillemer 2004)
- “Financial maltreatment” (Becks & Phillips 1984)
- “Economic violence” (Ferreira 2004)
Definition

- Financial or material abuse:
  - including theft, fraud, exploitation, pressure in connection with wills, property or inheritance or financial transactions, or the misuse or misappropriation of property, possessions or benefits

  (Department of Health & Home Office, 2000, p.9)

  (Protecting Our Future 2002, p.26)

What is Financial abuse?

- Financial abuse can be:
  - Theft - taking/spending money (e.g. pensions, benefits) without consent
  - Taking/selling possessions
  - Fraud
  - Misusing money/assets when appointed power of attorney
  - Withdrawing large sums of money from a joint account
  - Using a cash card without consent
  - Forcing changes to bank accounts, wills etc
  - Denying access to money/assets
  - Forging the older person’s signature
  - Identity theft
  - Overpayment for goods and services
  - Saying shopping costs more than it did

  (Pritchard 2008)

Who can be the abuser?

- Relatives
- Children
- Scammers
- Sweetheart scammers
- Care attendants
- Staff and professionals
- Anyone!
Prevalence of Financial Abuse of Older People

- Prevalence of financial abuse of older people is currently unknown in Ireland.
- A UK national prevalence study found a prevalence rate of 0.7% financial abuse among community dwelling older people (O’Keeffe et al. 2007).
- A US landmark study found that nearly a third of victims experiencing abuse were related to financial abuse (National Center on Elder Abuse 1998).
- A US study found that 5.2% of elders experienced financial abuse by a family member (Acierno et al. 2010).
- *Approximately 20% of calls to the Action on Elder Abuse helpline relate to financial abuse (Action on Elder Abuse n.d.).

Reported cases in Ireland

- In 2008, 16% of referrals concerned financial abuse.
  Perpetrators of substantiated cases (n=73):
  - 47% by son/daughter
  - 21% by other relative
  - 15% by carer
  - 5% by spouse
  (HSE Open Your Eyes 2009)
- In 2009, 18% of referrals concerned financial abuse.
  Perpetrators of substantiated cases (n=42):
  - 50% by son/daughter
  - 14% by other relative
  - 12% by neighbour
  - 5% by spouse
  - 2.4% by carer
  (HSE Open Your Eyes 2010)

Older people are targeted because:

- Are assumed to be vulnerable
- Are often dependent on others for help and support.
- Are known to possess a large amount of the country’s wealth
- May be more trusting than younger counterparts
- Often don’t realise the value of their assets which may have appreciated considerably
- Often do not understand financial matters
- Frequently do not get the opportunity to participate in their own decision making.
- May be lonely and desire companionship
- Older people fear nursing home placement
- Unlikely to report financial abuse due to pride, embarrassment, unfamiliarity with reporting procedures

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Risk Factors

- Cognitive/physical impairment (Health Brown Kobylarz & Castano 2005; Choi et al. 1999)
- Medical problems
- Absence of experience managing money
- Own their own house (Choi & Mayer 2000)
- Unfamiliarity with technical financial matters (Help the Aged 2006)
- Age (in their seventies) (Choi et al. 1999)
- Lonely and social isolation (Help the Aged 2006)
- Dependent on the abuser (Help the Aged 2006)

Possible Indicators

- Unexplained or sudden withdrawal of money from accounts
- Funds diverted for someone else’s use
- Damage to property
- Unexplained disappearance of possessions
- No funds for food, clothes, services
- Absence of required aids, medication
- Refusal to spend money
- Missing money
- Disparity between living conditions and assets
- Making dramatic financial decisions (Protecting Our Future 2002, p.73)
- Financial activity the older person couldn’t have done, such as an ATM withdrawal when the account holder is bedridden
- Deliberate isolation of an older person from friends and family, resulting in the caregiver alone having total control

Possible Indicators

- The older person does not manage his or her own finances although he or she is capable
- Unpaid bills or lack of medical care despite the availability of adequate financial resources
- Sudden appearance of previously uninvolved relatives claiming their rights to an older person’s affairs and possessions
- Abrupt or unexplained change in power of attorney
- Mail redirected to a new address
- Provision of unnecessary services (NCEA, n.d.)
- Deliberate isolation of an older person from friends and family, resulting in the caregiver alone having total control
Who might identify financial elder abuse?

- Family members might find:
  - bills unpaid
  - valuables missing
  - a new best friend or romantic interest of the older person

- Bank staff may notice:
  - changes in spending patterns

- Solicitors may be asked:
  - to make unusual changes to wills and property deeds

- Health & social care workers may notice:
  - an older person with adequate resources no longer able to pay for everyday basic expenses

Impact of financial elder abuse

- Loss of trust in others (Deem 2010)
- May become fearful of their vulnerability (Fielo 1987)
- Loss of independence and security (Choi et al. 1999)
- May become dependent on family members or social welfare
- Decline in quality of life
- Experience a loss of confidence in their own financial abilities
- Experience stress
- Depression and feelings of hopelessness (Nerenberg 2000c)

Combating financial elder abuse

Preventative measures:
- Prevent the older person becoming isolated
- Encourage active involvement in community affairs, religious groups and senior groups etc
- Educate the elderly to recognise financial victimisation (Podnieks 1992)
- Educate older people to improve their financial capabilities (Help the Aged 2008)
- Set up automatic payment of bills from bank accounts
- Ask a trusted third person to review all documents before signing
- All formal caregivers should be screened carefully.
Combating financial elder abuse

Preventative measures:
- Advanced planning of financial affairs
- Power of Attorneys could be requested to provide an annual statement setting out details of the year’s financial activities (Smith 1999)
- Educate healthcare professionals of warding signs and preventative measures
- Protocols for detecting elder abuse include questions relating to financial abuse that have been developed for doctors, nurses and emergency department should be made readily available.

- Banks should flag and observe suspicious activity
- Banks should use training programmes that help employees to identify financial elder abuse (Price & Fox 1997)
- Bank employees should be encouraged to tell older customers about good financial practices and ways to prevent financial abuse (National Clearinghouse on family Violence 2001)
- Banks should notify account holders and other named parties of activities that are inconsistent with the account holders’ usual banking patterns (Tom 2001)

Responses to financial elder abuse

FAST – Financial (Fiduciary) Abuse Specialist Teams
- Specialist team
- Have expertise in areas such as: real estate, insurance, banking practices, social welfare agencies, investments, trusts, estate planning and financial planning, solicitors (Aziz 2000)
- Rapid Response FAST
- Respond to financial emergencies (within hours/1 day)
- Tend to be small
- Usually include APS social worker, public guardians investigator, police, solicitors and city/county council
Responses to financial elder abuse

**Daily Money Management (DMM)**
- Usually tailored to meet older person’s specific needs
- Older people still retains control over their assets
- Provides support with writing and signing cheques, balancing chequebooks, budgeting, managing credit and other tasks.
- Appoint money managers who:
  - Monitors bank statements and other financial documents
  - Pays bills and ensures any monies owed to the older person (e.g. rent) is collected
  - Requests and reviews receipts from care workers
  - Require third parties to sign cheques/contracts, withdraw funds, authorise payments etc.

**Fraud Prevention Programmes**
- Alerts older people to scams
- Helps them to:
  - Identify fraudulent sales tactics
  - Resist aggressive advances
  - Report fraudulent telemarketers and fraudulent door-to-door sales persons.
- Provides them with the skills and strategies they need to avoid being exploited.

Financial Elder Abuse: The Challenge

The PA Consultancy report described financial abuse as:
- ‘The most intricate and complex cross-agency dimension of Protecting Our Future’ (p.25).
- The ‘single most urgent area that needs to be addressed’
- Requires a multi-agency approach
- Financial institutions and legal representatives have a important role to play in protection older people from financial abuse.
Financial Elder Abuse – To conclude

- Definitions vary
- Complex area with different dimensions
- Frequently accompanied by psychological/emotional abuse e.g. coercion, threats
- Perpetrators often feel some entitlement to an older person’s money and assets
- Often involve complex family dynamics
- Difficult to detect and to address
- Difficult to investigate:
  - Need financial and legal expertise
  - Do not have power to seek information from financial institutions to investigate alleged abuse

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