

UCD DUBLIN

NCPOP NATIONAL CENTRE FOR THE PROTECTION OF OLDER PEOPLE (NCPOP)

## Understanding Financial Abuse of Older People



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## Financial Elder Abuse - Overview

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- 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

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## Terminology

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- 'Financial abuse' (Reed 2005; Help the Aged 2008; O'Keeffe et al. 2007)
- 'Financial mistreatment' (Cornijns 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' (Lachs & Pillemer 2004)
- 'Financial maltreatment' (Becks & Phillips 1984)
- 'Economic violence' (Ferreira 2004)

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## Definition

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- 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)

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## What is Financial abuse?

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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)

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## Who can be the abuser?

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- Relatives
- Children
- Scammers
- Sweetheart scammers
- Care attendants
- Staff and professionals

**Anyone!**

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### Prevalence of Financial Abuse of Older People

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- 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.)

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### Reported cases in Ireland

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- 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)

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### Older people are targeted because:

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- 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

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- 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)

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## Possible Indicators

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- 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

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## Possible Indicators

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- 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

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## Who might identify financial elder abuse?

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- 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 resource: no longer able to pay for everyday basic expenses



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## Impact of financial elder abuse

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- 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)

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## Combating financial elder abuse

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- 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.

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## Combating financial elder abuse

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### 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.

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## Combating financial elder abuse

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### Preventative measures:

- 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)

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## Responses to financial elder abuse

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- 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

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## Responses to financial elder abuse

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- **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

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## Responses to financial elder abuse

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- **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.

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## Financial Elder Abuse: The Challenge

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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.



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## Financial Elder Abuse – To conclude

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- Definitions vary
- Complex area with different dimensions
- Difficult to detect and to address
- Frequently accompanied by psychological/emotional abuse e.g. coercion, threats
- Often involve complex family dynamics
- Perpetrators often feel some entitlement to an older person's money and assets
- 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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