
THE FINANCIAL ABUSE OF OLDER PEOPLE

THE CENTRE FOR POLICY ON AGEING (CPA) welcomed the Prevalence Survey Report on elder abuse published in 2007 by Kings College, London and the National Centre for Social Research on behalf of Comic Relief and the Department of Health. The survey contributes a valuable insight into the types of abuse that older people living in their own homes are subjected to and confirmed that financial abuse is one of the most prevalent forms of abuse. The Centre has been involved in various pieces of work raising awareness about the issues of abuse. These include The National Minimum Standards in Care Homes (2003) and an analysis of the progress made by social services' in implementing 'No Secrets' the guidance for multi-agency working to protect vulnerable adults (DH 2004). More recently CPA has worked with Help the Aged in supporting their work on financial exclusion among older people and was commissioned by the charity to carry out a review of the literature on financial abuse, which is available to download on the CPA website, Information Services, Reviews section www.cpa.org.uk/information/reviews/reviews.html

As part of its ongoing information work CPA has drawn together a briefing to highlight key points on financial abuse drawn from the reports and studies held in the Centre's library:

What is financial abuse

- The complex and diverse nature of financial abuse of older people makes it difficult to define. The term describes a disparate range of acts arising out of different dynamics and in different contexts.
- Financial abuse can range from failure to access benefits, through inadvertent mismanagement and opportunistic exploitation to deliberate and targeted abuse, often accompanied by threats and intimidation.
- New opportunities for financial exploitation arise from government policy such as direct payments/individual budgets where people are expected to manage large sums of money; financial assessments for long term care involving property.
- New avenues for crime arise from new technology, e.g. phishing, internet scams.
- Distraction burglary, consumer fraud, financial scams such as telephone contests and get rich quick investment schemes are targeted at vulnerable older people.
- Without a universally accepted definition, there is uncertainty over recognising financial abuse, reporting it, compiling evidence and prosecuting abusers.
- Action on Elder Abuse, 'No Secrets', Council of Europe, Commission for Equality and Human Rights have varying definitions of financial abuse within the context of elder abuse.
- A working definition of financial abuse, that includes the interaction between financial

abuse and neglect in the context of adults who lack capacity, has been developed by Hilary Brown. Given the complex dynamics, assessment of financial abuse must take into account a range of factors.

How widespread is financial abuse

- Any prevalence estimates of financial abuse are likely to be underestimates through under-reporting.
- Earlier studies have found that, in the United Kingdom, between 0.5% and 2.5% of all older people, living at home, admit to experiencing some form of financial abuse or exploitation.
- A major prevalence study carried out by Kings College and the National Centre for Social Research, funded by the Department of Health and Comic Relief, reporting in summer 2007, found 0.66% of UK older people, aged 66 and over living at home reported experiencing financial abuse by a close friend, relative or care worker in the past year. This study excluded older people with severe dementia, those living in residential care and cases of abuse by a stranger.
- The same study estimated that over 100,000 UK older people (1.2%) had experienced financial abuse, by a close friend or relative, since the age of 65,
- In the UK, studies generally show that around 20% of abuse is financial but some studies have found financial abuse in over 80% of cases.
- Indications are that 60-80% of financial abuse takes place in the home and 15-20% in residential care.
- Over 50% of financial abuse is by a grown-up son or daughter and nearly 70% by a family member but, since these groups offer comparable proportions of the financial help received, they should be viewed as no less safe than other helpers.
- Older men, particularly the oldest old, may, overall, be more vulnerable to financial abuse than women. The majority of victims of financial abuse are, however, older women living alone but this is, to some extent, because the majority of older people are women in these circumstances.
- The risk of financial abuse is greater for those living alone, in receipt of services, in bad or very bad health, and those who are divorced, separated or lonely.
- Older women who are separated or divorced are particularly susceptible to financial abuse
- Perpetrators of financial abuse tend to be middle-aged males with psychological or other problems.
- Financial abuse, both at home and in residential care, is tied up with societal attitudes to inheritance.
- Older private tenants and owner-occupiers each experience particular financial problems arising from their housing circumstances.
- Very little is currently known about the financial abuse of older people in black and minority ethnic communities in the United Kingdom and further research is required.

Recognition and prevention

- There are known indicators to raise an alert that financial abuse may be occurring.
- Indicators of abuse include the victim's change in living conditions; possessions sold; inability to pay bills/unexplained shortage of money; unexplained withdrawals from a savings account; unexplained disappearance of financial documents; cut off from family/friends/social network; carer's enhanced life style; sudden changes in bank account or banking practice, the recent addition of authorised signers on an older person's signature card; unauthorised withdrawal of funds using the older adult's ATM card; abrupt changes in a will or other financial documents.
- Evaluating whether or not financial abuse has occurred often involves complex and subjective determinations.
- It is important to balance an older person's autonomy with intervention to protect them from perceived financial abuse.
- The most effective way of protecting older people from financial abuse is through preventive interventions. There are significant difficulties in investigating, proving and rectifying financial abuse once it has occurred.
- Activities to prevent social isolation and promote inclusion in a community support network should be encouraged.
- Training is required for all professionals – health, social care, police, legal and financial – to recognise financial abuse.
- Methods should be established for handling routine financial transactions such as direct debit, electronic auto payments or bill paying services.
- Daily money management managers can reduce abuse by eliminating opportunities to abuse, blocking access to assets, or removing the motive to abuse.
- Care home employees should be screened and vetted with a zero tolerance of abuse.

Information, education and advice

- There is a need to devise information, advice and advocacy services centred on the needs of older people, not on descriptions of the provision of services.
- Information systems should be maintained in a way that older people will find useful which should include face-to-face communication and a variety of products (i.e. books and audio tapes, internet) in different languages.
- The provision of financial advice and money management should combine one-to-one advice and workshops on money management and financial advice.
- People prefer dealing with locally based organisations with products and services delivered by well-trained staff with established providers.
- Guidance for dealing with money matters should be brought together in one accessible source.
- There is a need to improve the financial literacy of older people through education.

Legislation

- There is no legal definition of elder abuse or financial abuse.
- There is no specific legislation for protecting vulnerable older people as there is for children.
- The law should be based on capacity rather than age. There is however a premise that older people require statutory protection because of the association of age with physical and/or cognitive impairments that increase vulnerability to abuse.
- Previous relevant legislation has been a 'patchwork' making it difficult to understand and/or enforce, i.e. criminal law, civil law, to deal with aspects of abuse.
- The Mental Capacity Act 2005, Fraud Act 2006 and Safeguarding Vulnerable Groups Act 2006 provide increased protection but have limitations.
- Formal protective strategies are more successful than any others for preventing financial abuse.
- Legal interventions need to be more proactive, rather than intervention only taking place after the financial abuse has occurred.

Regulation

- Financial abuse clearly comes within the remit of 'No Secrets' and the incidence of financial abuse and subsequent action should be included in local data collections by local authorities.
- Regulatory and inspection systems of health and social care need to provide older people with improved protection from financial abuse.
- Local authorities could do better. A survey by CSCI in 2007 inspecting against 'No Secrets' found that a sixth of all 150 councils in England were failing.
- 'No Secrets' has been poorly implemented in some areas. CSCI reported that council systems are not as tight as they should be and therefore cannot be guaranteed to respond adequately to adult protection referrals.
- Strengthened national minimum standards for care homes are needed to guard against financial abuse.
- Strengthened performance indicators are required in all sectors.

What can be done

- The most effective way of protecting older people from financial abuse is through preventive interventions.
- The prevention of elder abuse, including financial abuse, should be 'incorporated into an overall strategic approach to the ageing population' based on the principle of older people as citizens not just users of care services.
- The UK can learn from the successes of US initiatives to prevent financial abuse, such as the Daily Money Management programmes (DMM) and training for bank officials.
- Legislation should be considered to give adult protection the same status as that for children, so it can be properly monitored and enforced.

- Advice, information and education are central to developing preventative strategies for financial abuse.
- There is a need to raise awareness of financial abuse in all professional sectors, amongst older people themselves and the public generally.
- Training should be provided for professionals who have contact with older people - including nurses, doctors, bankers and lawyers - to help them identify and respond to financial abuse.
- At the front line, high street financial institutions should have written guidelines or policies for recognising and dealing with financial abuse.
- Practitioners should be encouraged to share experiences and learning to promote good practice.
- There should be encouragement of the spread and sustainability of local practical services and solutions already in place to prevent financial abuse of older people – such as the service managed by Age Concern Coventry.
- Agencies should be encouraged to work collaboratively using existing mechanisms where appropriate, such as the Single Assessment Process – Common Assessment Framework. Successful adult protection requires multi layered strategies that operate simultaneously.
- There is a need to balance risk, choice and the autonomy of the individual.
- Older people should be empowered to have No Fear. In order to do this they may need more appropriate - not more - support than is on offer at present. This support needs to demonstrate respect for people's right to control their finances and personal property.
- Education is required to improve the financial literacy of older people and people of all ages who may be managing the assets of older people.
- There is a need for wide-ranging research around all aspects of financial abuse of older people. In particular, there is little information in the UK on preventive strategies involving the financial services sector and older people. Research and practice around financial abuse should involve the financial sector, the pensions agency, government initiatives for older people such as Link Age plus, legal organisations and other agencies with adult protection interests.

For further details of the CPA's work, contact the Centre's Director, Gillian Crosby, email gcrosby@cpa.org.uk

Access government policy documents on ageing issues via CPA's website
www.cpa.org.uk/cpa/policies_on_ageing.html

Selected reading lists are available to download from CPA's website
www.cpa.org.uk/information/readings/readings.html

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