

## Financial Abuse of Older People

- shedding light on the issues

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## What is financial abuse?

- No agreed definition or 'map' to provide a clear understanding
- “stealing from, defrauding someone of, or coercing someone to part with, goods and/or property” – *Action on Elder Abuse*
- “any act, or failure to act, which results in a significant breach of a vulnerable person’s rights, civil liberties, bodily integrity, dignity or well-being, *whether intended or inadvertent*, including...financial transactions to which the person has not or cannot validly consent or which are deliberately exploitative” – *Council of Europe*

## How prevalent is financial abuse?

- The true prevalence of financial abuse is difficult to determine because financial abuse is under reported either through lack of discovery or through the embarrassment of the abused person (AEA; Rabiner, O'Keeffe and Brown 2004)
- thought to be the second most prevalent form of abuse (UK) - but a 2002 mail survey in Australia of organisations dealing with vulnerable older people found it to be most prevalent (51% of cases of known or suspected abuse and 81% of cases of known abuse)
- King's College Institute of Gerontology, in partnership with National Centre for Social Research, is currently undertaking a UK prevalence study on elder abuse and mistreatment – funded by Comic Relief – full report due June 2007

## Intentionality – abuse or mismanagement?

- the management of financial resources and assets in later life can often be challenging, especially for those with physical or cognitive impairment and their carers
- financial abuse may in some cases be linked to the financial management of an older person's affairs but financial mismanagement or inappropriate arrangements for financial management do not, in themselves, indicate abuse...
- ...a need to help develop improved financial literacy and an appropriate framework for the management of an older person's financial affairs

## Legal and moral framework – not well understood

- Legal framework
    - power of attorney; enduring power of attorney; receivership
    - superseded by Mental Capacity Act 2005
      - implemented 2007
      - Lasting powers of attorney
      - Court appointed deputies
      - Independent Mental Capacity Advocate
      - new criminal offence of ill treatment or neglect of a person who lacks capacity
  - Unacceptable types of behaviour
    - undue influence
  - Attitudes to inheritance
- A need for guidance, training and appropriate, accessible, culturally aware and easy to understand information*

## Forms of financial abuse...

- most financial abuse is perpetrated by a relative, carer or friend, in a position of trust. (53% by sons and daughters – Action on Elder Abuse analysis of 2006 helpline calls)
- this type of abuse is very likely to be different in nature from financial abuse by a tradesman, salesman, financial advisor or stranger

## Emerging forms of financial abuse

- technology related
  - phishing
  - boilerhouse scams
  - exclusion caused by physical or mental inability to handle the technology eg chip and pin
- new policy initiatives
  - individual budgets
  - direct payments

## Increasing diversity

- Issues of financial management and abuse are very different for those older people living only on state pension and benefits compared with those on higher incomes ...
- ... more complex financial affairs and diverse assets including multiple pensions, second homes, equity release schemes
- financial abuse of older people in residential care – self funders
- financial abuse of older people needs to be considered alongside other finance related crimes such as identity theft or distraction burglary and alongside the direct targeting of vulnerable groups by legal but potentially problematic activities such as online gambling

## **A need for action**

- abuse, whether intended or not, is unacceptable
- need for all institutions to work alongside each other in partnership
- raise awareness
- educate staff to recognise signs of abuse
- guidance, protocols and best practice

**central focus is the well-being,  
dignity and best interest of the  
older person**

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CPA, February 2007

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New attitudes to old age