



Improving Protections
Against Economic Abuse:
**POLICY, PRACTICE,
AND THE LAW.**



Policy Brief

Improving Protections Against Economic Abuse: Policy, Practice, and the Law.

Policy Brief.

Key Issues:

Economic abuse is one of the most common types of abuse in later life.

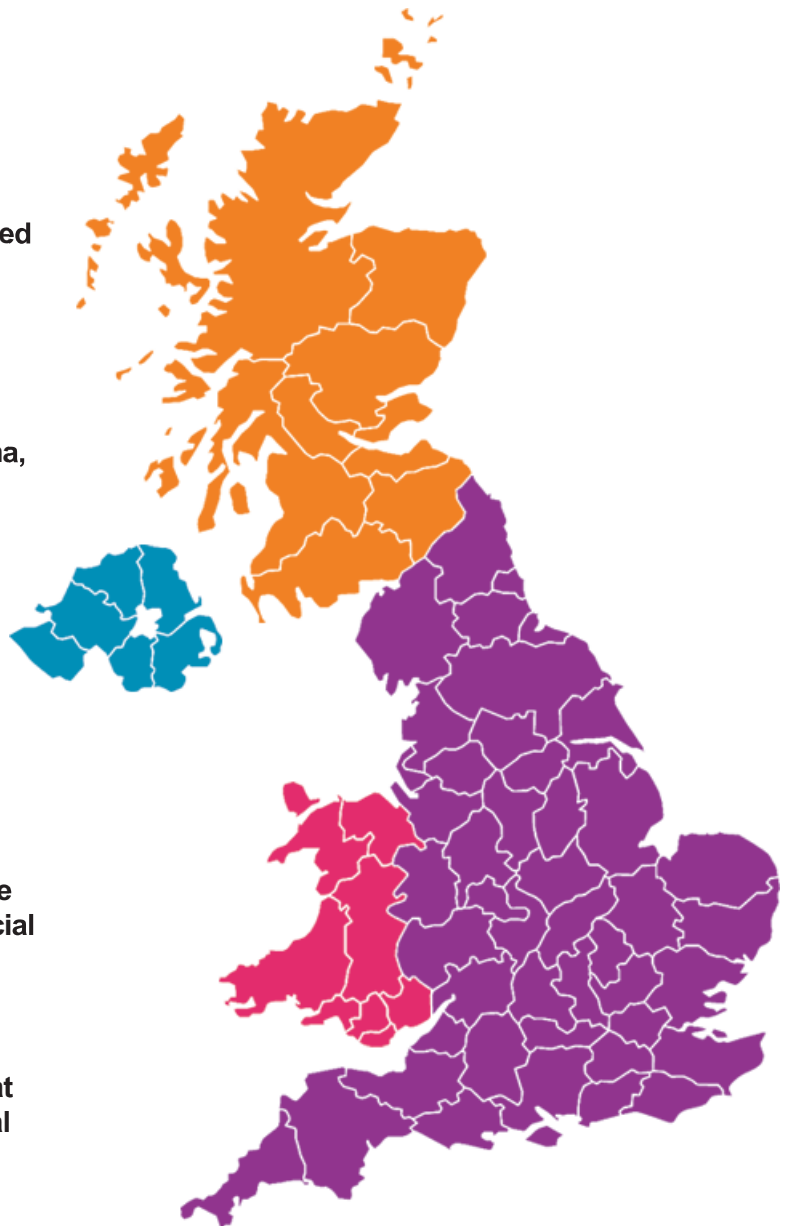
Economic abuse is a crime and should be treated as such.

Suffering economic abuse as an older person can have life changing effects, leading to trauma, mental health problems, and death.

Millions of pounds worth of money and assets are stolen, defrauded, or coerced from older people every year.

Money management programs, bank account controls, and raising public awareness could be key tools in protecting older people from financial abuse.

Changes to forfeiture law could also ensure that perpetrators do not succeed in making financial gains off of those they have abused.



RECOMMENDATIONS:

Banks and the Financial Sector should be encouraged to offer further tailored support to older people.

We know service users and experts want to see restrictions designed into bank accounts which could be available for vulnerable victims without capacity, or older people at risk of economic abuse. These “high control” accounts would have bundled restrictions such as:

- Limits on transaction size
- Spending limits
- Limits on cash withdrawals
- Delayed payment by default on all transactions
- Secondary confirmation of large transactions.²²

Such accounts could be combined with measures such as easy read formats, audio visual enhancements, and “Account Angel Alerts,” wherein the service user, and/or trusted friend or family member can receive alerts about unusual activity in a bank account that appears out of character or different from usual outgoings.

Access to money management teams should be available through the local authority and become an integrated part of the adult safeguarding process.

For financial abuse involving theft or in particular, a number of case studies and scholarly reports have also suggested that money management programs can be an effective way of providing assistance to those older people most at risk of economic exploitation.²³ Money management programs can feature daily assistance with monetary matters, including providing help with making deposits, paying household bills, and negotiating with creditors – and are targeted to those most at risk individuals, i.e. older people who are cognitively impaired or suffer from social isolation.²⁴ Pillemer et al note that money management programs are highly promising as both an interventive and a follow up preventive tool, recognising that with well-trained financial advisors the risk of adverse outcomes or further exploitation is low.²⁵

Work with banks and the wider financial sector to target financial literacy, with a focus on protecting one’s finances and assets while growing older.

As seen with the results from Hourglass’s recent polling, awareness and understanding of the nature and extent of economic abuse towards older people is lacking. Hourglass has already worked with a number of banks and financial institutions on awareness raising, and this experience should be utilised to support the rest of the sector, and also built on in the form of a economic abuse awareness campaign targeted at both older people and the general public and focused on financial literacy, preventing scams, and the measures or tools available to protect oneself from economic abuse in later life within the prism of safer ageing.

Forfeiture legislation should be expanded to cover abuse, neglect, or financial exploitation of the deceased.

Forfeiture law has been implemented internationally to target the abuse of older people. In the US, California and Washington State, state laws or “slayer” laws have been expanded to disqualify persons from inheriting if they have been involved in abuse, neglect, or financial exploitation of the deceased.²⁶ “A principal goal of slayer rules is to transfer property according to the probable intent of the deceased person. It is not difficult to understand that an individual would not want to pass on his property to someone who killed [or abused] him.”²⁷ As such, while the existing forfeiture law in the UK provides justice in cases of homicide, Hourglass notes there is still wide scope for pushing the extension of the forfeiture rule to cover economic exploitation and abuse of older people, including concerning the misuse of Power of Attorney.

Policy Problem:

Economic Abuse is a complex yet common form of exploitation encompassing financial harm, the direct theft of money from bank accounts, and misuse of Powers of Attorney, through to false representation, scams, the changing of wills, and coercion of housing deeds. Hourglass defines economic abuse of an older person as someone in a position of trust interfering in an older person's ability to acquire, use, or maintain their finances. Economic abuse is a crime, and should be treated as such, and includes theft, fraud, or the coercion to part an older person from money, goods, property, and/or benefits.¹

Previously commonly known as financial abuse, the term “economic abuse” covers the broad strata of financial harm previously understood under the term financial abuse, but allows extension to cover issues involving coercive control, such as preventing the victim-survivor from being in employment, limiting the victim-survivors working hours, or dictating what the victim-survivor can buy.

The impact of economic abuse on older people can be devastating, especially if they are on limited incomes such as a state pension. Many may lose large sums of money, lose property they have lived in for years, incur large debts, or simply not have enough money to live on. Older people may also find it harder to recover financially from economic abuse because of the limited opportunities and time for investment and monetary growth compared to those aged younger.² Non-financial related impacts can also result, and economic abuse can cause trauma, loss of self-esteem and confidence, familial breakup, mental health issues such as depression, PTSD, and anxiety, and in some cases, the impact can even result in death.³ The experience of one form of economic crime or abuse alone can also lead to a consequential effect. It may leave an older victim disproportionately at risk of “polyvictimisation”, that is multiple abuses or crimes occurring to the same victim.⁴

Between 2017 and 2019 financial/economic abuse cases added up to 39% of all cases,⁵ and was the most commonly seen type of abuse on the Hourglass helpline. While this trend was not replicated in 2020, Hourglass still received 989 (33.9%)⁶ economic abuse related calls to our helpline, and these illustrated that at least £13,477,870 was reported as stolen, defrauded, or coerced from elderly victims.

17 houses were sold or taken without consent (equivalent to £4,633,517 worth of property).⁷



An additional 35 houses were given away under pressure, including blackmail, or without full awareness (equivalent to £8,433,112 worth of property).



The total monetary value of the economic abuse involved was estimated to be £26,574,499.⁸ These figures are highly likely to be an underestimate in both the levels of financial abuse, and the monetary amount, as a large proportion of callers do not mention figures or amounts involved. Other sources also indicate high levels of financial abuse of older people; the last major UK national prevalence survey, the 2007 Prevalence Survey Report by King's College, London, and the National Centre for Social Research suggested that over 100,000 (1.25%) people over the age of 65 had experienced financial abuse in the past year,⁹ and that 0.66% of UK older people, aged 66 and over living at home had reported experiencing economic abuse by a close friend, relative or care worker in the past year.¹⁰

As with the broad spectrum of other forms of abuse and mistreatment committed towards older people, and especially older people lacking mental capacity, economic abuse appears to be usually committed in relative secrecy, and by trusted family members, carers, or friends. The majority of perpetrators in Hourglass' data from 2020 were sons and/or daughters or other family members.

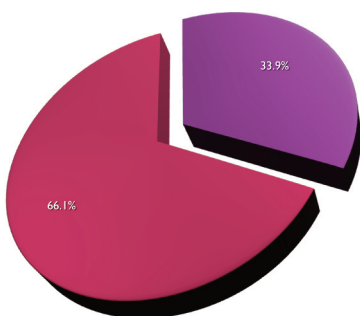
However, in the existing academic literature on the subject it is apparent that there is a wide variation in the prevalence of different perpetrator-victim relationship types for financial abuse. O'Keefe et al found that family members (54%) and care workers (31%) were the more frequent economic abuse perpetrators,¹¹ while Lowenstein et al found that care givers (26.5%) were the most frequent economic abuse perpetrators,¹² Lithwick et al found that adult children committed more economic abuse (59%) compared with spouses (13%).¹³ A number of studies suggest that family members may have a sense of entitlement to the financial assets of an older person feeling that they will inherit it anyway, that the older person may no longer need it, or that the perpetrator deserves it for assisting with care needs.¹⁴ Other motives for perpetrators identified may be,

- Gifting to self and others
- Incompetence
- Neglect
- Spending money to reduce the victim-survivors' assets, so the perpetrator does not have to pay for care needs.¹⁵

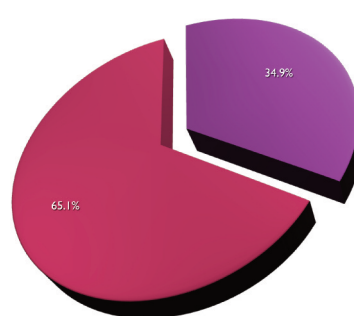
However, our recent 2020 polling data indicated that public levels of understanding about the economic abuse of older people, and the acts that constitute it is lacking. Only 25% of UK wide respondents noted that abuse of older people was likely to involve a financial component.

And large numbers of respondents did not appear to see commonly understood forms of financial harm as representing abuse.

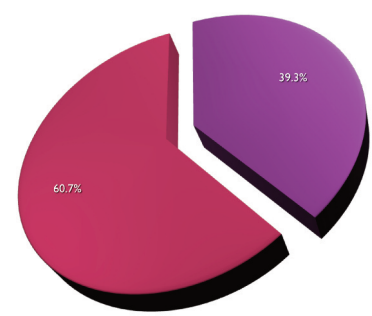
33.9% of UK wide respondents did not see "family members trying to change the wills of older people" as abuse.



34.9% did not view "taking money from an older relatives bank account without asking".



39.3% did not identify "taking precious items from an older person's house without asking" as abuse or mistreatment either.¹⁶



In the initial pre pandemic survey

While these figures are lessened in the follow up survey during the Covid-19 pandemic,¹⁷ they illustrate that financial abuse harms aren't readily understood or taken seriously by non-victims. This lack of understanding both constitutes a barrier to help seeking for victim-survivors of economic abuse and ensures that perpetrators have an easier time getting away with acts of harm and abuse.

From a legal view, consider the development of forfeiture law in the UK. Forfeiture laws allow the Government to keep the assets or property involved in the crime, preventing perpetrators from financial profit. In English and Welsh common law, a forfeiture rule exists which prevents perpetrators from benefiting from killing another person. This was codified in the 1982 Forfeiture Act.¹⁸ In Scotland, forfeiture rule was governed by the Parricide Act 1594, which made provision for a person who had killed their parents or grandparents to be automatically disinherited from their victim's estate. This was updated in the Succession (Scotland) Act 2016.¹⁹ In the case of the abuse of older people there are examples internationally of forfeiture law developed to ensure that a person should not benefit from financial or asset gains if found guilty of mistreatment or abuse of a victim if the perpetrator is still within the victims will or testament when they die.

Some protective national policy measures are also in place to help combat economic abuse. For example, the institution of the Financial Vulnerability Taskforce in 2015²⁰ to help establish good practice in improving the finance sector's support of vulnerable people, and the establishment in 2018 of the Financial Abuse Code of Practice, which lays down key steps in bringing increased awareness of, and consistency in dealing with financial abuse for employees, users, and firms of the financial sector.²¹ Both have been key tools for helping increase support and protection for older and vulnerable people against financial abuse. Nevertheless, there are still more actions needed to help protect older victim-survivors of economic abuse. For a start, the voluntary sign up nature of the Financial Abuse Code of Practice ensure gaps in practice and that whole sector knowledge and support is currently lacking. To better protect older people from economic harm, we need to see further changes to banking support; a prioritisation of money management support through local authorities and targeted partner working to improve financial literacy.

RECOMMENDATIONS:

Banks and the Financial Sector should be encouraged to offer further tailored support to older people.

We know service users and experts want to see restrictions designed into bank accounts which could be available for vulnerable victims without capacity, or older people at risk of economic abuse. These “high control” accounts would have bundled restrictions such as:

- Limits on transaction size
- Spending limits
- Limits on cash withdrawals
- Delayed payment by default on all transactions
- Secondary confirmation of large transactions.²²

Such accounts could be combined with measures such as easy read formats, audio visual enhancements, and “Account Angel Alerts,” wherein the service user, and/or trusted friend or family member can receive alerts about unusual activity in a bank account that appears out of character or different from usual outgoings.

Access to money management teams should be available through the local authority and become an integrated part of the adult safeguarding process.

For financial abuse involving theft or in particular, a number of case studies and scholarly reports have also suggested that money management programs can be an effective way of providing assistance to those older people most at risk of economic exploitation.²³ Money management programs can feature daily assistance with monetary matters, including providing help with making deposits, paying household bills, and negotiating with creditors – and are targeted to those most at risk individuals, i.e. older people who are cognitively impaired or suffer from social isolation.²⁴ Pillemer et al note that money management programs are highly promising as both an interventive and a follow up preventive tool, recognising that with well-trained financial advisors the risk of adverse outcomes or further exploitation is low.²⁵

Work with banks and the wider financial sector to target financial literacy, with a focus on protecting one’s finances and assets while growing older.

As seen with the results from Hourglass’s recent polling, awareness and understanding of the nature and extent of economic abuse towards older people is lacking. Hourglass has already worked with a number of banks and financial institutions on awareness raising, and this experience should be utilised to support the rest of the sector, and also built on in the form of a economic abuse awareness campaign targeted at both older people and the general public and focused on financial literacy, preventing scams, and the measures or tools available to protect oneself from economic abuse in later life within the prism of safer ageing.

Forfeiture legislation should be expanded to cover abuse, neglect, or financial exploitation of the deceased.

Forfeiture law has been implemented internationally to target the abuse of older people. In the US, California and Washington State, state laws or “slayer” laws have been expanded to disqualify persons from inheriting if they have been involved in abuse, neglect, or financial exploitation of the deceased.²⁶ “A principal goal of slayer rules is to transfer property according to the probable intent of the deceased person. It is not difficult to understand that an individual would not want to pass on his property to someone who killed [or abused] him.”²⁷ As such, while the existing forfeiture law in the UK provides justice in cases of homicide, Hourglass notes there is still wide scope for pushing the extension of the forfeiture rule to cover economic exploitation and abuse of older people, including concerning the misuse of Power of Attorney.

Consulted or recommended resources

- ¹ Hourglass Briefing Paper The Cost of living: 'Growing up is free, growing old is expensive.' (2021)
- ² City of London Police. (2011) Assessment: Financial Crime against Vulnerable Adults. Great Britain: Social Care Institute for Excellence; Adults' Services SCIE Report No.: 49; 2011
- ³ City of London Police. (2011) Assessment: Financial Crime against Vulnerable Adults. Great Britain: Social Care Institute for Excellence; Adults' Services SCIE Report No.: 49; 2011
- ⁴ Ramsey-Klawnsnik H, (2017) "Older Adults Affected by Polyvictimization: A Review of Early Research," *Journal of Elder Abuse & Neglect* 29, no. 5
- ⁵ Hourglass Helpline Data (2021)
- ⁶ Hourglass Briefing Paper The Cost of living: 'Growing up is free, growing old is expensive.' (2021)
- ⁷ Ibid.
- ⁸ Hourglass Briefing Paper The Cost of living: 'Growing up is free, growing old is expensive.' (2021)
- ⁹ O'Keeffe, M et al. (2007). UK Study of Abuse and Neglect: prevalence survey report. For CR/DH and the Department of Health
- ¹⁰ Ibid.
- ¹¹ O'Keeffe, M., Hills, A., Doyle, M., McCreadie, C., Scholes, S., Constantine, R., . . . Erens, B. (2007). UK Study of abuse and neglect of older people: Prevalence study report. London, England: King's College London.
- ¹² Lowenstein, A., Eisikovits, Z., Band-Winterstein, T., & Enosh, G. (2009). Is elder abuse and neglect a social phenomenon? Data from the first national prevalence survey in Israel. *Journal of Elder Abuse & Neglect*, 21, 253-277
- ¹³ Lithwick, M., Beaulieu, M., Gravel, S., & Straka, S. M. (1999). The maltreatment of older adults: Perpetrator-victim relationships and interventions. *Journal of Elder Abuse & Neglect*, 11, 115-112.
- ¹⁴ Conrad, K. J., Iris, M., Ridings, J. W., Fairman, K. P., Rosen, A., & Wilber, K. H. (2011). Conceptual Model and Map of Financial Exploitation of Older Adults. *Journal Of Elder Abuse & Neglect*, 23(4), 304-325.
- ¹⁵ Gloag A, Mackenzie P,(2019), New Fraud Protections for People at Risk. Demos
- ¹⁶ Hourglass, Growing Old in the UK, (2020)
- ¹⁷ Hourglass, Growing Old under Lockdown in the UK. (2020)
- ¹⁸ Forfeiture Act 1982 <https://www.legislation.gov.uk/ukpga/1982/34/contents>
- ¹⁹ Succession (Scotland) Act 2016 <https://www.legislation.gov.uk/asp/2016/7/contents/enacted>
- ²⁰ <https://www.fvtaskforce.com/>
- ²¹ <https://www.ukfinance.org.uk/financial-abuse-code-practice>
- ²² Gloag A, Mackenzie P,(2019), New Fraud Protections for People at Risk. Demos
- ²³ Nerenberg L, (2003) Daily money management programs: A protection against elder abuse. San Francisco: National Center on Elder Abuse.
- ²⁴ Pillimer K, (2016) Elder Abuse: Global Situation, Risk Factors, and Prevention Strategies. *Gerontologist*, 56, 2.
- ²⁵ Ibid.
- ²⁶ Piel J, (2015) "Expanding Slayer Statutes to Elder Abuse." *Journal of the American Academy of Psychiatry and the Law Online*, 43 (3) 369-376
- ²⁷ Ibid.



Hourglass

Safer ageing · Stopping abuse

You can contact us in many ways:

Helpline: 0808 808 8141

Our helpline is entirely confidential and free to call from a landline or mobile, and the number will not appear on your phone bill.

Text message: 07860 052906

Texts from outside the UK will be charged at their standard international rate which will differ depending on location and service charges of your phone provider. The number will appear on your bill and in your phone records but will not be identified as Hourglass.

Instant messaging service: www.wearehourglass.org



Email: helpline@wearehourglass.org

Hourglass England

Office 8, Unit 5,
Stour Valley Business Centre,
Brundon Lane, Sudbury,
Suffolk, CO10 7GB.

E: enquiries@wearehourglass.org

W: www.wearehourglass.org



 @wearehourglass_
 facebook.com/wearehourglass

Hourglass Cymru

C/o - Office 8, Unit 5,
Stour Valley Business Centre,
Brundon Lane, Sudbury,
Suffolk, CO10 7GB.

E: cymru@wearehourglass.org

W: www.wearehourglass.cymru



 @hourglassCYMRU
 facebook.com/hourglasscymru

Hourglass Scotland

PO Box 29244,
Dunfermline, KY12 2EG.

E: scotland@wearehourglass.org

W: www.wearehourglass.scot



 @HourglassScot
 facebook.com/HourglassScotland

Hourglass Northern Ireland

PO Box 216,
Newry, BT35 5DH.

E: nireland@wearehourglass.org

W: www.wearehourglass.org/ni

 @HourglassNI
 facebook.com/hourglassNI

