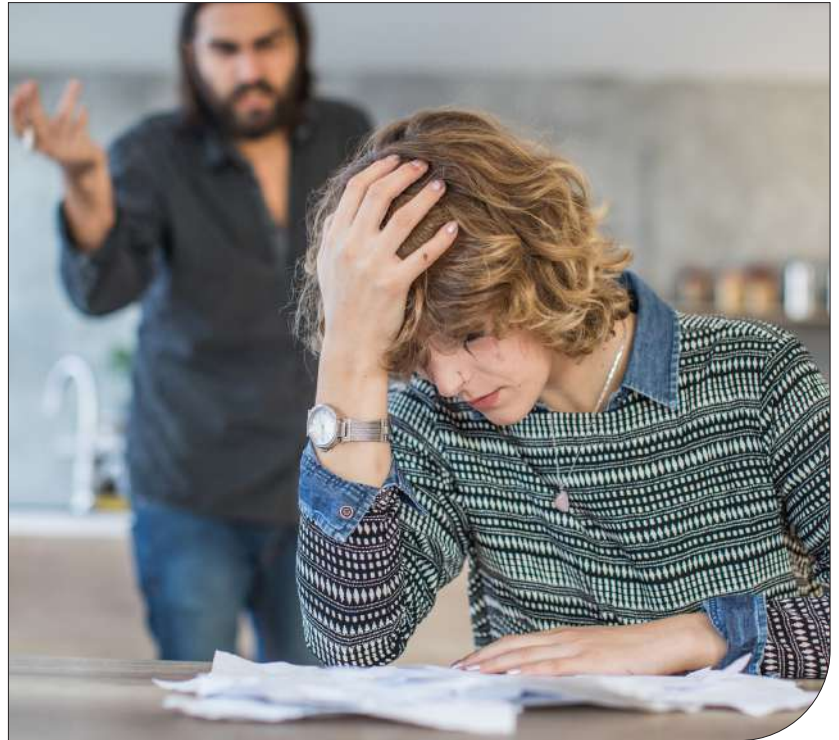


# COULD YOU SPOT THE SIGNS OF FINANCIAL ABUSE?



Banks and building societies have adopted a voluntary code to tackle financial abuse, but will it go far enough? Moneywise explains how to spot the telltale signs and hears from two survivors



**BY STEPHEN LITTLE**

**S**usan\* had her own flat, a company car and was financially independent when she met her ex-husband, then a junior barrister, through a work colleague.

All was going well, but then six months after the birth of their first child his behaviour began to change.

He started to tighten the purse strings, and Susan was not allowed to challenge any financial decision he made. If she did, he would fly off the handle.

“He considered my money his and when I bought something he got very cross. His financial control caused major problems with my family,” Susan says.

Over the years he became more controlling, running her down and humiliating her in public.

When his anger eventually turned to violence, she decided it was the final straw and demanded a divorce.

But this was only the start of her problems. Even though they were living separate lives, he threatened to withhold child maintenance if Susan did not do his washing and cooking.

Susan ran up huge legal bills battling her ex-husband in court and found it difficult to hold down a job. She even found herself entangled with a debt company. At times she was so low she felt suicidal.

Eventually, Susan’s ex-husband agreed to a financial settlement.

“It is not very good, but I just want to be able to get on with my life without suddenly having a letter from him threatening something else,” she says.

Susan is not alone in her suffering. She is one of the many victims of financial abuse who have seen their lives fall apart as a result of a controlling partner.

According to a report by domestic violence charity Refuge and the

Co-operative Bank, one in five UK adults has experienced financial abuse.

It is a form of coercive control and is a common tactic used by abusers to gain power in a relationship. Abusers use a range of methods, including controlling their victim’s money or running up debts in their name. It may not just be between partners in a relationship. Family members or carers can also be abusers, with older people particularly at risk.

While a majority of the victims are women, men can also suffer abuse – especially if they are in care.

## **Financial and psychological impact**

The effects of financial abuse can be devastating, leaving victims without money, food or clothing.

It has a psychological impact on its victims, often leading to a sense of powerlessness and hopelessness.

“When I bought anything, my ex would get very cross with me”



## PROTECTING THE ELDERLY



Older people are more vulnerable to financial abuse – around 130,000 people aged over 65 in the UK have suffered it, according to charity Age UK.

Low levels of financial capability or cognitive impairment mean some elderly people can be more dependent on others to manage their finances. Poor physical health can also mean they are not focused on financial matters.

Their reliance can leave them open to abuse, with perpetrators often members of the family or someone the victim knows well such as a neighbour or a carer.

Richard Powley, head of safeguarding at Age UK, says: “From someone taking money out of a purse through to befriending someone with a view to inheriting money or property, financial abuse can take many forms. Those with dementia or poor mental health are particularly at risk.”

Victims of financial abuse can often be reluctant to report their abusers as they do not want to lose their care and support.

If you are worried about a loved one and want to stop abuse from happening, the best thing you can do is talk about it, says Mr Powley.

He says: “It is important to do it sooner rather than later, so things like lasting power of attorneys can be put in place to make sure their money and financial affairs are managed by someone they trust.”

Age UK offers a free advice service for older people who are affected by any of these issues. You can call Age UK Advice free of charge on 0800 169 6565. You can also contact your local council’s adult safeguarding team.



The resulting financial insecurity means victims may be afraid to end a relationship with an abusive partner, putting them at greater danger of violence and injuries. For example, if a victim does not have access to money or credit cards it can be difficult for them to find affordable housing.

The impact of financial abuse can also linger well after a relationship has ended as victims are often left in debt, making it more difficult for them to rebuild their lives.

### **New voluntary code**

Some victims have reported a lack of empathy from banks, which have required them to be present with their abuser to close a joint account.

In some cases, victims are left liable for debts run up by their abuser or have to recount their situation multiple times.

However, all this looks set to change. The financial industry has

finally woken up to the issues and launched a voluntary code to help vulnerable customers.

Under the new rules, banks will give victims of financial abuse more support, as well as help in regaining control of their finances, such as setting up an alternative address or giving them access to existing funds.

Nicola Sharp-Jeffs, director of charity Surviving Economic Abuse, says that, while the initiative is a step in the right direction more needs to be done to help victims.

She says: “We would like banks and building societies to go beyond the provisions set out in the code by looking at their own policies and procedures.

“Abusers can run up debts in a joint bank account that leaves the victim having to pay the overdraft back. We need the bank to engage with the abuser, so they step up and take joint responsibility for liabilities.”



## “THE BANK SENT MY EX-HUSBAND A LETTER REVEALING MY NEW ADDRESS”



After 14 years of physical and emotional abuse, Denise\* finally left her husband and moved away to start a new life.

However, an administrative error by her bank led to a joint letter also being sent out to her ex-partner revealing her new address.

She says: “I was horrified. I immediately telephoned the bank, which told me it was

only a standard letter and nothing to be concerned about. I explained my situation, that I needed to be safe and that the joint account had been closed three months previously – it had been frozen for three years prior to that – and keeping my address safe was paramount.

“I was told that standard letters are prepared months in advance and there was nothing it could do. I was just told to phone the police.”

Denise says the most distressing part of dealing with the bank was its staff’s naivety towards her situation. She says: “I had to repeat over and over again that I could not come into the bank with my ex-husband as he could then be able to find me.

“Additionally, having to continue to pay for direct debits causes stress because it needs two signatures to cancel even when you can prove it benefits no one.”

### Telltale signs

The signs of financial abuse can be difficult to spot.

Perpetrators may be friendly in their approach, using language that might appear caring in order to manipulate their victim.

Lisa King, director of communications at Refuge, says that an increasing number of women are reporting instances of economic abuse to the charity.

She says: “Perpetrators can take out loans in a woman’s name that she does not even know about, saddling her with debt and a bad credit rating possibly for the rest of her life.”

A joint bank account can make it easier for an abusive partner to control your finances. By having your own bank account, you can protect yourself as you can access cash at a moment’s notice if needed.

If you are separating from your partner, you need to contact the

bank to remove yourself from any joint financial products to avoid liability for your ex’s debts.

Sarah Coles, personal finance analyst at investment firm Hargreaves Lansdown, says that once someone has escaped their abuser they should freeze joint accounts to prevent them doing more financial harm.

“The primary account holder is responsible for all the debts, so if you are the secondary holder you can just have yourself removed. If you are the primary account holder, you should have your ex removed, but then you will need to repay the debts,” she explains.

It is also advisable to change bank login details and set up a new address for the bank to write to you.

Domestic violence campaigners have also warned that, as universal credit is paid into one account for every household, this can allow abusers to have more

“People can rebuild their lives after facing financial abuse”

power over their victims if they control the money.

Ms King urges anyone experiencing economic abuse to get help from professionals. This could mean contacting the police or seeking support from a domestic abuse charity such as Refuge or Women’s Aid.

She says: “It is possible for people to rebuild their lives after experiencing financial abuse.

“There are many women who have come to Refuge and after they have shared their experience of economic abuse, our experts have worked with them to help reduce their debt.”

If you are the victim of financial or domestic abuse, you can call the 24-hour National Domestic Violence Helpline (run by Women’s Aid and Refuge) on 0808 2000 247. [mw](#)

\* Names have been changed