



The Invisible Crime: A Report on Seniors Financial Abuse

Highlights

- Although seniors in the Lower Mainland and Capital Region are concerned about financial abuse of people over age 65, many are unaware of the different forms financial abuse takes and therefore may be under-reporting their experience.
- Seniors financial abuse is when someone uses the **money, property or personal information** of a senior in an unauthorized and self-beneficial way.
- Contrary to popular belief, 55% of all cases of seniors financial abuse are perpetrated by family, friends, neighbours or caregivers. The most common cases are demands for money from family members.
- There are three different types of financial abuse: monetary, property and legal.
 - **Monetary abuse** is intended to separate a senior from his or her money. The most common form is to pressure the senior to give a family member an early bequest.
 - **Property abuse** involves the inappropriate use of a senior's property for the benefit of the perpetrator. This could be pressure to sell or transfer an asset, or sometimes outright theft of property.
 - **Legal abuse** is manipulating legal documents to benefit someone other than the senior.
- By 2030, almost one in four Canadians will be aged 65 years or older. In B.C. this translates to a **69% increase** in the number of seniors in the next 15 years.
- Seniors financial abuse is a growing concern in British Columbia, with previous data indicating that as many as **one in 12** seniors could be seriously affected, resulting in as much as **\$1.3 billion** in lost assets to B.C. seniors. However, new research indicates that the scope of the problem may be even wider.
- A new survey conducted by Vancity credit union found that, when presented with a list of scenarios, **41%** of seniors in the Lower Mainland and Victoria regions have experienced at least one situation that can be classified as financial abuse.
- However, only **6.4%** of respondents self-reported being victimized by financial abuse, indicating that many seniors do not understand all the ways in which they might be victims of financial abuse.
- To combat the rising prevalence of seniors financial abuse, financial institutions, communities, governments, and other stakeholders can:
 - better determine the scope of seniors financial abuse to identify the types of financial abuse seniors most commonly experience and develop solutions to address the problem
 - increase awareness of all types of financial abuse, especially in protecting liquid assets
 - provide better access to information on financial abuse and how to recognize and report it.

Seniors financial abuse in B.C. – a growing concern

With the bulk of baby-boomers set for retirement, the financial abuse of seniors is a growing concern in British Columbia—for government, financial institutions and boomers themselves. In order to address the problem of seniors financial abuse it is generally agreed that communities must improve awareness of the problem and better define its scope. Unfortunately, research conducted for this report will demonstrate that a significant number of seniors in the Lower Mainland and Victoria area are unaware of the different forms financial abuse can take.

While research undertaken at the national level and in other jurisdictions indicates that seniors financial abuse is a growing problem, there has been no comprehensive research conducted on its scope in British Columbia. Justice Canada reports that 10 per cent of seniors are victims of crime each year, with the majority of these being property crimes.ⁱ Yet, many who work with seniors believe this figure is low and that the scope of financial abuse of people over age 65 is far more prevalent. New research outlined in this report appears to confirm these suspicions.

Ensuring seniors are aware of the different forms of financial abuse is a key step to reducing the prevalence of this growing negative trend. It is also important that seniors have the support they need to not only identify financial abuse but also prevent it and seek support if they suspect they may be a target of abuse.

What is seniors financial abuse?

The financial abuse of seniors happens when someone uses the money, property or personal information of a senior in an unauthorized and self-beneficial way. It is a specific type of abuse – alongside physical, emotional, sexual and verbal abuse – and is one of the most common forms of abuse that older adults experience.ⁱⁱ In many cases, the financial abuse of seniors is a crime.

Most forms of seniors financial abuse are the result of a senior being taken advantage of by a trusted person in their lives, whether a family member, close friend or professional caregiver. Generally the object of abuse is the senior's liquid assets or property, where the perpetrator takes advantage of the senior's trusting nature, general vulnerability or lack of confidence.

While seniors financial abuse can take many forms, from telephone and email scams to property theft by family members, the common element among all financial abuse cases is that the senior is systematically marginalized from

their own financial affairs or property by the abuser. This marginalization puts the senior at risk of being unable to provide for themselves.

Controlling cash, card or accounts

This category of financial abuse is intended to separate the senior from their money. The most common form is to pressure the senior to give a family member an early bequest.ⁱⁱⁱ As many seniors are dependent on either a family member or a caregiver for shopping or paying bills, exposure also occurs when another person has access to the seniors cash or debit/credit card information. This access is commonly abused when the family member or caregiver, unknown to the senior, purchases goods or services for themselves with the seniors' money. Alternatively, the abuser may misdirect deposits of cheques into their own account. It is also frequently reported that seniors are at risk of the non-repayment of loans made to trusted persons, where the recipient of the loan counts on the forgetfulness or weakness of the senior to avoid repayment.

Abuse can also surface as the withholding of necessary supports. The perpetrator may have some control over a senior's diet, prescriptions or other supports, and may deprive the senior of those supports by refusing to fill a prescription, instead pocketing the funds.

Risk factors

Any senior can be at risk of financial abuse, regardless of their financial status, background or ethnicity. However, a senior may be more vulnerable if he or she is:

- *lacking confidence in understanding financial matters*
- *without a strong social circle, resulting in being socially, geographically or culturally isolated*
- *a newcomer to Canada, with language or cultural barriers to understanding contracts or financial matters*
- *unsure of the value of his or her assets — particularly a house*
- *partly or fully dependent on others for help with financial or day-to-day matters*
- *experiencing health issues which may bring on stress or exhaustion, or may require medication which might impair judgment.*

Another class of monetary fraud includes inappropriate financial advice, either by a close relation or a professional financial planner looking to take advantage of the senior's limited knowledge of financial practices, trusting nature or lack of confidence. For example, this may show up as unnecessary transactions or trades on a senior's savings portfolio, resulting in excess fees or commissions for a financial advisor.

Finally, there are the highly publicized but less pervasive telephone, email and mass marketing scams designed to entice seniors to send money to an unknown recipient. Examples of these are:

- **Fake accident or grandparent scams:** the perpetrator tries to convince the victim that a family member has been injured or is in jail and needs money immediately.
- **Lottery or prize scams:** the perpetrator tells the victim that he or she has won a large prize or lottery, however they are first required to pay a fee to collect their winnings.
- **Unsolicited work scams:** the perpetrator arrives unexpectedly at a senior's residence, offering to work for a reasonable fee, but after starting the work insists that the homeowner pay more than the amount originally quoted.^{iv} The work is typically of such a quality that the senior cannot say no to the completion of the work, as the residence is now in mid-repairs.

Selling, signing over or stealing property

The financial abuse of seniors can also involve the inappropriate use of their property for the benefit of the perpetrator. This could be pressure to sell or transfer an

asset, or sometimes outright theft of property. These could include:

- taking a valuable item or heirloom from the senior's residence
- pressuring a senior to strip equity out of a home
- moving in with the senior, ostensibly to "provide care," at no cost to the abuser, adding significant living costs to the senior
- forcing a senior to sign over their home or a vehicle^v
- private care agreements, whereby a senior transfers title of property in exchange for anticipated care that is not provided^{vi}
- predatory marriage, whereby someone enters into a marriage with a senior in order to have access to their assets.^{vii}

Manipulating legal documents

Legal abuse is manipulating legal documents to benefit someone other than the senior. As seniors get older, documents such as a will, power of attorney or title deed take on valuable importance to the continued quality of life of the owner. Therefore, ensuring these documents are up-to-date is of vital importance, as is their protection. Financial abuse could take the form of:

- forging the older person's name or altering documents to get permission to access or dispose of assets, including forging cheques
- pressuring an older person to sign documents that they do not have the capacity to understand
- misuse of a power under a general or enduring power of attorney.^{viii}

Warning signs

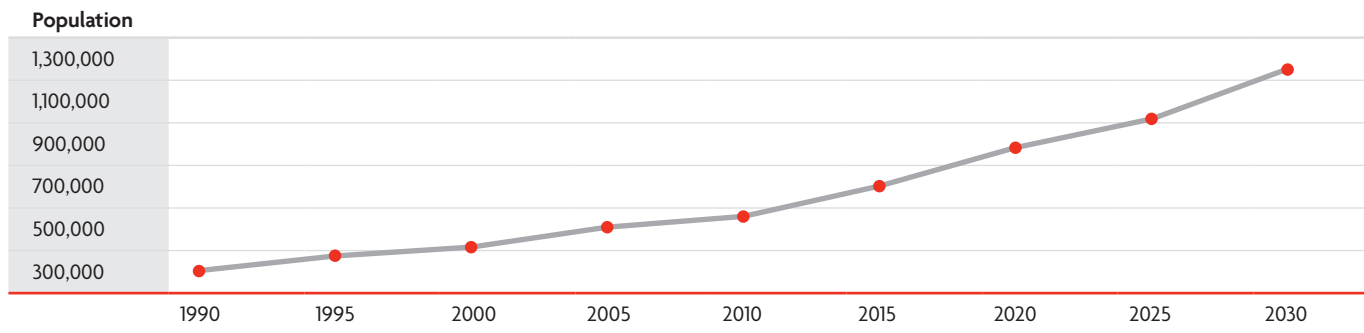
It is important that seniors and those around them are vigilant in preventing any financial abuse. Although impossible to predict, warning signs that a senior may be the victim of abuse are if he or she:

- *feel they are losing some control over their financial affairs*
- *find that they are unexpectedly failing to meet financial obligations for the first time*
- *see unexpected transactions on their bank or credit card statements.*

Interpersonal relationships can also flag potential abusive situations. Be aware of situations in which a senior is pressured by another individual to:

- *have their bank statement sent to someone other than the person(s) listed on the account.*
- *change important documents such as a will or property title*
- *sign documents that the senior does not understand or is not given enough time to read.*
- *give or lend them money*
- *relinquish control over making financial decisions*

Population of Seniors in BC Estimated (1990 - 2013) and Projected (2014 - 2030)



Sources: Estimates - Statistics Canada, Projections - BC Stats, April 2014

The challenge of scoping seniors financial abuse

One of the first steps needed to address seniors financial abuse is understanding the scope of the problem. Unfortunately, studies of people over 65 years of age conducted at the provincial and national levels and in other jurisdictions vary widely in defining the scope and causes of financial abuse. However, many who work with seniors in B.C. believe that seniors financial abuse is a growing problem with incidence rates that are much higher than commonly thought. This hypothesis is understandable given B.C.'s changing demographics and the preliminary research that has been conducted on the subject.

The senior cohort is one of the fastest growing demographic groups: by 2030 almost one in four Canadians will be aged 65 years or older.^{ix} By this time, BC Stats estimates that the number of seniors will rise to 1,330,700 from 785,300 — a 69-per-cent increase.^x Data from the United States reveals that as this demographic shift continues, the impact of seniors financial abuse will rise. For instance, annual losses experienced by seniors in the United States rose by 12 per cent between 2008 and 2010 — to US\$2.9 billion from US\$2.6 billion. In a comprehensive review, Justice Canada indicates that the overall prevalence of financial exploitation of seniors in Canada is similar to the United States.^{xi}

According to the B.C. Centre for Elderly Advocacy and Support (BC CEAS), one in 12 seniors in B.C. has been a victim of financial abuse since turning 65, losing an average of \$20,000.^{xii} This could mean that as many as 65,450 seniors in B.C. have been affected, resulting in a collective loss of almost \$1.3 billion. However, research contained later in this report indicates that the scope may be even greater.

Contributing factors to seniors financial abuse

Defining the scope of seniors financial abuse in British Columbia is essential to comprehensively addressing the problem. However, analyzing the issue is complicated by a number of factors:

High incidence of under-reporting

It is widely accepted by those who work with seniors that there is a high incidence of under-reporting, attributed to many seniors being unable or unwilling to speak about the abuse.^{xiii} In surveying its members, CARP estimates that as many as 90 per cent of all cases of elder abuse go unreported.^{xiv} As a result, investigation into, and prosecution of, seniors financial abuse is limited.

Abusers may be family, “friends” or caregivers

Contrary to popular belief, seniors financial abuse is not limited to a relatively small occurrence of seniors defrauded by occasional professional scammers. Although scams are increasing in prevalence, the most commonly reported source of seniors financial abuse is someone who is in a close relationship with the senior; according to Sacramento-based Elder Financial Protection Network, 55 per cent of cases are perpetrated by family, friends, neighbours or caregivers.^{xv} Of these cases, the most common are demands for money from family members.^{xvi} This familial connection contributes to the reluctance of the victim to report the perpetrator and further limits attempts to address the problem.

Cultural considerations may increase vulnerability

B.C. is home to a higher percentage of visible minority seniors than any other province.^{xvii} For example, according to the City of Vancouver, the percentage of seniors in Vancouver who are a member of a visible minority is 25.9 per cent, compared with 7.2 per cent nationally.^{xviii} Visible minority seniors may

be particularly vulnerable to financial abuse due to language or cultural barriers, isolation, immigration status or life experience. Seniors who are members of a minority group may be less likely to report financial abuse because they may:

- have immigrated from conflict zones or experienced trauma that may cause them to distrust authorities and institutions
- lack enough knowledge about Canadian laws and rights and may fear being deported back to their country of origin
- be financially or socially dependent on the abuser or their family
- have no connections in the community beyond their family or the abuser
- have limited access to objective translators
- lack awareness of available resources or resources may not be available in their own language
- have a different definition of abuse, which makes it difficult to recognize when they are being taken advantage of.^{xix}

These unique considerations make combating seniors financial abuse in B.C. particularly challenging.

More seniors at risk than previously thought?

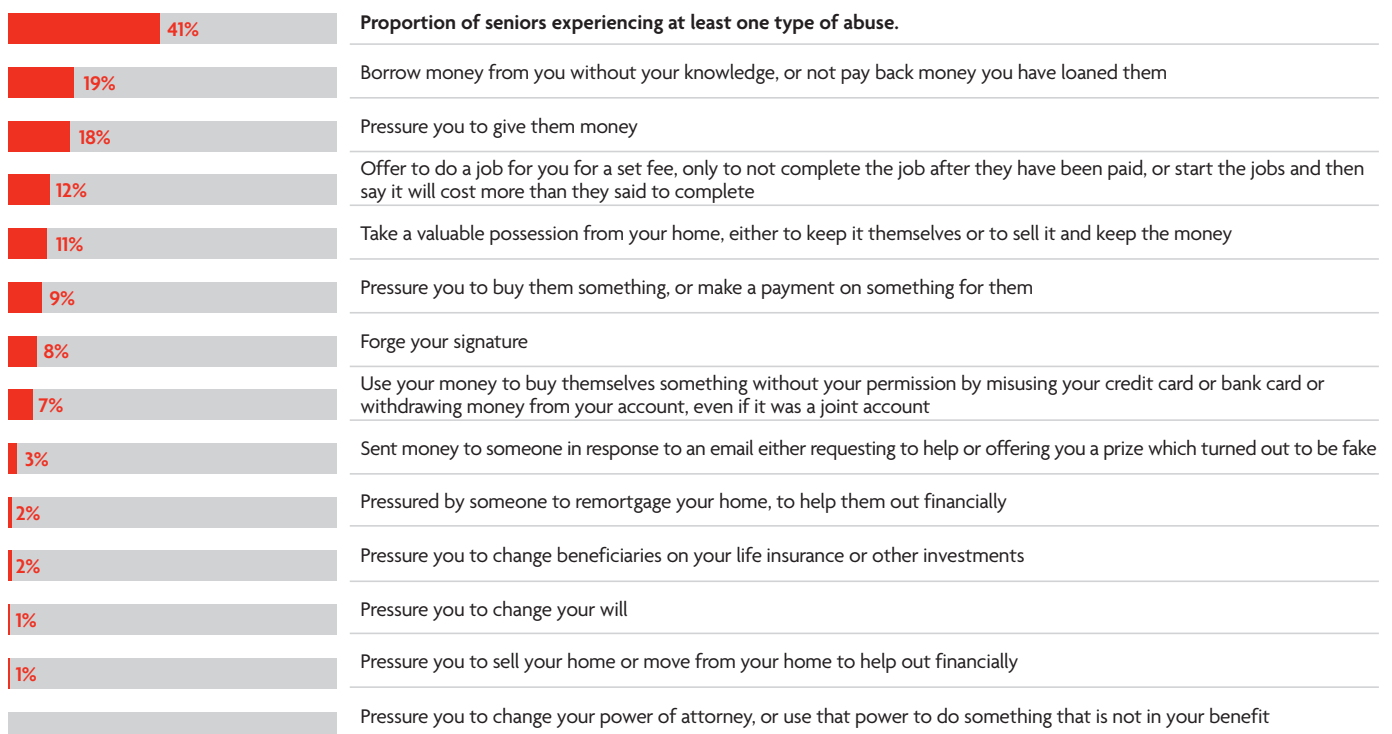
Due to these contributing factors, as well as the relative lack of guiding research, more work is required to define scope of the problem and better understand contributing factors. Understanding the views and experience of seniors themselves is of paramount importance. To better understand

these perceptions, Vancity surveyed 400 seniors in the Lower Mainland and Victoria region, asking them about their awareness and experience of seniors financial abuse. The results were surprising: although only 6.4 per cent of respondents reported experiencing financial abuse, when provided with a list of scenarios, a full 41 per cent indicated that at least one of those scenarios had happened to them.

Respondents were provided with the following definition of financial abuse: *using a senior's money or property for someone else's gain, not theirs*. When respondents were asked if they had experienced this type of abuse, only 6.4 per cent answered yes. Yet, when the survey provided respondents with a list of situations that would fall within the stated definition and asked them to state whether any of these situations had happened to them, yes answers spiked dramatically. The most common experiences of the survey respondents were:

- 18.7% had someone borrow their money without their knowledge, or having someone refuse to pay back a loan
- 18.1% had someone pressure them to give that person money
- 12.1% had experiencing an unsolicited work scam
- 10.1% had someone take a valuable possession from their home, either to keep it or to sell it
- 9.0 % had someone pressure them to buy that person something or to pay a bill for that person
- 7.9% had someone forge their signature
- 7.1 % had someone use their credit or debit card without their permission.

Types of Senior Financial Abuse Personally Experienced



In all, 41 per cent of respondents indicated that they had experienced at least one of the abusive situations listed.

These results suggest that almost 35 per cent of respondents are aware of what they are experiencing, but do not identify the questionable activity as abuse. Overall, survey respondents reported a low instance of high-value property abuse or legal abuse. Additionally, very few seniors reported being victimized by professional scams. This is positive news as it shows that educational efforts to combat these forms of abuse are working. However, results indicate that low-value property abuse or monetary abuse is more prevalent than indicated in previous studies: almost two in five respondents indicated being a victim of this type of abuse, compared with the standing estimate of one in 12.

Preventing financial abuse

There are a number of ways to reduce the possibility of seniors financial abuse and reduce exposure to exploitation. Seniors should:

- *get independent legal advice before signing any documents, especially those involving their home or other property.*
- *set up auto-deposit for government and pension cheques into their bank account and also set up auto-pay for bills to prevent someone intercepting funds and misusing them.*
- *keep financial and personal information in a safe place, and never give anyone their bank-card PIN.*
- *if lending money, write down the person's name, the amount, and the date of loan; ask the person to sign this document.*
- *keep a file of their accounts and legal documents, and keep a record of financial transactions and changes to legal documents.*
- *keep in touch with a variety of friends and family so they don't become isolated.*

The good news is that seniors are aware of the term “seniors financial abuse.” When surveyed, almost 70 per cent of respondents indicated that the term was not new to them. Likewise, there is relative concern about the prevalence of this type of abuse, as 46 per cent reported being concerned about it. However, what is notable, and concerning, is that seniors clearly do not understand all the ways in which they might be victims of financial abuse.

The survey results indicate that many seniors still need to be educated about the breadth of situations which can be understood as financial abuse. While seniors may be aware of, and vigilant against, dramatic forms of abuse such as abusing power of attorney or being forced to change their will, it seems that smaller forms of abuse are not understood as such. These results also provide a likely reason for why seniors financial abuse is largely under-reported: if monetary abuse is not understood to be a significant form of financial abuse, then it will not be reported.

More research, awareness and support required to tackle seniors financial abuse

Seniors financial abuse is a serious problem in British Columbia: previous data indicated that as many as one in 12 seniors are seriously affected by financial abuse, resulting in billions of dollars of lost assets. However, survey research for Vancity indicates the prevalence of abuse could be much higher – as high as 41 per cent – in the Vancouver and Victoria regions. Results of the Vancity survey further suggest there is confusion among seniors as to what constitutes financial abuse, whereby seniors are experiencing abuse but do not recognize it as such. The lack of consistent research on the scale of the problem in B.C. along with the limited awareness as to what constitutes seniors financial abuse helps to make the problem invisible for many to see and, therefore, address. This lack of visibility allows those who would prey on seniors for financial gain to do so in near anonymity. It is important for society to recognize not only that financial seniors abuse is a serious problem but also that, in many cases, it is a crime that victimizes some of the most vulnerable people in our communities.

The Financial Consumer Agency of Canada (FCAC) has recently released a National Strategy for Financial Literacy which addresses the state of seniors' financial literacy in Canada and is a significant start to tackling the issues raised in this report. FCAC intends to increase the tools available to combat the financial abuse of seniors, helping seniors

and their caregivers identify and resist financial abuse. The strategy also targets governments and stakeholders as sources of collaboration to increase understanding of the problem, outline factors that contribute to it and share fraud prevention tactics.

However, as this report has found, more work needs to be done in order to address the challenge of financial abuse for senior living on the Lower Mainland and Victoria region. For example, financial institutions like Vancity need to work with community and government stakeholders to better determine the scope of seniors financial abuse, identify the types of financial abuse seniors most commonly experience and develop solutions to address the problem.

Financial institutions also need to increase awareness of all the types of financial abuse that a senior could experience, especially when it comes to protecting liquid assets. This

will require training of frontline staff to recognize seniors financial abuse and be trained to help the senior also identify the abuse.

Equally important, seniors need access to better information about financial abuse, how to recognize it and how to report it. Those who work with seniors—advisors, professionals and other points of contact—should be enrolled as distribution and contact points for new and useful information (for example, pharmacies and libraries).

As B.C.'s population ages, it is vitally important to protect the growing number of seniors from financial abuse. This will ensure that seniors can continue to lead a healthy and active life, access the assets they have built up during their lifetime to be self-reliant, and proactively contribute to healthy local communities.

If a senior is being financially abused

If a senior thinks he or she may be the victim of senior financial abuse, they should tell someone – a friend, family member, healthcare or social-services professional, financial advisor, a member of their faith community or the local authorities. They should also seek legal advice.

Many victims do not take action because they are ashamed, afraid of what may happen to them or the abuser, or worried about the legal costs. But it is important they protect themselves and their assets, and they can get help at little or no cost:

- *Seniors Abuse & Information Line* provides free advice and support to seniors who may be victims of abuse.
- *Lawyer Referral Service* offers consultations with a lawyer for up to 30 minutes for a fee of \$25 plus tax.
- *Public Guardian and Trustee of British Columbia* supports seniors who are victims of abuse and neglect.

- i Canada. Justice Canada. Crime and Abuse Against Seniors: A Review of the Research Literature with Special Reference to the Canadian Situation. [Ottawa], 2013. www.justice.gc.ca/eng/rp-pr/cj-jp/fv-vf/crim/p410.html
- ii “Forms of Older Adult Abuse.” Manitoba Network for the Prevention of Abuse of Older Adults, October 30, 2014, www.olderadultabuse.mb.ca/forms-of-older-adult-abuse.cfm
- iii CARP, Briefing, 2.
- iv “ABA Outlines Banks’ Response to Senior Financial Exploitation”. Tellervision, November 2012, 2.
- v Canadian Center for Elder Law. Financial Abuse of Seniors: An Overview of Key Legal Issues and Concepts, (Canadian Centre for Elder Law, 2013),4. www.bcli.org/sites/default/files/CCEL_Background_Paper_Financial_Elder_Abuse_2013_0.pdf
- vi Ibid.
- vii Ibid.
- viii Ibid.
- ix “Population projections: Canada, the provinces and territories, 2013 to 2063.” Statistics Canada, October 30, 2014, www.statcan.gc.ca/daily-quotidien/140917/dq140917a-eng.htm
- x “British Columbia-Level Population Projections (April 2014).” BC Stats, October 30, 2014, www.bcstats.gov.bc.ca/StatisticsBySubject/Demography/PopulationProjections.aspx
- xi Canada. Justice Canada. Crime and Abuse Against Seniors: A Review of the Research Literature with Special Reference to the Canadian Situation. [Ottawa], 2013. www.justice.gc.ca/eng/rp-pr/cj-jp/fv-vf/crim/p410.html
- xii “Elder Abuse and Neglect.” BC Centre for Elder Advocacy and Support, October 30, 2014, bceas.ca/information/elder-abuse-and-neglect
- xiii Canada. Employment & Social Development Canada. Elder Abuse Modules. [Ottawa], 2011. www.esdc.gc.ca/eng/seniors/funding/pancanadian/elder_abuse.shtml
- xiv CARP. Briefing on Elder Abuse, (CARP, 2012), 2.
- xv “Types of Abuse.” Elder Financial Protection Network, October 30, 2014, www.elderfinancialprotection.org/types-of-abuse.
- xvi Ibid.
- xvii City of Vancouver. Social Policy Group, Social Development Department. Seniors in Vancouver, [Vancouver], 2010]. vancouver.ca/files/cov/Seniors-Backgrounder.pdf
- xviii Ibid.
- xix Employment & Social Development Canada. Elder Abuse Modules. [Ottawa], 2011. www.esdc.gc.ca/eng/seniors/funding/pancanadian/elder_abuse.shtml