Evidence

Controlling money, controlling lives

Financial abuse in Britain

November 2014

Executive summary

Financial abuse is not often talked about. In cases where a partner or family member exerts excessive financial control, harm or exploitation of another, it is also difficult for both perpetrators and victims to talk with friends, family or professionals.

Too often, financial institutions fail to acknowledge financial abuse. In an objective, contractual arrangement between a company and a couple, it is not easy for the company to investigate or act upon information within the privacy of a relationship or family situation. Nor is it easy for victims to approach companies and seek redress or resolution. Furthermore, up until this point, statutory and self-regulators in the financial services industry have done little to ensure banks, lenders and other financial institutions have a set of guidelines to help.

Nor is financial abuse widely reported on in the media; or researched and investigated by academics, agencies or advice givers. While other forms of abuse have rightly been scrutinised, reported and acted upon, financial abuse has remained somewhat hidden. Perhaps seen as less extreme than domestic violence or sexual abuse. Perhaps less obvious in a world of joint accounts and household bills. Perhaps less understood in a world where there is no dictionary definition or line drawn in the sand.

But it is not uncommon.

And it is not trivial.

In many cases financial abuse is linked to other forms of abuse in a relationship. In other cases there may be no other elements of abuse present beyond through financial means Financial abuse can also be used as a way for the perpetrator to keep abusing the victim long after the relationship has ended; the couple have separated, even when they are living miles apart.

This new research shows that financial abuse is more common than you might think. Our survey of advice givers shows that over nine in ten have dealt with cases of financial abuse in the past year, and that giving advice concerning financial abuse is a relatively common occurrence.

Our research shows that financial abuse can take many forms. We have grouped them into three categories of direct financial harm; excessive financial control, and; exploitation of joint resources. The most common forms of specific financial abuse involve forcing credit to be taken in the victim's name, non-payment or contribution to joint bills, and draining bank accounts and other assets. In many cases a victim will be experiencing several forms of financial abuse. And too often financial abuse is experienced alongside other forms of abuse as well.

Although there are examples of good practice, we also find a lack of understanding or willingness to consider financial abuse in the banking and credit sector, or with Government departments and agencies that pay benefits. This can leave victims in dire financial straits, liable for debts they never agreed to, at the mercy of the perpetrator who can still control and access money, and ultimately prolong suffering at the hands of their abuser.

Financial abuse is complex and varies from situation to situation. The policy solutions that might help victims are therefore also complex. Rather than launch a specific list of policy asks, this report exposes areas where policy makers, regulators, support groups, advice givers, banks, creditors and other financial institutions must come develop strategies which acknowledge the realities of financial abuse. The conversations must include the experiences of financial victims, both past and present, and should start with acknowledging that this form of abuse should be hidden no longer.

It is time we addressed financial abuse. It is time we took action to help prevent it and to help support victims to get back on their feet and back on with their lives.

Citizens Advice

Citizens Advice has a long history of helping people in financial difficulty and with problem debt. Only last year we helped with over 1.9 million debt problems.[1] Finance related problems are some of the most common reasons people seek advice from bureaux, and indeed these often underpin other related issues they are having such as with their housing or employment.

Alongside this, Citizens Advice also sees many clients who have experienced domestic abuse, whether or not this is disclosed at the point they seek advice from our advisers. In 2013 the pilot of the ASK project introduced a routine enquiry with clients about gender violence and abuse into some bureaux. This highlighted the great extent to which abuse is underreported: 27 per cent of people asked during an advice session disclosed past or present experience of gender violence or domestic abuse, and 7 per cent of clients disclosed current abuse. Without being asked a routine enquiry question, client statistics collected by Citizens Advice show that less than 1 per cent of bureaux clients disclose experience of gender violence and abuse.

Citizens Advice is well placed to examine this area at the interface between financial matters and abuse. This research report is intended to be informative for those supporting clients, but more importantly for the banks, creditors and other agencies who advisers support clients to negotiate with. This report aims to open a conversation and provide insight at a point when there is considerable attention being shone on consumer vulnerability within the credit industry. Financial abuse needs to be addressed in the context of this work taking place on consumer vulnerability.

[1] http://www.citizensadvice.org.uk/index/aboutus/impact_of_citizens_advice_service/impact_of_citizens_advice_service_advice_provision.htm

Introduction

Domestic abuse is defined by the Home Office as 'any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 or over who are, or have been, intimate partners or family members regardless of gender or sexuality'.[2]

The prevalence of domestic abuse is notoriously difficult to accurately measure due to difficulties with its disclosure, reporting and recording. Despite this, it is estimated that:

- In 2011/12 1.2 million women and 800,000 men experienced domestic abuse.[3]
- Domestic abuse costs society an estimated £15.7 billion per year.[4]
- Crime relating to domestic abuse constitutes 8 per cent of all recorded crime, and a third of recorded assaults with injury.[5]
- In 2010/11 an average of 2 women were killed each week by a male and/or former partner: this constituted around one-third of all female homicide victims.[6]
- Almost a third of women and a sixth of men have experienced abuse across their adult lifetime.[7]
- While men and women can be victims of domestic abuse, women are more likely to have experienced domestic abuse and they are also more likely to have experienced multiple incidents of abuse: 89 per cent of those individuals who have been subject to 4 or more incidents of domestic abuse (by the same perpetrator) since the age of 16 are women.[8]

In short, domestic abuse is a huge and underreported problem with individual and societal costs.

Financial abuse involves controlling someone's ability to acquire, use and maintain economic resources.[9] This has long been recognised as one element within a range of controlling behaviours used by perpetrators of domestic abuse[10]:

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[2] UK government guidance on domestic violence and abuse: https://www.gov.uk/domestic-violence-and-abuse. Accessed 6/6/14.
[3] ONS (2013) Focus on: Violent Crime and Sexual Offences, 2011/12.
[4] Walby, S. (2009) The Cost of Domestic Violence: Up-date 2009. Lancaster.
[5] HMIC (2014) Everyone's business: Improving the police response to domestic abuse. London.
[6] Smith, K., Osborne, S., Lau, I., & Britton, A. (2012) Homicides, firearm offences and intimate partner violence 2010/ 2011: Supplementary volume 2 to Crime in England and Wales. London.
[7] Chaplin, R., Flatley, J., & Smith, K. (2011) Crime in England and Wales 2010/ 11: findings from the British Crime Survey and Police recorded time (Vol. 2). London.
[8] Walby, S., & Allen, J. (2004) Domestic violence, sexual assault and stalking: Findings from the British Crime Survey. London.
[9] Adams, A.E., Sullivan, C.M., Bybee, D. & Greeson, M. (2008) Development of the Scale of Economic Abuse. Violence Against Women. 14(5):563-588.
[10] Domestic Violence Intervention Project (1984) Power and Control Wheel, Minnesota: Duluth.

The different behaviours can co-exist and reinforce one another in different patterns. Research suggests that financial abuse is a very common element in abusive relationships.[11] Despite this, this area has not received as much attention as other elements of abusive behaviour.[12]

Not only can financial means be a way of exerting control over another person, but the aftermath of this form of abuse can often lead to financial difficulty and debt. Financial abuse disrupts people's lives while it is taking place, while they try to escape it, and when they are trying to rebuild their lives afterwards.

A broad range of behaviours have been documented in relation to financial abuse. These include:

- interfering with employment and/or education
- stealing
- destroying property
- stopping and/or controlling access to finances including benefits/savings/wages
- forcing victim to take out credit
- forcing victim to commit fraud

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[11] Robinson, A. L. (2003) The Cardiff Woman's Safety Unit: A Multi-Agency Approach to Domestic Violence. Cardiff: Cardiff University; Stark, E (2007) Coercive Control: How Men Entrap Women in Personal Life. Oxford: Oxford University Press; Adams, A.E., Sullivan, C.M., Bybee, D. & Greeson, M. (2008) Development of the Scale of Economic Abuse. Violence Against Women. 14(5):563-588.

[12] Wilcox, P (2006) Surviving Domestic Violence: Gender, Poverty and Agency. London: Palgrave Macmillan. Sharp, N. (2008) "What's yours is mine": the different forms of economic abuse and its impact on women and children experiencing domestic violence. London: Refuge. Women's Aid press release: http://www.womensaid.org.uk/domestic-violence-press-information.asp?itemid=3266&itemTitle=Half+of+domestic+violence+victims+experience+financial+abuse&section=0001000100150001&sectionTitle=Press+releases. Accessed 6/6/14.

- transferring financial liability into victim's name
- refusing to contribute to household or other costs including child maintenance payments
- prolonging legal proceedings.[13]

In addition to the use of financial means to exert control within a relationship, financial difficulty can place a significant barrier to leaving an abusive relationship. Financial abuse can be a practical block to leaving, or to obtaining access to justice. If not eligible for legal aid the costs of obtaining the necessary court orders to stay safe are prohibitive for many.

As well immediate problems stemming from financial abuse, being in and leaving an abusive relationship can lead to long-term financial difficulty. Work by both Women's Aid and Refuge has highlighted this.[14] Acknowledging these challenges, the Dame Project carried out by Women's Aid in 2012 developed specialist money advice specifically for survivors of abuse.

In thinking through these issues it is important to note the fundamentally gendered nature of domestic abuse, financial difficulty and indeed broader economic patterns of work, income and financial management.[15] Women can be economically disadvantaged through lower earnings, are less likely to be the main 'breadwinner', are more likely to experience a financial penalty when becoming a parent, and are still overwhelmingly responsible for the unpaid work in the home (caring and household tasks).[16] In addition to gender, a range of demographic factors interact to shape both the experience of abuse and financial difficulty, and how this could be ameliorated.

Despite the complexities and multi-faceted nature of financial abuse, there remains relatively little large-scale research into the realities of financial abuse.

The following chapters explore the prevalence and form of financial abuse. The findings are based on original quantitative and qualitative evidence, based on an online survey throughout Citizens Advice network and other providers of advice with connections to the service, including participants in regional financial capability forums. We asked a range of questions aiming to find out:

- whether advisers see financial abuse
- the sorts of financial abuse they see
- the most common form it takes
- how often they see this
- how they support clients to deal with it
- particular problems or good practice experienced.

The survey was advertised online and responses were collected for six weeks during August and September 2014 to which 627 people responded.

While our findings are limited by the self-selecting nature of respondents, this provides important foundational insight into the nature of financial abuse.

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[13] Sharp, N. (2008) "What's yours is mine": the different forms of economic abuse and its impact on women and children experiencing domestic violence. London: Refuge; Bell, K. & Kober, C. (2008) The Financial Impact of Domestic Violence, London: Family Welfare Association/One Parent Families/Gingerbread; Lyon, E. (2002) Welfare and Domestic Violence Against Women. Pennsylvania: National Research Center on Domestic Violence; Stark, E (2007) Coercive Control: How Men Entrap Women in Personal Life. Oxford: Oxford University Press; Wilcox, P (2006) Surviving Domestic Violence: Gender, Poverty and Agency. London: Palgrave Macmillan.
[14] Barron, J. (2012) The domestic abuse and money education project (DAME): final report. Bristol: Women's Aid; Sharp, N. (2008) "What's yours is mine": the different forms of economic abuse and its impact on women and children experiencing domestic violence. London: Refuge.
[15] Westaway, J. & McKay, S. (2007) Women's financial assets and debts. London: Fawcett.
[16] Lanning, T (2013) Great Expectations. Exploring the promises of gender equality. London IPPR

Financial abuse: types and prevalence

Financial abuse is a common occurrence, but not always disclosed or recognised

The survey results suggest financial abuse is a common problem experienced by individuals that reach out to advice services. Nine in ten of the advisers who answered the survey question said that they had supported individuals who have experienced financial abuse.

We asked how many individuals advisers had supported within the past year who had experienced financial abuse. There was a wide spread of responses, ranging from a couple of cases to well over a hundred. It is likely this reflects the diverse nature of advice work. Some advisers work as generalists, others are more specialised in debt advice and some may well work solely on financial and money matters in cases where relationships are or have broken down or where there are issues around wider domestic abuse.

These results build on previous research which has suggested financial abuse is a fairly common occurrence, although it may not always be disclosed or recognised as such by those experiencing it or providing advice.

The most common types of financial abuse that advisers had encountered were:

- the perpetrator not contributing to joint bills
- the perpetrator getting the victim to take out credit
- the perpetrator using all joint resources
- the perpetrator controlling access to the victim’s income, banking or savings
- the perpetrator controlling or interfering with the victims benefits.

In analysing the responses to these questions, it is important to highlight several inter-related factors which may help to explain the prevalence of different types of financial abuse.

State of the relationship

Financial abuse can happen in otherwise secure and stable relationships. It can be the main reason, or one of many, why a relationship may start to break down. It can be present alongside other forms of domestic abuse or be the sole manifestation of abuse. It is also frequent for financial abuse to continue after a relationship has broken up.

Make-up of the relationship

Financial abuse can occur between partners within a couple and between former partners who have separated. However, it can also be present between other members of the household such as between parents and grown-up children living in the family home. The Home Office definition of domestic abuse applies to all family members aged 16 and over.

Severity of abuse

Across all the types of financial abuse detailed below, there are examples of abuse that is extreme, severe and systematic, causing huge detriment to individuals. There are also examples which appear less severe or commonplace, however when present in a pattern, or in the context of control, coerciveness, threat or harm, they meet the definition of financial abuse.

We offer our analysis constructed into typologies or themes of financial abuse. This is not a scientific exercise and acknowledges different forms of financial abuse might fit into one or more typologies.

In the examples shown in the report, it is common for a victim to experience several forms of financial abuse. These can follow on from each other as the situation and relationship develop, or can occur simultaneously. The examples we use below show how they can cut across different types of financial abuse, control, exploitation and direct financial harm.

The examples are drawn from Citizens Advice evidence. We have taken steps to anonymise and change certain details to protect victims' identities, whilst maintaining the integrity of the evidence.

Types of abuse

1. Abuse that causes direct financial harm

The first typology we offer is cases where the perpetrator causes direct financial harm to the victim. The victim is left with less money, assets or property within their control.

Type of abuse	Percentage of respondents who had encountered this type of abuse
Perpetrator getting the victim to take out credit	73%
Perpetrator transferring financial liability into the victim's name	42%
Perpetrator stealing from the victim	43%
Perpetrator destroying the victim's property	18%

The most obvious example is where the perpetrator **directly steals money or other property from the victim**. This could of course range from a one-off incident of a small amount of money, through to a systematic, ongoing pattern of abuse amounting to vast sums. Our survey shows that 43 per cent of survey respondents had witnessed this type of financial abuse in the past year.

> In summer 2014, a Citizens Advice Bureau (CAB) in the South East saw a man in his fifties who had been the victim of physical, emotional and criminal abuse from his former partner. He had no money in his bank account as his ex-partner had emptied it, meaning he needed a food voucher to survive. She had also stolen his passport and laptop.

As in the case above, 18 per cent of survey respondents had dealt with cases where the perpetrator had **destroyed the victim's property**. Examples might include laptops, tablets and mobile phones, clothing, vehicles and other personal assets.

> In summer 2014, a woman in her thirties sought advice from a CAB in the North West about access to legal aid. She was trying to escape domestic violence, having experienced emotional and physical abuse throughout her marriage. Earlier this year her husband moved out with two of her children, however she took her husband back in. The abuse continued, most recently with the husband throwing away her possession. She had been to a solicitor for help but was told that her case was deemed not "extreme enough" to qualify for legal aid.

In causing direct financial harm, the most often cited example is for the **perpetrator to force the victim to take out credit**. This was experienced by almost three quarters of the survey respondents, and was the second most common example of financial abuse across the whole survey.

A similar form of abuse is for the **perpetrator to transfer liabilities into the victim's name**. This can free the perpetrator of any liability but forces even more debt onto the victim. This type of abuse had been encountered by 42 per cent of survey respondents.

These forms of abuse differ slightly from direct theft or destruction of property. Instead the abuse imposes debt or liability on the victim, who is left to pay the loan or loans off, thus causing direct financial harm, sometimes after leaving the relationship.

> In winter 2014, an Indian woman in her fifties sought debt advice from a CAB in London. The client told the bureau that she left the marital home due to domestic violence and was receiving ongoing death threats. She had a number of debts in her sole name which she said her husband had forced her to take out. These included bank loans, credit loans, and credit card debt totalling almost £10,000. Her husband had also forced her to guarantee a loan for him.

We received many examples of this type of financial abuse. They range in severity and are often combined with other forms of domestic abuse.

> A woman sought advice with two payday loans. She explained that had not applied for these loans: the applications were made fraudulently using her phone by her now ex-partner. The client only found out about the loans after she and her partner had split up due to domestic violence. Both the payday lenders were chasing the client for the debt, even though she had informed them of the fraud.

2. Financial abuse through excessive financial control

A second type of abuse is caused through excessive financial control. Once more it is important to note the wide range of severity of abuse in these cases, from sporadic interference through to full direct control, leaving the victim with no financial freedom. We asked two questions relating to financial control, one more general about control and access to income, banking and savings, and one more specific to benefits.

Type of Abuse	Percentage of respondents who had encountered this type of abuse
Perpetrator controlling access to the victim's income, banking or savings	57%
Perpetrator controlling or interfering with victim's benefits	49%
Perpetrator demanding the victim account for all their spending	30%
Perpetrator interfering with the victim's employment or education	13%

It is of course common in relationships to have joint bank accounts and therefore for partners to have a degree of co-control over joint resources. We also note that benefits are commonly paid at a household or family basis, but of course may be paid to a specific bank account. However, the majority of cases we have received on financial control tend to be of a more serious nature, and commonly involve ongoing control once a relationship has broken down and partners are separated.

Over half of our respondents reported that they had advised on cases of more general control, where the **perpetrator controls access to the victim's income, banking or savings**. Half of respondents identified cases where the **perpetrator controlled or interfered with the victim's benefits**.

In March 2014 a CAB in the North East saw a Bulgarian woman with three children. She needed advice about the police's unwillingness to deal with her violent ex-partner who was still visiting her new address. The client told the CAB that he was also forcing her to pay £500 a month to him.

In January 2014, a young mother living in a refuge in South West England sought help from a CAB. She was a victim of domestic abuse, having experienced violence, emotional and financial abuse. Her former partner persuaded her to ask for money from her relations to pay for their wedding. He then used the money to pay his debts.

Around half of our respondents had also been involved in cases in which the **perpetrator controlled or interfered with the victim's benefits**.

A woman in her late thirties sought help from a CAB having recently left her violent husband. Her husband had been receiving her employment and support allowance and his jobseekers allowance. However he had no given her any money, and it later emerged he had not being paying the rent or bills on the property. She was shocked to learn that she was liable for all the rent and council tax arrears for the whole period she was living with him despite his receiving all her benefits and never giving her any money.

A different form of excessive financial control witnessed by three in ten of our advisers related to the **perpetrator demanding the victim account for all of their spending.** In the evidence we have received from our Citizens Advice bureaux around the country, it is common for this type of abuse to be linked with other forms of financial and domestic abuse.

A woman approached a CAB in Wales because wanted to leave her husband who physically abused her and mentally abused her and her teenage children. Her husband persuaded her to take out a loan against the family and start a local business with him, putting all the transactions in her name. The business and the client were made bankrupt. Even after she was discharged from bankruptcy, her partner insisted that all the money, including her tax credit and child benefit, should still go into his account. He controlled her expenditure, not allowing her to give any money or treats to her daughters. The client felt she had to leave her husband as quickly as possible but was worried about where she and her children would live as she had no money.

Lastly in this category, were incidences of the **perpetrator interfering with the victim's employment or education**. Thirteen per cent of advisers reported having dealt with these types of issues in the past year.

The police brought a 28 year old woman to a CAB in the south east for help with finances as she had experienced domestic violence. She had been working at a shop but had lost her job as her husband would not let her work. She had no money and was homeless after the police collected her and her child from their home that morning and told her she must not return home.

3. Financial abuse through exploitation of joint resource

The last typology we offer through our analysis is where one partner exploits the joint financial resources in a relationship. As with other forms of financial abuse, there is a range of severity. In a world where it is common to have joint accounts, household bills and joint liabilities, there is a line in relationships where joint resources are exploited by a partner. Where that line is maybe subject to debate, but the cases we are aware of give a flavour of this type of financial abuse.

Type of abuse	Percentage of respondents who had encountered this type of abuse
Perpetrator not contributing to joint bills	77%
Perpetrator using all joint resources	60%

Of all the responses to our survey, incidences where the **perpetrator failed to contribute to joint bills** was the most reported form of financial abuse. In a relationship where bills are served to the household there is clearly a grey area in terms of how family finances are arranged and bills paid. However, it is also common from the examples we have received for non-contribution or payment of bills to constitute an ongoing form of abuse once the relationship has broken down. This is particularly a problem where the victim's name is given as the main contact or liable partner for payment of bills.

> In autumn this year, a lone parent approached a CAB for debt advice. She was separated from her husband who had perpetrated emotional and financial abuse. Her husband had managed all of the finances and was supposed to be paying the bills but he did not do so. All the bills were in her name, as her husband had been made bankrupt, and she was now liable for all the debts, including rent arrears, council tax and fuel debts.

> A pregnant woman in her mid-twenties sought debt advice from a CAB in London. Her previous relationship had broken down due to domestic violence and she moved out of shared property. Her ex-partner was still harassing her by phone and text, as well as turning up uninvited to her friend's home where she was currently staying. Her ex-partner was still resident in their shared rent property, but he had stopped paying rent at the property. He had also taken regular payments from her for council tax and other bills but had not paid them so she found herself in arrears for a property she was no longer residing in.

Another common form of financial abuse, reported by 60 per cent of advisers was the **perpetrator using all joint resources**.

> In May 2014 a woman came to a CAB in the South West of England for help filling in a lengthy and complex homelessness form. The client was finding it very difficult to continue living with her husband due to his drinking and his violence, and the emotional and financial abuse she was experiencing from him. She was currently on maternity leave, but her husband would not voluntarily give her any money and abused her in front of his friends.

> A woman in her early twenties sought advice from a CAB, having separated from her violent partner earlier this year. She had a non-molestation order against him, preventing him from contacting her. However he was still drawing money out of their joint bank account, making it overdrawn. She contacted the bank to ask them to freeze the account, however was told that she could not do this without her partner being present as well – impossible given the non-molestation order. The bank subsequently relented.

Supporting victims of financial abuse

Dealing with financial abuse is a sensitive subject. The majority of our advisers explained that special remedies were needed, for example:

- more time and support for the client
- the need to consider client safety
- the increased complexity and challenging nature of dealing with such cases

- the need to work with and refer to other agencies including the police, social services, and specialist advice services
- the need to establish new independent finances for clients including for example a new bank account
- seeking to challenge the liability of debts where appropriate and negotiate with creditors both public and private sector.

Reports of good practice

Some respondents shared outlined particular good practice they had encountered in relation to supporting victims of financial abuse. This positively highlighted actions taken by bureaux, other support agencies, and some creditors.

> In autumn 2013, a CAB was helping a woman in her fifties with priority and non-priority debts. She had separated from her husband due to ongoing domestic violence, but she and her children were living in the family home. Arrears had built up on the mortgage, as the client had no income when her partner left their home. The mortgage lender dealt with the arrears through their specialist team dealing with vulnerable customers - i.e. not pressurising her in any way. When the client removed the restraining order from her husband so that her son could see his father more easily, the lender removed her account from the specialist team, as they took this to mean that the client was no longer in a vulnerable situation. The client was finding it difficult and stressful to cope with the tone and frequency of the communications from her mortgage lenders' main arrears collection team.

The initial support that this client experienced illustrates how the practices of creditors, and their use of sensitive or vulnerable teams can make a huge positive difference to people when working well. In contrast, it also demonstrates the damaging impact poor practice can have on someone's wellbeing and health when they are in a traumatic situation.

Although our data provided examples of good practice that can be shared and built on, this does not appear to be the norm, and there does not seem to be consistent treatment of those who have experienced financial abuse.

Problems experienced by advisers

Over 200 advisers provided a detailed response when asked about the specific problems they had encountered supporting victims of financial abuse. The issues raised covered a range of topics, but common problems were:

- a lack of understanding and adjustment on the part of creditors following from the disclosure of financial abuse by their customers, or advisers acting on their behalf. Examples ranged from banks and debt collectors, to the Department for Work and Pensions and local authorities. Specific issues raised in relation to this included:
    - creditors not believing abuse has occurred
    - creditors not taking adequate precautions to communicate safely with clients
    - creditors treating clients insensitively
- clients themselves being unwilling to acknowledge or act on their financial abuse for a range of reasons, including fear of repercussions.

Evidence submitted from our bureaux across the country also illustrates problems faced by advisers dealing with financial abuse. One recurrent issue raised was the difficulty in gaining agreement from banks to freeze joint accounts being used by the perpetrator to abuse the victim. Similarly, victims struggled to remove, or even take steps to consider removing the perpetrators access to joint accounts. The general policy was that banks required both parties to be present or to confirm and consent to freezing or closing an account, which presents serious difficulties in the context of an abusive relationship.

> In April 2014 a CAB in the south east saw an unemployed woman in her fifties. She had a joint mortgage with her husband whom she had left due to domestic violence and financial control. She needed information about the mortgage. When the CAB rang the lender to request the details, the adviser was told that the client would need to write as she would not be able to pass the required security. Even when the CAB wrote to the lender on her behalf with a valid form of authority, the lender insisted that they would only release the information if the husband also signed the authority. As a result, the client could not remove herself from liability for the mortgage or ensure that payments were made.

Although banks need to be understandably cautious in such situations, our evidence suggests that the balance needs to be adjusted to make it possible to disentangle joint arrangements more easily in cases of abuse. This could be facilitated further when someone is being supported by an advice agency or support group.

One area in which creditors can support victims of financial abuse, is by acting with an understanding of the huge financial instability they face in being in or attempting to leave an abusive relationship. Too often, our advisers report cases where creditors have applied little common sense and discretion to people experiencing difficulty. This can be apparent both at the time of abuse and is also relevant to the negotiation process when individuals are trying to resolve their finances when they are leaving or have left and abusive relationship.

> A CAB saw a woman in her twenties with four children who had had her husband removed from her property due to domestic abuse. He was now subject to a restraining order. The client worked part time and rented the property from the local council. The client fell behind with her rent, but reached a payment agreement with the council to repay the arrears. During a period in which her husband was threatening the client, she fell behind with this repayment and the council applied for her eviction.

We also asked advisers what they felt would help to deal with financial abuse, whether supporting clients or stopping it occurring in the first place. This produced an array of suggestions, coalescing around several main themes. These were:

- greater awareness and understanding of financial abuse for the public, advisers, creditors and other agencies including the police and social services
- tighter checks on lending, particularly online, in relation to credit taken out under duress
- clear guidelines for creditors and other agencies on how to appropriately deal with clients who have experienced financial abuse
- more specialist capacity within the credit sector for dealing with vulnerable consumers including those who have experienced abuse
- Increased capacity for inter-agency working to support clients
- a clear procedure for sharing sensitive information about a client’s experience of abuse between different agencies
- improved arrangements for the separation and distribution of finances in cases of abuse including bank accounts, loans and other debts, benefits, tenancy agreements, and mortgages.

We have used these insights to develop recommendations for the agenda going forward in addressing financial abuse.

Conclusion and recommendations

The findings from our survey, coupled with evidence from bureaux around the country, have highlighted the variety of financial abuse. As previous research has shown, financial abuse is often just one component of the coercive control perpetrators use against their victims.

The experiences of clients and those advising them recounted within this report clearly illustrate the serious and long term damage this form of abuse causes. As Citizens Advice knows well, financial stability underpins the central elements of people’s lives; their income and ability to care for and house themselves and their families. Part of the reason financial abuse is so corrosive, and can have such a long term impact, is its ability to disrupt these foundations.

This report adds to the literature on financial abuse, and has highlighted some of the ways existing practice by creditors and others dealing with clients facing abuse can be improved.

Financial abuse is complex and varies from situation to situation. The policy solutions that might help victims are therefore also complex. Rather than launch a specific list of policy asks, this report exposes areas that policy makers should review, and lays out more areas where policy makers, industry, support services and regulatory bodies need to work together to develop clear strategies to tackle domestic abuse.

A first step must be the cross-sectorial acknowledgement of the prevalence and realities of financial abuse in our communities. Through this conversation and by coming together as a body of involved and concerned stakeholders, there is an opportunity to address financial abuse, take action to help prevent it and to help support victims to get back on their feet and back on with their lives.

Areas to address

A cross sector approach

Society needs to acknowledge the prevalence and variety of financial abuse. We need to ensure there is cross-sector commitment to improving awareness, knowledge and understanding of financial abuse amongst staff and the general public. This includes banks and other creditors, Government Departments, local authorities, housing providers, regulators, support groups and providers of advice.

The creditor sector and the Financial Conduct Authority

The financial services regulator, the Financial Conduct Authority, has recently embarked on a programme of work to ensure that the companies it regulates takes the right steps to treat vulnerable consumers fairly. We think that this work should also cover the particular problems experienced by victims of financial abuse.

Creditor trade associations, individual firms and the Financial Conduct Authority should come together to write and agree best practice guidance to tackle financial abuse and support victims. Training materials should also be developed for creditors across sectors in dealing with cases of financial abuse. This should include:

1. Providing clients who have experienced abuse with appropriate leeway and sensitive treatment;
2. Safe communication with clients;

3. Procedures and practices to support victims in the journey to free themselves from financial abuse.

Creditor trade associations and individual firms led by the Financial Conduct Authority and with input from advice givers and support groups should review and recommend policies and procedures for freezing, splitting and rearranging finances in cases of financial abuse. This should include accounts, loans, debts, benefits, tenancy agreements and mortgages. This should include:

1. More straightforward ways for victims to separate themselves from joint arrangements;
2. Mechanisms to enable the temporary splitting or modification of joint assets and accounts in order to avoid the facilitation of ongoing abuse;
3. Consideration of joint and several liability debts being dealt with as several liability;
4. Processes by which victims could mark transactions on their joint account so that the victim and perpetrator could be liable for specific payments, credit or debts going forward;
5. Processes by which action could be taken without both parties being present or in ways that protects the victim from the perpetrator actively resisting engagement as a way of retaining control over the victim.

Stakeholders including advice givers, support groups, banks, creditors, Government Departments, local authorities and the Financial Conduct Authority should work together to consider what an appropriate level and form of evidence would be required to initiate policies and procedures relating to financial abuse.

Creditor trade association codes of practice, along with the Financial Conduct Authority, should consider the way in which applications for credit can be implicated in financial abuse, and how this could be ameliorated via better checks during the lending process.

Department for Work and Pensions

Government Departments, specifically the Department for Work and Pensions, need to work with stakeholders to consider the way in which benefits are distributed within families in cases of financial abuse. This is particularly important given the proposal that universal credit be received into one account per household.

Ministry of Justice

The Ministry of Justice should review the availability of legal aid in cases relating to financial abuse. The disparity in financial resources and thus legal support between parties can itself be the result and ongoing manifestation of financial abuse. For example, the prolonging of legal and financial negotiations by one party can itself constitute abuse and should be permissible as evidence of ongoing abuse.

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