Financial Abuse of Older Adults

Information from...
The National Clearinghouse on Family Violence

What Is Financial Abuse?

Financial abuse is the misuse of an older adult’s money or belongings by a relative or a person in a position of trust.¹

Here are some examples of financial abuse:²

- forcing or tricking an older adult into selling his or her house
- stealing money or personal belongings
- forging a signature on pension cheques or legal papers such as a will
- misusing a power of attorney³
- not allowing an older person to buy needed clothes or equipment
- forcing an older adult to do something, such as babysit or share his or her house without paying for it.

Financial abuse is a CRIME.⁴

How Common Is Financial Abuse in Canada?

This is not known because:

- financial abuse is not defined in the same way by everyone,
- older adults may not know what to do when it happens,
- older adults do not report abuse because they feel shame, guilt or fear, and
there are few studies on financial abuse.\(^5\)

A recent British Columbia study found that eight percent of older adults had been financially abused, losing, on average, $20,000 each.\(^6\)

Other Canadian studies have found that financial abuse is the most commonly reported form of abuse experienced by older people.\(^7\)

Financial abuse can happen to older people who live at home, and it can happen to those living in a nursing home or other institution.\(^8\)

**Facts to Think About**

Financial abuse can happen to any older adult.\(^9\)

It can happen when:

- the abuser really wants or needs money, whether the need exists because of greed, unemployment or debt,
- the abuser thinks that he or she has a right to the older person’s money or belongings, or
- the abuser has the opportunity to take advantage of an older person.\(^10\)

The abuser may gain access to an older person’s money or belongings by:

- manipulation
- lies
- threats
- being friendly or
- promising to care for the older person.\(^11\)

Financial abuse is a pattern rather than a single event. It often happens over a long period of time.\(^12\)

Often, when an older person is being financially abused, he or she is also being psychologically abused.\(^13\)

**Finding Out About Financial Abuse**

Financial abuse can be difficult to identify or recognize.\(^14\)

People who work in banks or other financial institutions may be the first ones to recognize financial abuse because they look after financial accounts, trusts and documents.\(^15\)

Here are some signs that financial abuse might be happening.\(^16\) More information is needed to be sure that it is actually abuse.

- Large sums of money are taken from a bank account.
Signatures on cheques or other papers look suspicious.

The older person is in debt and does not know why.

Bank statements are no longer being sent to the older person’s home.

The older person cannot buy food or personal care items, or pay bills.

The older person’s will is unexpectedly changed.

The older person’s home is unexpectedly sold.

Personal belongings, such as clothes or jewellery, are missing from an older person’s home or room in an institution.

The older person is asked to sign legal papers (such as a power of attorney, a will or a joint deed to a house) without being able to understand what they mean.

The older person cannot remember signing papers or making certain money transfers.

The older person is not allowed to decide or speak for himself or herself.

The older person is isolated from friends and family.

The older person feels afraid or worried when talking about money.

**Stopping Financial Abuse**

If an older person is being financially abused, he or she can talk to someone who is trusted. This person could be a friend, a relative, a health practitioner or a police officer.

An older adult may decide to:

- contact the support services listed on page 6 for information and help,
- revoke the power of attorney if it is misused,
- set up a trust that is managed by a professional,
- close any joint bank accounts,
- have the abuser removed from the home, or
- talk to other family members about the abuse.

There are legal ways to:

- stop the abuse,
- protect people who are being abused, and
- retrieve money or belongings.

To do this, an older adult may decide to:

- report the abuse to the police,
- speak to a lawyer, or
- go to court.
Other people can help an older adult stop the abuse. When offering such help, you should always:

! take direction from the older adult,
! be sensitive to the person’s needs,
! provide real options for change,
! get the older person’s consent before acting, and
! respect confidentiality.\(^{18}\)

Some of the ways you may help are to:

! give the older person information on financial abuse,
! give the older person information about support services,
! advocate for the older person,
! encourage the older person to make new friends or participate in community activities, and
! let the abuser know where he or she can get help.

Like all adults, every older person has the right to accept or reject help.\(^{19}\)

The *Criminal Code of Canada* protects people from the following kinds of financial abuse:

! theft
! misuse of power of attorney
! breach of trust
! forgery
! fraud
! extortion.

Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island have adult-protection legislation. In these provinces, a court can issue an order to protect a vulnerable older adult who is unable to protect himself or herself by reason of physical disability or mental infirmity.\(^{20}\)

Each province and territory has guardianship legislation. Guardianship occurs when a person or agency is appointed to take care of the property, financial affairs and physical needs of an older adult who is *not* mentally capable.\(^{21}\)

**Preventing financial abuse**\(^{22}\)

**An older adult can:**

! be part of a group of friends who stay in touch regularly,
! learn the signs of financial abuse listed on page 11,
! keep track of all property, bank accounts and belongings,
! keep money in a bank or financial institution, *not* at home,
! have pension cheques deposited directly into a bank account,
! write an agreement plan for repaying money before lending it to a relative,
! prepare a will with a lawyer’s help,
! review the will once in a while to make sure it is up-to-date,
! change the will only after careful thought,
! talk to a lawyer about power of attorney, and about what will happen if he or she cannot manage alone, or
! ask a trusted friend or family member to review all papers before signing.

A family member or friend can:
! stay in close touch with older relatives and friends,
! learn about the changes that are part of the aging process, or
! talk to an older adult about future plans in case he or she should become unable to manage finances alone.

A service provider can:
! develop policies to spot and investigate financial abuse,
! set up training programs for staff and volunteers,
! make sure that older adults know about community services, and
! develop outreach services.

A bank or other financial institution can:
! give training to workers on the aging process, the signs of financial abuse and community services for older adults,
! tell older customers about good financial practices and ways to prevent financial abuse, and
! develop ways to protect customers, such as protected accounts and voluntary third-party notification procedures for bank account holders.

A community can:
! increase public awareness of financial abuse,
! promote an interdisciplinary and community approach to respond to and prevent financial abuse,
! get seniors’ groups, health and social service agencies, bank and financial institutions, and the police involved in community strategies,
! develop advocacy programs for older people,
! set up a telephone hot-line for older adults who want to ask questions or get help on financial abuse, and
promote positive images of older adults.

Support services

If you or someone you know has experienced or is experiencing abuse, you are not alone. Help is available. Emergency telephone numbers can be found at the front of your phone book. You can also contact your local:

Bank or financial institution
Social service agency
Community resource centre
Seniors’ centre
Distress centre
Senior citizen home or daycare centre
Doctor or health care practitioner
Spiritual advisor or organization
Hospital or health agency
Immigrant service centre
Independent living centre
Ethnocultural community or organization
Transition house or shelter, or Legal agency.

Suggested Resources


Les Productions A.D.L.E. Inc. (1995). Auguste and Blanche. This video deals with the issue of emotional, financial and physical abuse of older adults by their children. St-Élie d’Orford, Quebec. [videocassette 30 minutes].

Winnipeg: Manitoba Seniors Directorate. [videocassette 13 minutes].


**Endnotes**


3. A power of attorney for property is a legal document through which a mentally competent older adult gives another person the power to act on his or her behalf in property or financial matters. The older adult can cancel the power of attorney at any time. Unless otherwise indicated, the general power of attorney for property ends when the older person becomes mentally incompetent or dies. An enduring or continuing power of attorney for property allows someone to manage an older adult’s property and financial affairs in the event of mental incapacity. Please note that powers of attorney vary among the provinces and territories. Contact a lawyer for more information.


5. Wahl & Purdy, p. 3; Spencer, p. 2.


7. For example, see Podnieks, E., Pillemer, K., Shillington, T., & Frizzel, A. (1990). *National Survey on Abuse of the Elderly in Canada: The Ryerson Study.* Toronto:


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Health Canada
Information for seniors...

Financial Abuse

How to spot it. How to stop it from happening.

What Is Financial Abuse?

Financial abuse is the misuse of your money or belongings by a relative or a person you trust.

Financial abuse is a CRIME.

People can get to your money or things that belong to you by:

! lying to you
! threatening you
! being friendly with you
! promising to care for you.

How to Spot Financial Abuse

Here are some signs that financial abuse might be happening. You would need to find out more to be sure.

! Large sums of money go missing from your bank account.
! The signature on cheques or other papers does not look like your signature.
! You are in debt and do not know why.
! Bank statements are no longer coming to your home.

! You do not have money to buy food or things for your house.
! You do not have money to pay bills.
! Your will has changed and you did not agree to change it.
! Your home is sold and you did not agree to sell it.
! Things that belong to you such as clothes or jewellery are missing from your home, your apartment or your room.
! You are asked to sign legal papers (such as a will, a power of attorney or a joint deed to a house) without knowing what the papers mean.
! You are not allowed to decide or speak for yourself.
! You are not in close contact with family and friends.
! You feel afraid or worried when you talk about money.

How to Stop It from Happening

If you are an older adult, you can:

! Be part of a group of friends who stay in touch with each other.
! Learn to spot the signs of financial abuse (listed above).
! Keep track of all your property, bank accounts and belongings.
! Keep money in a bank account, not at home.

! Have pension cheques put straight into your bank account, not mailed to your home.

! Make sure that a relative who borrows money from you signs a written plan to pay back the money.

! Go to a lawyer when it is time to make or change your will.

! Make plans with your lawyer to decide what will happen if there is a time when you might not be able to care for yourself.

! Check your will once in a while by reading it over.

! Do not agree to change your will until you have thought about it very carefully.

! Make sure that someone you trust reads all your legal and banking papers before you sign them.

! Talk to someone you trust if you think you are being financially abused. This could be your friend, your relative, your religious or spiritual advisor, your bank manager, a doctor or the police.

If you are a family member or friend of an older adult, you can:

! Keep in close touch with him or her.

! Talk with them about who will handle their money and who will have power of attorney if they become incapable (not able to decide what to do because of sickness or mental health problems).

! Support them by offering help or information on what actions they can take if you think financial abuse is happening.

! Respect their right to privacy and confidentiality, and only act on their wishes.