



Commonwealth
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Elder financial abuse: the banking perspective

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Background

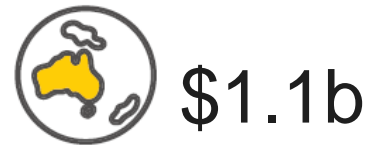
Elder financial abuse is prevalent now, and will be more so as Australia's population becomes older



Australians aged over 65 will account for 25% of the population by 2050



10% of older Australians are estimated to be affected by elder abuse, with financial abuse the most common form



According to the ACCC, Australians lost over \$643m to scams in 2019. This, combined with an estimated \$464m losses due to card fraud reported by AusPayNet, totals over \$1.1b in a single year



Scamwatch received over 6,415 scam reports mentioning COVID 19 with more than \$9.8 m in reported losses since the outbreak of COVID-19. Common scams include phishing for personal information, online shopping, and superannuation scams.



Common forms of elder financial abuse

Elder financial abuse can take many forms and can include repeated or one-off actions, threats or even a lack of action.

1. Abusing power of attorney



"Power of attorney" gives a trusted person (the 'attorney') control over someone's assets and allows them to make financial decisions on their behalf. Abuse can occur if the attorney uses this power to take a person's assets for themselves or for others.

2. Pressure, threats and intimidation



This occurs when someone attempts to force an older person to sign over ownership of assets, or make them a beneficiary of their will. The pressure may be physical, emotional or both.

3. Fraud and scams



This occurs when a third party deliberately sets out to falsely gain a person's trust in order to defraud them and steal their money. Fraud and scams can take many forms, and are often targeted at older, more vulnerable people.

4. Abusing family agreements



Often families enter into informal agreements that are designed to help everyone, but have no legal backing (e.g. older parents sell their home and split the profit with adult children). These agreements can unintentionally create various risks of abuse.

5. Improper use of funds



This occurs when someone who lawfully has access to an older person's money uses it for unagreed purposes. For example, a carer could purchase things for themselves when buying groceries for the person in their care.

6. Theft



While theft is a risk for all people, older people are particularly at risk, especially if they have care needs. Thieves can exploit an older person's specific physical or mental vulnerabilities.

7. Inheritance impatience



This occurs when adults feel entitled to an ageing relative's assets. This could cause them to try and take their assets from them. Examples include stealing money from parents' bank accounts, or transferring assets to another person.

8. Guarantors gone wrong



Often older parents will help their adult children purchase a home or start a business by being a guarantor to a loan. In some cases, this can create situations where the older parents might lose their home, despite there being no bad intent.

9. Failure to provide promised care



This occurs when an (often well-intentioned) arrangement for family members to provide care to older relatives in exchange for financial assistance breaks down, often because of a change in circumstance (e.g. employment) for the younger person.

10. Emotional blackmail



This can be one of the subtlest and least visible forms of abuse. Examples include an adult child refusing access to grandchildren, except in return for a loan; or an emotionally dependent adult child abusing their parents' concern by demanding money.

Common scams

There are many scams out there, but some are more common

IT support

- Contact generally made by phone or email
- Pretends to be from legitimate/known organisation (eg. Telstra)
- Requests direct money transfer to fix 'issues'
- Can also seek payment in pre-paid gift cards (eg. iTunes)

Romance

- Forms a relationship with the victim
- Leverages the relationship to extract money or gifts
- May convince the victim to transfer assets into their name
- Often seeks money to address non-existent health, travel or family problems

Investment

- Claims to be a stockbroker, portfolio manager or other financial professional
- Offers advice on how to generate wealth quickly
- Tries to convince to 'invest' in a unique opportunity (eg. binary options)



Common fraud

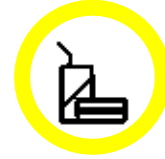
Not always the most expensive or noticeable items



Taxis



Online shopping platforms



Fast food



Online designer clothing



Online entertainment on demand




Protecting against scams and fraud

There are a number of ways customers can help protect themselves




LOCK international payments

If you're not shopping on international websites or travelling overseas you can lock international online and in-store payments. Then simply unlock them instantly whenever you need.




LOCK your card temporarily

If you misplace your credit card, you can temporarily lock it while you look for it. Then unlock it when you find it again.



LOCK contactless card payments

You can lock contactless card payments if you're not tapping your card to pay. Then simply unlock whenever you need to.




BLOCK ATM cash advances

Block ATM cash advances if you don't want to withdraw cash from your credit card.




LIMIT spend per transaction

Set a limit per transaction, then whenever a purchase is above that limit, it'll be declined and we'll alert you.




SET a spending cap

Setting a spending cap helps you keep on top of your spend. And you can still access additional funds if you need them.



Transaction Notifications

Receive instant notifications every time you pay or are charged for something using your debit or credit card.



Spend Tracker & Insights

Your transactions will be automatically categorised, so you know exactly what you are spending your money on.



CBA's Safe and Savvy Guide

A guide to help older people avoid abuse, scams and fraud

- A guide to help older people and their families identify, address and avoid financial abuse, scams and fraud
- A two-page summary of the Safe and Savvy Guide has been translated into English, Easy English and 15 new and emerging languages
- CBA helped to create a 'white label' version for industry use in partnership with the Australian Banking Association (ABA)
- The guide covers:
 - Common forms of financial abuse
 - Bullet-proofing against scams and fraud
 - Warning signs of elder financial abuse
 - Designing a support team
 - Advice and support for carers
 - Where to go for help



CBA's Community Wellbeing Team

- Immediate, short term extra care and banking support to customers experiencing vulnerability and referrals to specialist external services
- Since 2017, the team has provided specialist support for customers experiencing domestic and financial abuse and problem gambling - helping more than 10,000 customers and a further 17,000 people who are victims/survivors of domestic and family violence through partnerships with community organisations.
- The team provide an escalation point for frontline staff and community agencies to refer customers across the range of acute vulnerable circumstances contemplated by the Code
- Available by calling 1800 222 387 (8am-6pm, Monday to Friday Sydney/Melbourne time)





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We're here to help

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