

Coercion and control in financial abuse: learning from domestic abuse

Professor Keith Brown, Dr Elizabeth Carter, and Jennifer Hawkswood

Executive Summary

Our report on fraud, scams and financial abuse highlights the use of coercion and control to devastate individual lives and cost the UK economy billions each year. This executive summary highlights the key messages:

- Perpetrators of fraud, scams, and financial abuse use coercion and control techniques similar to those used by perpetrators of domestic abuse. This includes isolation, gaslighting, and love bombing, to manipulate victims.
- Victim blaming is common. It stops people from talking about, reporting, and recovering from abuse. We must shift the narrative to acknowledge the sophistication and responsibility of the perpetrators.
- We must change how we talk to victims, supporting them with safe exit strategies and recognising that where a relationship is already established with the perpetrator, existing methods of education and intervention may not be as effective as they often focus on the point at which payments are made. Instead we may need to offer support that focuses on the isolation, grooming and coercion that is taking place.
- Situational vulnerability refers to the impact of financial abuse being amplified by the context in which it takes place. For example, being scammed and struggling more to pay your bills will have a higher impact during times of higher living costs. With an ageing population, rising numbers of people experiencing cognitive decline, a cost-of-living crisis, and the impact of the Covid-19 pandemic we are likely to see more vulnerability to fraud, scams, and financial abuse.
- Fraud, scams, and financial abuse are all significantly underreported, and the scale of the problem is underestimated. Public awareness of the scale and sophistication of these crimes is anecdotally thought to be low.

The growth in fraud, scams and financial abuse is placing significant pressure on public services and financial institutions – greater coordination and multi-agency working is required to ensure that all victims get the support they need. The impact of financial abuse is more than just financial, with emerging evidence suggesting they can have a serious impact on wellbeing. Fraud, scams, and financial abuse should be considered a public health issue.

The Negative Impacts

The negative impacts on the wellbeing of scam victims have been calculated to cost **£9.3 billion a year** [Which 2021]. The Home Office (2017) estimated that fraud costs **£6.8 billion per year** but we know that fraud has increased since then. Figures for other types of financial abuse- such as that occurring in families- are much harder to calculate. We know that like domestic abuse, recovering from financial abuse is complex as it directly affects all other aspects of our lives- housing, health and wellbeing, employment, relationships. The psychological elements of financial abuse are under-researched but are key to unlocking better strategies for dealing with it. There is growing awareness of the psychologically abusive elements of domestic abuse and in this report, we will highlight that coercion and control is also prevalent in financial abuse. We want to learn from best practice in domestic abuse work and mirror that in tackling financial abuse.

An important part of achieving this goal is to update the language we use to talk about financial abuse. We want to work with victims in a more empowering and less judgemental way. Often the language we use to talk about scams blames the victim 'why did they fall for it?'. This reminds us of when people used to say, 'why didn't they just leave?' when talking about domestic abuse victims. Although this still happens, we have seen great progress in how we view domestic abuse, and we want to see the same progress in financial abuse. Shaming and blaming victims can lead to people feeling that they can't talk about what has happened and don't report financial abuse. We know that **less than 5%** of scams are estimated to be reported (Office of Fair Trading 2006) meaning most of the financial abuse happening isn't being reported.

Why Now?

The time to act is now- we have a 'perfect storm' of vulnerability coming our way. This includes an ageing population, significant numbers of people living with cognitive decline, the Covid 19 pandemic and resulting severe impact on mental health across the population, a cost-of-living crisis and political instability worldwide. These factors are exacerbating already difficult situations for many.

Fraud, scams, and financial abuse are set to continue to increase, and we cannot afford- literally- to under prioritise them.

How the abuse takes place:

Fraud, scams, and financial abuse take place in lots of ways. It can happen face to face, online, via post or telephone. However the abuse happens, perpetrators have something in common- they seek to create a false sense of security in the victim and use manipulation to gain the victims' trust. As in domestic abuse, perpetrators often groom individuals and use emotional language to coerce victims into agreeing to financial transactions. Victims are controlled by perpetrators, sometimes for years and often losing thousands of pounds.

Costs and public health implications:

Being financially abused takes a toll on our health and wellbeing. Perpetrators often isolate victims from sources of support so even if the abuse ends, it is hard for victims to re-establish those networks. This means people feel completely alone. Sometimes they might say they want the relationship with the perpetrator to continue because they 'don't have anyone else' in their life.

There is research emerging that is highlighting that people who have been a victim of fraud, scams and financial abuse are more likely to need a higher level and earlier intervention from the NHS and social care. Being a victim can destroy self-esteem and independence- victims don't trust themselves or others. Being isolated also has a big impact on health and wellbeing. This means fraud, scams and financial abuse are a public health issue and shouldn't just be seen as having only financial implications.

The importance of mental capacity

People who are more likely to be repeat victims of fraud and scams are those who are older, isolated and with cognitive decline (Office of Fair Trading 2006).

We know that 'if a person's capacity is limited, compromised or fluctuating they may be at increased risk of abuse' (Brammer and Pritchard-Jones 2019; Lee et al 2020:15). Therefore it is really important that everyone working in this field understands the Mental Capacity Act 2005 and can apply it. Where there are concerns about the victim being heavily influenced by the perpetrator(s) we need to make sure that our assessments of capacity take this into account and find breathing spaces for victims so they can have time away from the perpetrator(s). This is one of the steps we can take to help us properly assess capacity. We know that more work needs to be done in our workforces to understand when someone is making a choice to continue in an abusive situation and when they are so controlled and coerced it is impacting on their decision making.

Conclusion

The full report explores the way in which coercion and control are used by perpetrators of domestic abuse and those perpetrating fraud, scams, and financial abuse. We know that vast underreporting leads to a lack of prioritisation by services.

The way we talk about fraud, scams and financial abuse needs to be updated and our professional workforces upskilled to meet this challenge. There are some good practice examples we can learn from- our report talks about these. We know that the police and other agencies have adopted new and refreshing approaches to tackling domestic abuse and we need to learn from this.

We ask for special attention to be given to repeat victims of fraud, scams and financial abuse and agree that we must all work together to better understand and be able to offer protection to them. In our report we draw attention to the ways in which we can all work together to improve our awareness of fraud, scams and financial abuse and leave no stone unturned in our explorations of the nature and impact of this devastating abuse.