

# Preventing financial abuse of people with dementia

This Q&A sheet explains how financial abuse of people with dementia can occur. It also outlines how you can protect yourself or the person you care for from being financially abused, and who to contact if you or a loved one have been a victim of financial abuse.

## What is financial abuse?

Financial abuse is the illegal or improper use of a person's money and/or resources. The Australia Human Rights Commission defines financial abuse as “when a person you trust uses that relationship of trust to gain access to your money or property”.<sup>1</sup> Financial abuse can include:

- Pressure to act as guarantor for a loan;
- Pressure to transfer or sell property;
- Pressure to give away money;
- Loans not being repaid; or
- Persons authorised to manage your money not acting in your best interest, or using your money for themselves.

## Why are people with dementia vulnerable to financial abuse?

People with dementia are increasingly vulnerable to financial abuse as dementia progresses, due to the gradual loss of ability and capacity to manage financial affairs.

## **Who perpetrates financial abuse?**

Unfortunately, victims of financial abuse usually know the perpetrator. Research indicates that financial abuse of people with dementia is often perpetrated by family members and by people authorised to manage their money and financial affairs who do not act in their best interests. People with dementia are also at risk of being financially abused by friends and neighbours and other people that they trust. Although less common, financial abuse is also perpetrated by people who come into contact with the person with dementia and then seek to take advantage of their vulnerability.

## **What are the signs that someone with dementia is being financially abused?**

Signs that someone is being financially abused may include:

- Fear, stress and anxiety expressed by a person with dementia
- Unfamiliar or new signatures on cheques and documents of a person with dementia
- The inability of a person with dementia to access bank accounts or statements
- Bank, credit and debit cards and accompanying Personal Identification Numbers (PINs) of a person with dementia handed over to another person
- Significant withdrawals from accounts of a person with dementia
- The accounts of a person with dementia suddenly moved to another financial institution
- Significant changes to a will of a person with dementia
- Isolation and control of a person with dementia by carer
- Evidence of undue influence e.g. coercive behaviour by another person
- Lack of concern for the welfare of a person with dementia (signs of neglect)
- No money to pay for aged care when there should be sufficient funds

These ‘red flag’ behaviours and activities may indicate that a person with dementia is being financially abused. Financial abuse can occur with other forms of abuse, such as physical abuse, sexual abuse, psychological abuse and neglect, and you should be alert to these as well.

### **How can you safeguard against financial abuse?**

The best way to safeguard yourself against financial abuse is to plan ahead and appoint someone to act as your attorney through a financial Power of Attorney. A Power of Attorney document gives your authorisation for an individual or individuals to act on your behalf when you no longer have the capacity to manage your financial affairs.

The person/s you appoint as your attorney should be trustworthy, capable and financially literate. It is very important that you appoint someone who you trust will act in your best interests and who will not take advantage of their power. If you decide to appoint two people you should be confident that they will not be in conflict about what is in your best interests. This person/s may not necessarily be an adult son or daughter.

More information about planning ahead tools in each Australian State and Territory is available at the website – [start2talk.org.au/](http://start2talk.org.au/)

Depending on the type of dementia and your personal circumstances, you may want to explore alternate options for banking and managing your financial affairs, particularly with increasing moves towards electronic transactions.

### **Who can you contact for help?**

Some forms of financial abuse are criminal offences and in these instances you should contact your local police. Improper use of a financial Power of Attorney is not a criminal offence, but it is immoral.<sup>2</sup>

If you have been financially abused, or you suspect someone is being financially abused, these organisations will be able to provide information and advice:

**National Dementia Helpline 1800 100 500****ACT**

Older Persons Abuse Prevention Referral and Information Line

**02 6205 3535**

Disability, Aged and Carer Advocacy Service (ADACAS)

**02 6242 5060** or **1800 700 600** (freecall)

**NSW**

NSW Elder Abuse Helpline **1800 628 221**

The Older Persons' Legal Service **1800 424 079** or **02 9281 3600**

**NT**

Aged and Disability Rights Team, Darwin Community Legal Centre

**1800 812 953** or **08 8982 1111**

CatholicCare NT, Alice Springs **08 8958 2400** or

**1800 354 550** (freecall)

**Qld**

Elder Abuse Prevention Unit **1300 651 192**

Queensland Aged and Disability Advocacy Inc. **07 3637 6000** or

**1800 818 338** (freecall)

**SA**

Aged Rights Advocacy Service **08 8232 5377**

**Tas**

Tasmanian Elder Abuse Helpline, Advocacy Tasmania **1800 441 169** or

**03 6237 0047**

**Vic**

Seniors Rights Victoria **1300 368 821**

Elder Rights Advocacy **03 9602 3066** or **1800 700 600** (freecall)

**WA**

Advocare **1800 655 566** or **08 9479 7566**

**Useful website links**

[accs.gov.au](http://accs.gov.au)

[myagedcare.gov.au/advocacy](http://myagedcare.gov.au/advocacy)

## References

1 Australian Human Rights Commission (2014) **Your Rights in Retirement**, Accessed 10/02/2014 <https://www.humanrights.gov.au/publications/your-rights-retirement/5-your-right-be-free-financial-abuse>

2 Kyle L. (2012) **Assets for Care: A guide for lawyers to assist older clients at risk of financial abuse**, Seniors Rights Victoria: Melbourne

**This sheet is provided for your information only.**

The content for this Q&A sheet is sourced from the Alzheimer's Australia NSW Discussion Paper 10 – **Preventing Financial Abuse of People with Dementia**, June 2014

## Further Information

Dementia Australia offers support, information, education and counselling. Contact the National Dementia Helpline on **1800 100 500**, or visit our website at [dementia.org.au](http://dementia.org.au)



For language assistance phone the Translating and Interpreting Service on **131 450**