



Protecting Against Financial Abuse

**A guide for older Albertans,
their families and friends**



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It can happen to anyone

Financial abuse is one of the most frequently reported types of abuse in Alberta. Financial abuse occurs when **someone misuses your money, financial resources or property** without your full consent, or without your understanding.

Financial abuse **can happen to anyone**. Some people may be at greater risk, such as those who are alone, socially isolated, very old or frail, or experiencing emotional challenges. However, financial abuse can also happen to people who are in good health.

Sometimes a person doesn't realize that financial abuse is happening to them.

This guide will help you protect yourself against financial abuse. It will also help your family members, caregivers and friends understand financial abuse and take action when they think it may be happening.

Addressing financial abuse is everyone's business, and we all can play a role in stopping it.



What to watch for

Financial abuse can take many forms

Financial abuse can take many forms and often occurs over a long period of time. It's usually a pattern of actions, rather than a single event.

Examples of financial abuse:

- Theft of money, credit cards, bank cards and/or possessions;
- Misuse of an older person's money, such as cashing cheques (e.g., a pension cheque) or accessing accounts without that person's permission;
- Use of an older person's money for purposes other than what the older person intends for that money;
- Not allowing an older person to spend money on what he or she wants;
- Threatening or pressuring an older person to give money or property;
- Pressuring an older person into loaning money with no intent to pay it back;
- Failing to provide agreed-upon services to an older person such as care giving, home or vehicle repair, or financial management;
- Pressuring, tricking or threatening a person to make changes to their will, power of attorney or other legal arrangements;

- Misuse of a power of attorney by doing things that are not in the best interests of the person who granted the power of attorney. For example, taking money from the person's bank account to pay the abuser's personal bills, or selling or transferring an older adult's property against their wishes; and
- Having an older person unfairly shoulder the expenses of an abuser; for example, someone sharing a home with an older person and not contributing towards a reasonable amount of the expenses.

Any person can be an abuser

Financial abusers can be people you hardly know or people you've known for years. They may be family members, close friends, acquaintances, or strangers who befriend you. They may also be professionals or caregivers who have been hired to help you.

The bottom line is that an abuser is **anyone who manipulates, threatens, pressures or otherwise influences you as a way to get your money, property or other valuables.**

Abusers often take advantage of the trust or power they've been given, or they may take advantage of their relationship with the person they are abusing. Some examples of what this might look like include:

- Someone misusing the funds from a joint bank account.
- Someone pressuring you to give them money or valuables.
- Someone coercing you to change your will.

- Someone taking money or other property from your house without your consent.

There may be many reasons behind their actions. A financial abuser may have a false sense of entitlement to your money or property. The abuser may have financial troubles, such as debt or unemployment, or have an addiction.

Regardless of the reasons, financial abuse under any circumstance is wrong. Your money and property belong to you, not to your family members or anyone else.

Signs you may be experiencing abuse

Financial abuse can be difficult to recognize. That's why it's important to know and watch for common signs that abuse might be occurring.

Go through the following checklist. If you find yourself checking **one or more** of the boxes on the next page, it may signal that financial abuse is happening or could happen to you.

Trust your instincts. If a person is saying or doing things that make you feel uncomfortable regarding your money or property, they may be financially abusing you.



Checklist: Am I at risk of being financially abused?

- I have trouble paying bills because they are confusing to me.
- I don't feel confident making big financial decisions alone.
- I don't understand decisions that someone else is making for me about my money or property.
- I give loans or gifts that are more than I can afford.
- I'm coerced into providing food, shelter, child care or other services to people without being paid or fairly compensated.
- I'm receiving little or no money for the work I do, including child care.
- My children, or others around me, are pressuring me to give them money or property.
- People are contacting me and asking for money.
- Someone is accessing my accounts without my permission.
- Someone is cashing my pension cheque or other cheques without my permission.
- I've felt pressured or forced to make a purchase that I don't want or need.
- I've felt forced into signing a power of attorney, changing my will, or selling my house.
- I've felt pressure to sign legal or financial documents that I don't understand.

- Money seems to be disappearing from my accounts and I don't know where it's going.

Signs that financial abuse is happening to someone you know

If you're a family member or friend of an older person, you can play an important part in helping that person remain safe and secure from financial abuse.

Watch for the signs in the following checklist. If you see one or more happening over time, it could mean financial abuse is occurring.



Checklist: Is someone I know being financially abused?

- They seem isolated or withdrawn.
- There's a sudden or unexpected change in living arrangements.
- They show signs of depression or mental illness.
- They're assuming financial responsibility for a family member such as an adult child or spouse.
- They exhibit an unusual fear or sudden change in feelings about a particular person or people.
- They have a change in appearance, such as poor hygiene or sudden weight loss.
- They're frequently accompanied by someone who appears overly protective or controlling.
- They need to "ask permission" from someone before making a purchase, paying a bill or spending money.
- There's a change in their ability to perform daily activities, such as self-care, management of finances or medication.
- There's a noticeable discrepancy between their income and their standard of living.
- They're suddenly unable to pay their bills.
- There are unusual financial transactions such as unexplained bank withdrawals or unusual purchases.
- Hearing comments about an older person that suggest a false sense of entitlement, such as: "it's my inheritance" or "they owe me."

If you think it's happening, ask for help


If you think financial abuse may be happening to you, or to someone you know, take action right away. **Asking for help is the first step.**

Financial abuse often becomes worse over time and seldom ends on its own. Ignoring or “putting up” with financial abuse **won't** make it go away.

A financial abuser may try to make you feel responsible for the problem or for what is happening. This is inappropriate and not true. **Seek help.**

Here are some steps to take if you think **you have been** financially abused:

- ***Don't blame yourself.*** It's not your fault, and it's important you ask for help. You have the right to be treated respectfully. There are resources and organizations in your community that can help protect your rights, safety and dignity.
- ***Call the police.*** The police can help you determine whether you've been the victim of a criminal offence. They can also refer you to information and community resources that can help, such as Victim Services. Victim Services offers information, assistance and support during police investigation and throughout the criminal justice process.

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- **Keep a record.** Write down what is happening to you. This will serve as a record and will help other people assist you.
 - **Contact your bank or financial institution.** Talk to your local bank manager or similar person of authority at your financial institution. Change your PIN number(s), and have a note put on your account(s) about your concerns. Remove any permissions or authorizations that the abuser has on your accounts.
 - **Talk to someone you trust.** Confide in someone you trust about what is happening to you. This could be a friend or family member, or a doctor, nurse, pharmacist, clergy person, banker or other person in your community who you know and trust.

If the financial abuser is a family member, you may feel awkward about saying anything or you may be apprehensive about the consequences. Although these feelings are understandable, **it's important that you ask for help.**

Too often, people don't report financial abuse that takes place within a family relationship, so the abuse continues or gets worse. It may be difficult, but there are specific actions you can take to stop financial abuse. There are many resources that can help with your unique circumstances.

If you think **someone you know** is being financially abused, take these steps:

- **Contact the authorities.** Call the police and express your concerns. If you're worried about the immediate safety of the person, call 9-1-1.
- **Talk to the person you're concerned about.** Let them know your concerns and offer help. If the person declines help, don't give up. Keep checking in on them and continue to offer support.
- **Provide information.** Many victims of financial abuse don't know where to find help. The back of this guide provides a list of organizations that offer assistance and information that you can provide to the person you are concerned about.
- **Don't be judgmental.** Understand that it's difficult for anyone to leave an abusive situation. Remind the person that you're available to listen and to provide your support if and when it's needed.

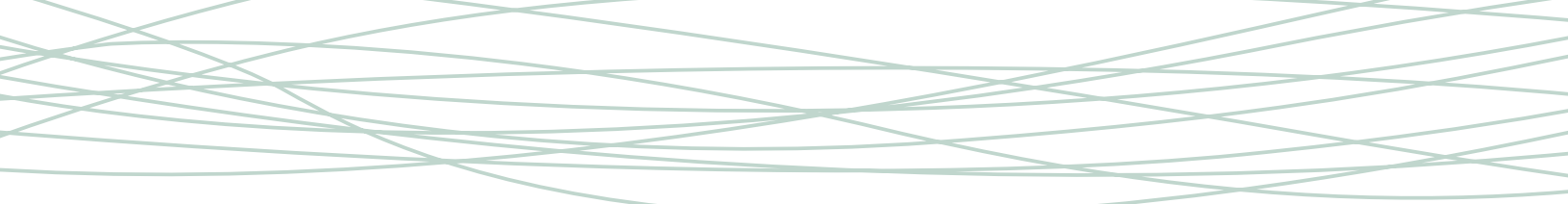


Protect yourself from financial abuse

Taking proactive steps can help keep you, and your property, safe and secure. There are a number of things you can do to protect yourself from financial abuse.

Safeguard your banking and finances

- **Protect your assets.** Practise prevention when it comes to your money, property and other valuables. This includes using direct deposit, checking your bank statements carefully and keeping your financial information and personal information – including your passport, Social Insurance Number, and birth certificate – in a safe place. You can be at high risk of financial abuse if someone gets hold of your information. Consider storing important documents at your local bank, in a safety deposit box – one that only you can access.
- **Talk to your financial institution.** There are practical, convenient and common-sense options you can explore for your banking, such as direct deposits and pre-authorized bill payments. These options let you do your own banking, so you don't have to give someone else access to your account.

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- **Watch your finances.** Keep track of what’s happening with your bank accounts, investments and other assets. Regularly review bank statements and call your financial institution if something you see doesn’t make sense...
It’s your money; it’s your right to ask questions.
 - **Keep records.** If you pay a bill, give someone a gift, or make a loan to someone, be sure to write it down. This way you clearly know when you have given money or other property away.
 - **Be careful about joint accounts.** Setting up a joint account with another person for your banking or investments may provide some convenience. However, joint accounts present some serious risks. The other person listed on a joint account can do whatever they want with the money in the account, without your permission and with no legal recourse. For this reason, a joint account can’t protect you against financial abuse.
 - If you find you need help paying bills or managing funds, an Enduring Power of Attorney may be more appropriate and can better protect your finances. (More information is on “**Using an Enduring Power of Attorney**”, page 15).

Connect with people you trust

- **Stay connected.** Make an effort to keep in touch with family and friends, and participate in community activities, so that you don't become socially isolated. People with a strong social network are at less risk of financial abuse.
- **Involve a trusted friend.** If you're thinking of making a loan or gift, or you're facing a big financial decision, consider talking about it with someone you trust. This gives you an opportunity to ask questions, get a second opinion, and ask for help if you need it.
- **Re-read documents.** Read contracts and other documents carefully before you sign them. If you don't understand what the document says, ask a trusted friend, family member or lawyer to look over the document with you, before you sign it.



Know and exercise your legal rights

- **Understand your rights. Your money and property belong to you.** You maintain control over your property and over how your money is spent, until you decide to give control to someone else. If you decide to share control of your money and property with another person, it may be a good idea to speak to a lawyer first.
- **Seek legal advice.** If you'll be making a decision about sharing control of your finances, property or other assets, consider getting legal advice before you sign anything. A lawyer can help you understand contracts and other legal documents so that you know the consequences of what you're agreeing to.
- **Plan ahead.** Make arrangements for how your money and property will be handled, in the event something happens to you and you can no longer communicate your wishes. Although, it's difficult to do, planning in advance will lower the risk of financial abuse and help avoid difficulties down the road. Speak with a lawyer about drafting a will, a personal directive, and an Enduring Power of Attorney. Each document has a specific purpose, and is designed to help protect you and to make sure your wishes are fulfilled.

Using an Enduring Power of Attorney

At some point, you may find it challenging to manage your money, your property and/or other assets on your own. If this happens, you might need to rely on someone else to help handle these matters on your behalf. For example, you might need a family member to pay your bills for you, or you might need someone to make financial decisions about your assets.

To do this in a way that protects your rights and interests, it may make sense to have an **Enduring Power of Attorney**.

An Enduring Power of Attorney is a legal document that gives another person the right to make financial decisions on your behalf, while you are still alive.

There are actually two types of Power of Attorney that you can make: Immediate and Enduring.

An **Immediate** Power of Attorney takes effect as soon as it's signed. It stops as soon as you become mentally incapacitated. This type is useful if you want to empower someone for a defined period of time (e.g., if you're away from home for an extended period of time), **and is only valid as long as you're capable of managing your own affairs.**

An **Enduring** Power of Attorney offers more flexibility. It can take effect immediately, or at some time later that you specify. (For example, you can set it up to only take effect if you can no longer manage your own affairs.) **This type remains valid even if you're no longer capable of managing your own affairs.**

Why an Enduring Power of Attorney is a good idea

There are many good reasons to have an Enduring Power of Attorney.

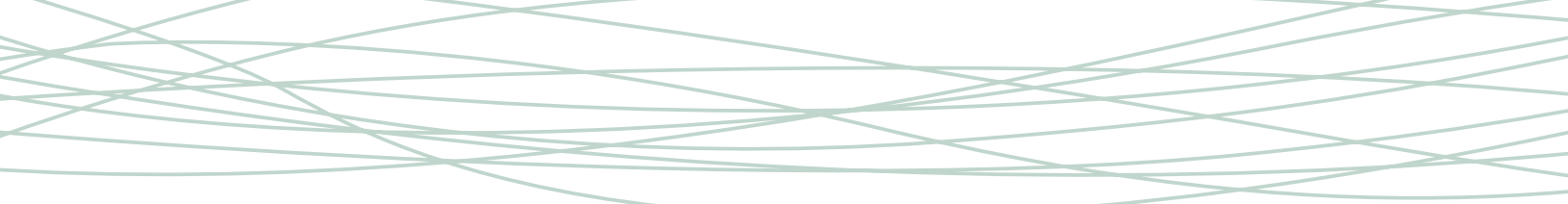
- ***You decide who will manage your affairs.*** With an Enduring Power of Attorney, you decide who will manage your legal and financial affairs. This is a very important advantage. Without an Enduring Power of Attorney, you do not get to decide who will manage your financial affairs if you become incompetent, and a court will decide instead. Using an Enduring Power of Attorney allows you to select someone you trust.
- ***You decide when it takes effect.*** You specify when you want the Enduring Power of Attorney to take effect. It can take effect immediately once you sign it, and continue even after you become incapable of managing your own financial affairs. Or, you can decide you want it to take effect at a certain time. (For example, only if you leave the country, or only if you become incapable of managing your affairs.)
- ***It comes with legal obligations.*** The person you empower in the document is called your “Attorney”. Your Attorney will be given the power to manage your financial affairs, and will have access to your money and property. For example, your Attorney will be able to use money from your bank account, or list your house for sale. However, your Attorney must follow certain legal guidelines.

- **You decide how much power you give someone.** The amount of power you grant the Attorney over your financial affairs is up to you. You can place specified limits on the Attorney's power.
- **The power can be revoked.** An Enduring Power of Attorney terminates upon your death, at which time your Will comes into force. However, an Enduring Power of Attorney can be revoked before then. If you change your mind or if you believe your Attorney is not doing a good job, you can revoke your Enduring Power of Attorney provided you have the mental capacity to do so. If you don't have mental capacity, and your friends or family believe the Attorney isn't behaving appropriately, they can ask a court to intervene.


Things to consider

If you decide that you should have an Enduring Power of Attorney, here are some things you should consider.

- **Choose your Attorney carefully.** You can select anyone to be your Attorney, as long as the individual is at least 18 years of age. The person doesn't have to be a lawyer and doesn't have to live in Alberta. Most importantly, **your Attorney should be someone you trust.** It's also helpful if the person:
 - Has experience managing money;
 - Will manage your assets to protect you and your estate;
 - Is comfortable dealing with lawyers and accountants;

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- Can commit to years of managing your assets;
 - Has the time to pay your bills and manage your affairs;
and
 - Has the time and patience to communicate with the
people who take care of you.
- **Consider having more than one Attorney.** Having more than one Attorney can serve as a “check and balance”, and lowers your risk of financial abuse. You can specify that the Attorneys must act jointly, meaning they must always act together. This way, if one of your Attorneys feels something isn’t in your best interest, he or she can stop it from happening.
- **Consider using a lawyer.** You aren’t required to use a lawyer’s services to create an Enduring Power of Attorney, but if your situation is more complex you may wish to do so. Whether or not you use a lawyer, you have to be mentally capable at the time the Enduring Power of Attorney document is signed.

If you think that someone might question your mental capacity at the time you sign the Enduring Power of Attorney, then it may be a good idea to consult a lawyer. You may also want to ask your doctor for a medical report saying you’re mentally capable.

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- ***Build in protective safeguards.*** You can put provisions in your Enduring Power of Attorney to better protect yourself against financial abuse. You may wish to consult with a lawyer to properly build them into your Enduring Power of Attorney. Examples of provisions are:
 - Your Attorney is to continue using the same financial advisor that you have used (as long as the financial advisor is willing and in good professional standing, and continues to act in your best interest).
 - Someone other than your Attorney, such as your lawyer or your accountant, is to choose the financial advisor that your Attorney must use.
 - Annual third-party checks. This means your Attorney must give details of your financial affairs to your lawyer, accountant, financial advisors, family members or even the Court. This allows for an objective person to check that your financial affairs are being managed appropriately by your Attorney, and can show problems or warning signs of abuse.
 - ***Communicate with people.*** Talk to the individual you're considering appointing as your Attorney. Make sure they understand what is involved, what your expectations are, and how you want them to manage your finances. Also, talk to your family and friends about your plans. If a number of people know what your wishes are, they'll be in a better position to spot any warning signs of financial abuse.

If you've been named as an Attorney

If a person has asked you to act as their Attorney, it's because that person trusts you to manage their financial affairs. (That person is called the "donor".) There are certain obligations you have in fulfilling this responsibility.

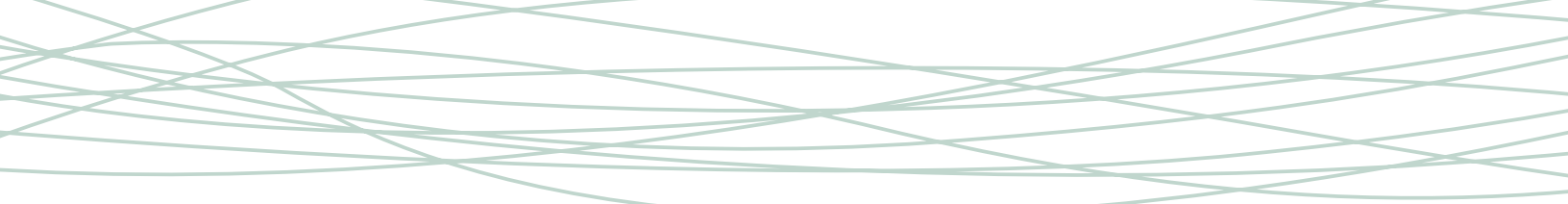
Most importantly, the decisions you make and the actions you take regarding the person's financial affairs must always be in the best interests of the donor.

Here are some other responsibilities you have as an Attorney. By fulfilling these responsibilities you can help reduce the risk of financial abuse of the donor.

- Consult with the donor prior to accepting this responsibility to ensure you understand their wishes.
- Assess all assets, liabilities, income and expenses of the donor.
- Consult with the donor's caregivers, and the donor's family members and friends. While you have ultimate responsibility for decisions, showing respect and consideration for the opinions and thoughts of loved ones can help in making those decisions. Keeping loved ones informed about big decisions and the reasons for those decisions will enable them to feel involved, and will also help you feel confident in your actions.
- The donor's needs and care must be a priority. Only once they are fully taken care of should you consider

if it's appropriate to use some of their assets to help their dependents.

- Make gifts or loans as directed by the donor that are in keeping with the donor's past practices and intentions — but only if the Enduring Power of Attorney document specifically gives you this power.
- Keep good and detailed records. This includes lists of:
 - The donor's assets, as of the date of your first transaction as Attorney.
 - The donor's liabilities, as of the date of your first transaction as Attorney.
 - When you acquired assets for the donor, or disposed of any assets, along with dates of when these transactions occurred and details about each transaction.
 - Receipts and disbursements, along with dates of each transaction and details about each.
 - Any investments bought or sold on behalf of the donor, along with dates of each transaction and details about each.
 - Liabilities that were incurred on behalf of the donor, along with the dates that these liabilities were paid and details about each transaction.
 - If authorized by the Enduring Power of Attorney, document any payments you've been instructed to accept for being an Attorney, including how you calculated those payments, and dates and details of those payments.

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- Continue to manage the donor's financial affairs until you are discharged as Attorney and someone else takes over. This can occur if:
 - the donor dies;
 - the Enduring Power of Attorney is revoked; or
 - formal trusteeship is obtained for the donor.

When this happens, you are required to account to the next person authorized to manage the donor's financial affairs. If the donor dies, this will be the donor's Personal Representative. Otherwise, it could be a court-appointed trustee or even the donor.

Before handing over your records, obtain a release from that person acknowledging there were no problems with your management of the donor's financial affairs while you were the Attorney.

- Apply to the court for advice and direction if you're uncertain about any of these matters.
- Remember that once you start acting as Attorney for someone, you can't renounce your responsibilities as Attorney without the court's permission.

Where to get more information

To get more information about protecting yourself, your loved ones, or your friends from financial abuse, consult these and other resources.

Government of Alberta Resources

It's Your Money: Protect yourself from financial abuse. Includes information about financial abuse, and steps to protect yourself.

www.health.alberta.ca

Financial Abuse of Seniors. Includes information about financial abuse of seniors, warning signs and what to do.

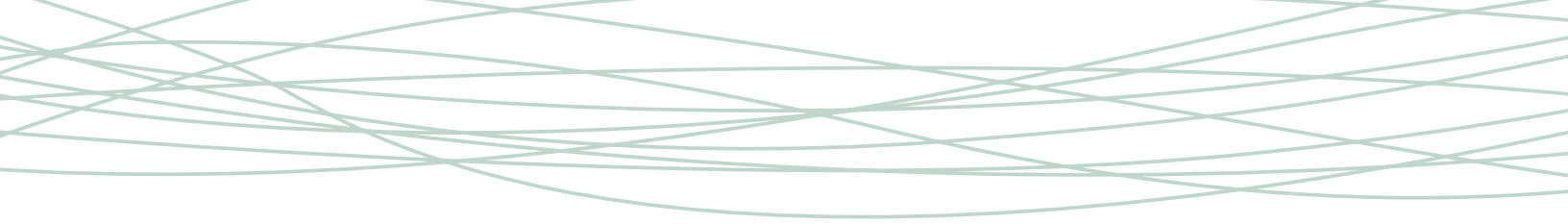
www.health.alberta.ca

What Every Older Canadian Should Know. A series of eight fact sheets developed to encourage older Canadians to make informed decisions about their financial well-being. (Produced by the Federal/Provincial/Territorial Ministers Responsible for Seniors.)

www.health.alberta.ca

Enduring powers of attorney. Published by Alberta Justice. Includes information on setting up a Power of Attorney, and information on personal directives.

www.justice.alberta.ca





Contact Information

For additional copies contact:

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