

# FINANCIAL ABUSE

## What Financial Advisors Need to Know

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Financial Abuse in Domestic Violence Relationships  
*Revised 2024*



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## **Financial advisors, bankers, and others working in the finance industry are more likely to work with survivors of domestic violence than they realize.**

**1 in 3 women and 1 in 4 men experience domestic violence[1], also known as battering, domestic abuse, or intimate partner violence.**

Domestic abuse is often thought of as physical violence (slapping, punching, etc.) resulting in visible injuries to the survivor. Physical violence, however, is only one tactic abusive partners use against their intimate partners. Domestic violence at its core is a pattern of asserting power and coercive control over one's current or former intimate partner, in all types of intimate relationships – dating, un-labeled, monogamous or open, short term or long term, married, divorced, or post-separation.

“Domestic violence” is distinguished from other types of violence as it is based on the belief that it is okay to control a partner's life by using physical, sexual, mental, and emotional abuse, coercion, threats, intimidation, isolation, and using their children to maintain power and control over time<sup>[2]</sup>. Domestic violence is not an anger management problem; often, people who abuse are very skilled at managing their anger in public, and very strategic about employing violence to control their partner.

Another common misunderstanding of domestic violence is that ending an abusive relationship or leaving an abusive partner is simple and easy to do. In fact, separation is the most dangerous time for a survivor of abuse. When confronted with the possibility that they may no longer be able to exert power and control over their partner, an abuser may go to extremes to stop the survivor from leaving, or stalk, harass, or even kill a survivor who attempts to leave or has left<sup>[3]</sup>.

Financial or economic abuse is one of the many ways abusers assert power and control over their current or former intimate partner. Financial abuse may entail preventing a survivor from obtaining or keeping a job, taking the money a survivor earns, only providing the survivor an allowance or making the survivor ask for money, limiting or denying access to accounts, or secreting family income. Since the rise of the COVID-19 pandemic, financial abuse has intensified with increased social isolation and financial stress over the inability to work, pay bills, afford necessities, or maintain housing.

**Financial abuse impacts 99% of survivors experiencing domestic violence[4]. Considering the prevalence of financial abuse, financial advisors are an important source of help and information for survivors.**

# The Survivor in Front of You

## Signs of Financial Abuse

**Laura** - I make significantly less than my husband, but my husband is a financial advisor, and so all our funds must be invested with his company, which means he has control. When I created my own bank account, he repeatedly asked to have access to it, and, when I denied him, he called me financially abusive. My husband often convinces me that something makes sense, but I know he doesn't have my best interests in mind. I would love to have had someone to ask about how to manage 529s or refinancing that could provide me with unbiased information.

**Jennifer** - As a stay-at-home mom, I had no access to finances other than checks so that I could pay the bills and my husband's credit card so that I could buy groceries. He used to scour over every receipt and charge. Only after a counselor told him he needed to give me some money for personal things he would give me \$80/month which had to cover all my needs, gifts, haircuts, clothing, etc.

**Ingrid** - My husband lost huge amounts of money (168K) and concealed it from me while I supported the household and assumed debt thinking we had money in the bank. He created fake bank transaction numbers, fake people he worked with, fake FedEx check deliveries (that were stolen). He showed me fake accounts and said that numerous banks had "lost" our money. He also used my credit cards without authorization, took out cards and accrued debt in his name while we were married and refused to work to his income potential. He refused to leave the marital home because he couldn't afford to, and I had to sell my house to pay the debts and give him a settlement.

These examples are only a small snapshot of the many ways survivors experience financial abuse.

## **When working with a client, a financial advisor or professional should look for these signs of financial abuse:**

- One or more accounts have been opened in the survivor's name without their knowledge or consent or fake accounts have been set up (identity theft).
- Your client's partner fails to or lies about paying bills, overcharges accounts, accrues debt, or has coerced your client into charges or signing loans/credit accounts (credit sabotage).
- The only money your client receives is an allowance or set amount of money given at the discretion of their partner.
- Your client's partner refuses to give them access to money and/or accounts.
- Your client lacks knowledge of what's happening with household money, or their partner withholds financial information.
- Your client's partner refuses to work or bring in household income.
- Your client is prevented from working or if they work, their partner takes and controls the income they earn.
- Your client's public benefits or personal assets are taken or controlled by their partner.
- Your client's accounts have been depleted without their knowledge.
- Your client is threatened with loss of housing or access to public benefits or household funds if they don't do what their partner wants.
- Your client's partner refuses to pay child support or controls financial decisions regarding tuition, clothing, and other necessities, cost of care or extracurricular activities, etc.
- Your client's partner works in finance and uses their position and specialized knowledge to misinform your client or control their finances.

**Abuse transcends generations, different cultural communities, relationship types, sexual orientation, and gender identities. There is a greater opportunity for financial abuse in cultures that place men at the head of the household and relegate women to the home, in homes where one partner is demeaned for being the breadwinner, and in immigrant communities where the survivor does not speak English or has Limited English Proficiency.**

# How to Engage with a Client who may be a Potential Survivor

It is important to understand that if your client is experiencing any of the situations described above, they may or may not be aware that they are experiencing financial abuse or may not even be aware that domestic violence is occurring in their relationship. It is very common for a survivor to only learn about domestic violence and how it is impacting them when they start working with a domestic violence advocate. Financial advisors should identify local domestic violence advocacy programs and rely upon trained advocates to provide detailed information on domestic violence to their clients once they recognize the signs described above.

Apart from connecting a survivor to advocacy, financial advisors and professionals can provide survivors with critical financial information and awareness.

The following chart provides tips on the best ways to communicate with a survivor that is sensitive to the nature of domestic violence and protects the survivor from any additional harm.

## Tips on Survivor Engagement

Ask questions that are gentle but not leading, inquisitive but not intruding.

<b>Financial abuse survivor who <u>is</u> aware that the abuse is happening and has questions or is seeking help.</b>	<b>Financial abuse survivor who is <u>unaware</u> that the abuse is happening and doesn't know where to begin.</b>
<p><b>Best language to use:</b></p> <p>Use validating language:            "I believe you."            "This is not uncommon/happens more than you know."            "You are not alone."            "Advocates are available who can offer confidential, protected support and resources to help you navigate what you are going through. Let me help you get connected with them."</p>	<p><b>Best language to use:</b></p> <p>"I'd like to get a sense of your economic well-being."            "Do you have access to your own resources, like money, bank accounts, food, housing, transportation, and healthcare?"            "Who decides how you spend money and manage your financial affairs?"            If engagement leads to recognition of an abusive situation, refer to DV hotline/advocate.</p>

### **Protecting the Survivor from Retaliation**

The level of abuse and danger to the survivor may significantly increase if their abusive partner becomes aware they are seeking help or telling others about the abuse.

If signs of financial abuse have been identified, assess the situation before engaging a potential survivor in a conversation.

Screening for abuse or engaging in a conversation about potential abuse with a client should never be done in the same vicinity as the abuser.

Do not share with others, especially the abusive partner, that the source of your information is the survivor.

When the survivor and abusive partner are together, offer general information about consumer rights as a part of normal client resources.

### **Remember –**

- There is no one way that abuse shows up, domestic violence is nuanced and complex.
- There is no ‘prototype survivor’ or ‘abuser’, every individual and situation is different.
- Avoid using the term “victim”, many people do not identify with that term. “Survivor” may be preferred, or no label at all.
- It is not recommended for you try to manage or intercept the potential abusers’ behaviors.
- When in doubt, reach out to a professional domestic violence advocate.

**When in doubt, reach out to a professional domestic violence advocate.**

### **The Hotline**

# Resources for Financial Advisors

Although responding to domestic violence falls outside of the scope of work and expertise of financial advisors and professionals, a supportive and protective conversation using the tips provided above may be incredibly helpful for a survivor.

Here are some supportive resources and additional tips for advisors and professionals to use as a reference to prepare for engaging clients who are or may be a survivor.

## Resources Financial Advisors Can Provide to Financial Abuse Survivors

<b>Financial abuse survivor who <u>is</u> aware that the abuse is happening.</b>	<b>Financial abuse survivor who <u>is unaware</u> that the abuse is happening.</b>
<p>Both physical and virtual space within the financial institution where a client’s questions and concerns could be addressed in a safe, secure, “confidential” space by a financial abuse advocate / DV advocate</p> <p>Referral to the <a href="#">Allstate Moving Ahead Program</a></p> <p>Encourage client to contact <a href="#">The Hotline</a> for support</p> <p>Credit counseling assistance can be found at <a href="#">NFCC</a></p>	<p>Create awareness campaigns held by the financial institution (flyers, posters, emails, webinars, workshops)</p> <p>Introduce healthy financial relationship audit (a screening toolkit for financial abuse)</p> <p>Providing a safe atmosphere where clients feel safe coming forward</p> <p>Encourage clients to check their individual credit scores for free at this <a href="#">Credit Report Check</a></p>
<p><b>FOR ALL SURVIVORS</b></p> <p>Make financial literacy training available to all clients</p> <p>Sponsor a financial abuse protection program (<a href="#">like the Allstate Moving Ahead Curriculum</a>) that falls under the CSR (Corporate Social Responsibility) of the financial institution</p> <p>Know your local domestic violence organizations and consumer rights lawyers and consider referral partnerships with local legal aid organizations</p> <p>If you suspect domestic violence on any level, call <a href="#">The Hotline</a> and talk to someone.</p>	

**We all need to be informed of the signs and risks of domestic violence. While financial abuse can be insidious and hard to capture, if we understand the basics of domestic and financial abuse and how to safely talk to survivors we can better provide a lifeline for them to reach safety.**

Perhaps your consultancy or firm would benefit from more education on the complexities of domestic violence and the signs and struggles of financial abuse.

### **That's why BWJP is here.**

We work with agencies and jurisdictions across the country to improve access and understanding of domestic violence legal systems by providing technical assistance, training, and resources and the reminder to all that no one fights alone.

Your dedication to understanding and supporting survivors of financial abuse goes a long way, and your [financial support](#) of BWJP this year will go towards our unending promise to advocate for systemic change for ALL survivors to thrive and serves as a reminder that, with us... You're Not Alone.

<sup>[1]</sup> <https://ncadv.org/STATISTICS#:~:text=1%20in%203%20women%20and,be%20considered%20%22domestic%20violence.%22>

<sup>[2]</sup> <https://www.thehotline.org/identify-abuse/power-and-control/>

<sup>[3]</sup> <https://ncadv.org/why-do-victims-stay>

<sup>[4]</sup> <https://nnedv.org/content/about-financial-abuse/#:~:text=In%20some%20cases%2C%20financial%20abuse,99%25%20of%20domestic%20violence%20cases.>



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