

Banking on Change

Transforming the banking sector's response to economic abuse

Surviving Economic Abuse

Many women experience economic abuse within the context of intimate partner violence. It limits their choices and ability to access safety. Surviving Economic Abuse (SEA) is the only UK charity dedicated to raising awareness of and transforming responses to economic abuse. We are determined that women are supported to survive and thrive.

Economic abuse as a form of coercive control

Intimate partner violence is a pattern of controlling and coercive behaviour which includes combinations of physical, sexual, psychological and economic abuse, some of which continue post-separation. It is part of an ongoing strategy of intimidation, isolation and control designed to restrict the victim's autonomy or 'space for action'.

Coercive control is disproportionately experienced by women and perpetrated by men. It is made possible by gender inequality that places men at a social and economic advantage. Whilst women can and do commit controlling acts, it is unusual for them to achieve the kind of dominance associated with coercive control.¹ Research shows that almost all successful prosecutions of the controlling or coercive behaviour offence (introduced by the Serious Crime Act 2015) were of a male perpetrator abusing a female partner.²

Economic abuse involves interfering with a partner's ability to acquire, use and maintain economic resources. It creates economic barriers to leaving, meaning that many women stay with an abusive partner for longer than they want to and experience more harm as a result.³ Moreover, when women experience economic abuse within high levels of coercive control they are at increased risk of homicide.⁴ In the UK, two women are killed by a current or former partner every week.⁵

The prevalence of economic abuse

Women who access specialist domestic violence services report experiencing high levels of economic abuse.⁶ Our analysis of successful prosecutions of the controlling or coercive behaviour offence found that 6 out of 10 cases involved economic abuse.⁷ Yet there continues to be limited recognition that economic resources can be used as a source of power within intimate relationships. We are determined to change this. It is vital that victims of intimate partner violence get the support they need to cope with the impact of economic abuse.

How the banking industry can help

The scale of economic abuse means that a range of sectors need to play their part in addressing it. In addition to statutory agencies, this includes the banking industry. As providers of everyday financial products banks and building societies have an unrivalled ability to reach and support those impacted by economic abuse. Moreover, seventy per cent of UK adults believe that financial institutions should be doing this.⁸

Introducing a Code of Practice

In 2016 and in partnership with Citizen's Advice, the British Banker's Association (now UK Finance) developed a useful framework to help banks, other creditors and advice providers challenge financial abuse in intimate partner relationships.

A number of groups (including The Cooperative Bank and Refuge within their ground-breaking research report *Money Matters*⁹) recommended the development of a Code of Practice to further develop the banking industry's response to this issue. SEA contributed to the development of the Code (which was launched in October 2018) and is greatly encouraged by it.

Interest in the issue of economic abuse (which includes financial abuse) is at an all-time high. The Government has proposed including economic abuse within the statutory definition of domestic abuse in new legislation expected early next year. In addition, UK Finance has recently launched a Financial Abuse Code of Practice which a number of banks and building societies have signed up to. The developments provide a timely opportunity to bring stakeholders together and explore what banks and building societies can do to make a difference. SEA organised the 'Banking on Change' conference to do just this. We invited Norm Kalcovski, Head of Customer Care at National Australia Bank, to attend and share his experience of introducing innovative responses to this issue following a major review of the bank's policies. The Code sets out a baseline response – financial institutions can and should build on it and set their ambitions high.

The case for a duty of care

SEA believes that there is an imbalance in existing regulation between the responsibility placed on consumers to make decisions and banks' responsibility to take appropriate levels of care. Too little consideration is paid to how people's circumstances might affect their ability to make decisions. This is crucial in cases of intimate partner violence where refusing a demand is dangerous, compelling an individual to act in accordance with the abuser's wishes, rather than their own.

The charity therefore supports the proposal that the Government should amend the Financial Services and Markets Act 2000 to create a requirement on the Financial Conduct Authority (FCA) to set out a reasonable duty of care for financial services providers to exercise towards their customers. This was made by the Financial Services Consumer Panel and echoed by the House of Lords Select Committee on Financial Exclusion. In addition, the Home Affairs Committee recently drew on the oral and written evidence provided by SEA as part of its Inquiry into domestic abuse, to endorse this proposal.

For more information visit

www.survivingeconomicabuse.org or email info@survivingeconomicabuse.org

1 Stark, E. (2007) *Coercive Control: How Men Entrap Women in Personal Life*. Oxford: Oxford University Press

2 Sharp-Jeffs, N. with Learmonth, S. (2017) *Into Plain Sight: How economic abuse is reflected in successful prosecutions of controlling or coercive behaviour* London: Surviving Economic Abuse

3 Earlywhite, M. and Stohl, I. (2005) *In Our Shoes: The Next Steps*. Washington: State Coalition Against Domestic Violence

4 Websdale, N (1999) *Understanding Domestic Homicide*. California: Northeastern University Press

5 Office for National Statistics (2018) Domestic abuse: findings from the Crime Survey for England and Wales: year ending March 2017

6 Adams, A. E., Sullivan, C. M., Bybee, D. and Greeson, M. R. (2008) Development of the Scale of Economic Abuse. *Violence Against Women* 14(5): 563-587

7 Sharp-Jeffs, N. with Learmonth, S. (2017) *Into Plain Sight: How economic abuse is reflected in successful prosecutions of controlling or coercive behaviour* London: Surviving Economic Abuse

8 Sharp-Jeffs, N. (2015) *Money Matters: Research into the extent and nature of financial abuse within intimate relationships in the UK* London: The Co-operative Bank/Refuge

9 Sharp-Jeffs, N. (2015) *Money Matters: Research into the extent and nature of financial abuse within intimate relationships in the UK* London: The Co-operative Bank/Refuge