



SURVIVING

ECONOMIC

A B U S E

For mortgage providers

Supporting customers experiencing economic abuse

Building safety

In partnership with



Whole Housing
Domestic Abuse

One in five UK adults has experienced economic abuse by a current or former partner. Over a third didn't tell anyone at the time¹. The mission of Surviving Economic Abuse is to raise awareness of economic abuse and transform responses to it.

If you work for a mortgage provider, this information is for you. It may help you to understand what economic abuse is, know how to recognise it in the context of domestic violence, and know what you can do to support victim-survivors.

Understanding economic abuse

Domestic abuse takes many forms. Some abusers repeatedly dictate their partner's choices and control their everyday actions, becoming violent or threatening to become violent if their demands are refused.

Abusers may interfere (through control, exploitation and sabotage) with their partner's access to money and finances, as well as those things that money can buy (such as food, clothing, transportation and a place to live). This is **economic abuse**, and it is designed to limit someone's freedom.

This type of abuse can create economic instability and / or make one partner dependent on the other, which can prevent victims from leaving and rebuilding their lives.

“Money doesn't make you happy but without money, there's nowhere to go. That's why, for me, economic abuse is the greatest form of control.”

Economic abuse and mortgages

“A court order said the house must be sold. When I had to apply for a new mortgage during the process, he refused to put his signature down until I paid for all fees up-front. Both our names were on the mortgage and we needed both signatures, but it's maddening that I was solely responsible for meeting all the expenses.”

One way in which perpetrators of economic abuse control their partner or ex-partner is through joint financial products, such as a mortgage.

If the abuser and their partner already have a joint mortgage, the abuser might:

- fraudulently apply to re-mortgage the property, including releasing equity, or force their partner to agree to apply for a re-mortgage under duress
- stop paying their share of the mortgage
- withhold consent to re-negotiate the mortgage interest rate, causing payments to rise
- withhold consent for a sale, re-mortgage or equity release
- deliberately cause severe damage to the property, putting it in negative equity

- leave the UK or abscond, leaving their partner to deal with debts and repayments
- refuse to move out of the home
- use duress to force their partner to 'agree' to the family home being used as security for another loan, such as a business loan
- rent out a buy-to-let property with all the paperwork in their sole name as the landlord, meaning their partner is not able to make any decisions or take any action in relation to the renting of the property.

Abusers can use mortgages as a tactic even if they do not have a joint mortgage with their partner. For example, they might:

- fraudulently apply for a mortgage in their partner's name
- force their partner to apply for a mortgage under duress
- fraudulently apply to be added to their partner's mortgage or property deeds.
- use spousal rights to register their name on the property deeds.

Other tactics that may indirectly affect a partner's mortgage include the abuser:

- insisting an estate agent/surveyor values the property too highly to make a sale unlikely if it goes on the market
- sabotaging viewings to put off prospective buyers
- deliberately causing damage to the property to sabotage a sale and make the home undesirable
- manipulating professionals such as estate agents so that rental incomes go to them
- refusing to remove their name from the property register.

A joint financial product like a mortgage often means economic abuse can continue long after a relationship has ended.

The impact of economic abuse via a mortgage

"I can't sell the property as he won't let me. I pay for everything and should be allowed to sell, but I can't."

Debt

The most common way in which people who experience economic abuse via a mortgage product are affected is that they are left with significant debt, including mortgage arrears.

Often, people who experience this type of economic abuse are forced to take out loans and credit cards, or borrow substantial sums from family or friends, in order to maintain payments, prevent arrears and pay legal fees.

Repossession

Repossession proceedings can be issued within three months of the mortgage being in arrears. However, financial proceedings to make the perpetrator pay their share or decide on what to do with the house can take more than two years if the perpetrator is effective in delaying them. The house may have been repossessed by this time.

Affordability

Often, people who have experienced this type of economic abuse will have paid a joint mortgage on their own for many years if the abuser has refused to pay their share. They may finally get the property signed over to them after lengthy court proceedings, only to find that they do not meet the lender's affordability criteria for a mortgage in their sole name.

Mortgage prisoners

People who jointly own their home with the abuser can find themselves trapped in an unaffordable mortgage if the abuser refuses to re-mortgage or switch. This is a very effective way in which abusers deplete their partner's finances and force them into arrears.

Eligibility for legal aid

Homeowners who have experienced economic abuse are unlikely to be eligible for legal aid, regardless of their actual economic situation. This can impact their ability to begin legal proceedings against the abuser, such as making decisions about child contact or obtaining protective court orders. Homeowners often need to go through lengthy court proceedings to divide assets, including the property.

The role of mortgage providers

If you are concerned that a customer you are supporting may be experiencing economic abuse, you might wonder what you should do.

Financial service providers can play a key role in helping to prevent economic abuse. Your involvement can also be critical in supporting people to rebuild their lives and achieve economic safety if they have experienced economic abuse. Noticing the signs and acting on them can have a huge impact on someone's safety and economic stability.

It might be daunting to talk about economic abuse, but remember that you aren't there to solve everything. By simply talking to the customer about the issue and what your company can do, you are playing a crucial role to help them achieve economic safety.

Look out for warning signs

There are some key signs to look for, that may help identify that a customer is vulnerable to economic abuse or already a victim.

Look out for customers who:

- remain silent while another party does all the talking
- instruct you to speak to their partner
- seem to be taking instructions from their partner
- appear withdrawn, fearful, distressed or scared
- do not understand or are not aware of a mortgage in their name
- have concerns about protecting their personal privacy or safety
- 'spoil' an application form (perhaps for the opportunity for a call from the mortgage provider to say what is happening)
- indicate their mail is no longer being delivered to their home
- ask for something that would clearly not be in their best interest, such as adding a partner to their mortgage or using their property to secure a loan for their partner
- ask for equity to be released from a joint property and try to speak on behalf of both parties
- ask for equity or a loan to be paid into their sole account despite there being a joint account
- tell you that their partner is not paying their share of the mortgage
- want to make changes to the mortgage and cannot get their partner to consent.

Also look out for third parties who present a form carrying the customer's signature that is otherwise completed in different handwriting.

How to respond

Customers experiencing economic abuse may approach you to let you know what is happening and ask what your company can do to help. It may be very daunting for someone who has experienced economic abuse to talk about what has happened to them. If a customer is a victim of economic abuse, it is important to know how to respond so they know that you are there to support them.

The [Financial Services Vulnerability Taskforce](#) and the [UK Finance Financial Abuse Code of Practice](#) have set out the ways in which financial service providers should respond to vulnerable customers. This includes customers who have experienced economic abuse.

The guidance advises responding to vulnerable customers in the following ways:

Respond with empathy

You may be the first person that someone who has experienced economic abuse shares their story with. Offer a supportive response that is sensitive to the issues the customer may be experiencing and encourages them to share their story with you and seek support.

Many financial service providers offer training on economic abuse for staff, and the training can help you to respond appropriately to customers. Surviving Economic Abuse offers specialist training to companies on economic abuse. See more information below.

Invite the customer to speak privately about the issue

If you are not already speaking in private with the customer, offer to move the conversation to somewhere quiet where they cannot be overheard.

Be flexible

Many financial service providers have policies on supporting vulnerable customers, including customers facing economic abuse. Find out if yours has a policy like this.

Many policies specify ways in which normal procedures can be altered to better support vulnerable customers. It may be that you can offer a vulnerable customer a longer appointment, for example.

Don't ask the customer to repeat their story

It can be difficult for people experiencing economic abuse to share their story, let alone share it more than once. With the customer's consent, note their story securely on their file so that they do not need to repeat it to other staff members.

Offer specialist help

Refer the customer to specialist services, including external sources of help relevant to their situation (for example, a domestic abuse organisation, specialist debt services or independent legal advice). Specialist services can support them with information to help them make financial decisions.

"I've had to pay for the mortgage and everything for the house, then when it was sold he got 50%."

Consider speaking to the customer's family or friends

The customer may ask you to speak to a friend or relative on their behalf. Consider doing this if it would provide support for the customer. However, it is important to be aware that sometimes family members may also be implicated, especially when intimate partner violence is taking place in the context of honour-based abuse. If the customer has a family member or friend with them, try to make sure that they are able to speak freely in front of this person. If you have any concerns, it is best to speak directly to the customer or suggest that you call back at a time when they are alone.

Consider alerting the police

If you have reason to believe that a customer may be in immediate danger of fraud or other criminal activity in relation to their mortgage, ask the customer if they would like you to involve the police. Alerting the police may in some cases put victims of economic abuse at risk of further harm, so always involve the customer if this is something you are considering.

“If someone has got a joint mortgage and only one person is paying, why should they need a second signature? He controls what I pay – it's another form of control.”

Supporting the customer to regain control of their finances

There are a number of ways that you can support customers facing economic abuse to regain control of their finances and help prevent further abuse.

Only support a customer to take the following actions if they are sure that it is safe for them and would not lead to further harm from the abuser.

Pursue the perpetrator for debts

The abuser may have forced their partner into mortgage arrears. Your company may have a policy that allows you to write-off debt that is a consequence of domestic abuse, including economic abuse. Or can you pursue the abuser for the re-payment of the debts?

Pursue the perpetrator for mortgage payments

Many perpetrators of economic abuse refuse to pay their share of the mortgage, sometimes doing so to force the account into arrears and prompt repossession. If a customer reports this behaviour to you, is there a way that you can actively pursue the other party for their share of the payments?

Consider allowing a payment holiday

Many financial service providers have policies that allow vulnerable customers, including customers experiencing domestic abuse, a payment holiday that gives them a 'breathing space' while things are particularly difficult. Find out if this is something you could offer the customer while assets are being divided or while they are reaching safety.

Please be aware that it's common for financial proceedings to take over a year in cases of economic abuse where the proceedings are being deliberately delayed.

Allow decisions in the best interests of both parties

Do your company's policies allow one party to make decisions without the other's consent where they would clearly be in the best financial interest of them both, for example, switching to a lower interest rate?

Amend credit scores

Being in mortgage arrears can have a significant impact on someone's credit score, which can make it difficult for them to become economically stable.

If a customer's credit score is affected as a result of the abuser's behaviour, consider amending their records to more accurately reflect their credit worthiness.

Outline all the options

If financial or legal proceedings that will decide the future allocation of the home are ongoing, ensure that the customer knows what their options will be.

Send correspondence to a new address

If a customer has left their home due to the risk of immediate danger, they might prefer to use the address of a refuge or safe house with a PO Box, or they might prefer to have letters sent to a bank branch to collect.

Keep the customer's details secure

If the customer has moved to a new address because they have experienced domestic abuse but still have a joint mortgage with the abuser, it will be very important to keep their new address details secure. Ensure that the abuser does not have access to the customer's new address through profiles being linked and consider what is written on documents they may be requested for court proceedings.

Other things you can do

Review your bank's policy on supporting vulnerable customers

There may be other ways in which your employer has committed to supporting vulnerable customers.

Speak to the vulnerable customer team

Your bank may also have a team dedicated to supporting customers in financial difficulty. Speak to them to find out more about how you can support customers who have experienced economic abuse.

Review policies

Work with a domestic abuse specialist to review policies and mortgage agreements to try to close-down opportunities for abuse. Does your company have robust policies in place to deal with fraud and coercion appropriately and safely?

Request training on economic abuse

Speak to your organisation about whether training on economic abuse could be provided. Surviving Economic Abuse offers specialist training and consultancy to financial service providers on economic abuse. Please get in touch on info@survivingeconomicabuse.org if you would like to find out more or book training, or work with us to review your company's policies.

Request advice from the National Advice service for Banks and Building societies

Run by Surviving Economic Abuse, the [advice service](#) is a telephone service for banks and building societies offering advice on matters related to economic abuse.

Further support

We have more information that you may find helpful to understand more about economic abuse.

Visit www.survivingeconomicabuse.org/resources for information including:

- What is economic abuse?
- Spotting the signs of economic abuse

If one of your customers is experiencing economic abuse, they are not alone. We have information at www.survivingeconomicabuse.org/resources that can support them to take steps towards safety and begin to regain control of their finances, including:

- Steps you can take towards economic safety
- Organisations that can help
- Grants and financial help

References

1. 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*

*Financial abuse is a sub-category of economic abuse. It involves the control, exploitation or sabotage of economic resources (not 'just' money and finances but housing, transport etc.) more broadly. As such, the scale of the issue is likely to be underestimated. There are no national statistics on the scale of economic abuse.

