

SURVIVING

ECONOMIC

A B U S E

Insurance and economic abuse:

The challenges faced by victim-survivors of economic abuse in accessing insurance protection

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What is economic abuse?

In the UK, economic abuse is increasingly recognised and understood. This form of abuse involves the control of someone's money and finances, as well as the things that money can buy. Economic abuse can include exerting control over income, spending, bank accounts, bills, borrowing and insurance.

It can also include restricting access to and use of things like transport and technology, which allow us to work and stay connected, as well as property and daily essentials like food and clothing. It can also include exploitation and sabotage of these resources. One in six adults in the UK has experienced economic abuse by a current or former partner,¹ and 95% of cases of domestic abuse involve economic abuse.²

The challenges faced by many victim-survivors worsened as a result of the pandemic, with a significant increase in demand for services supporting victim-survivors. This suggests that measures in place during the pandemic led to an increase in reported cases of domestic abuse experienced by victim-survivors, as well as limiting options to escape and safely access services or reach out to agencies such as the police.³ These challenges are compounded by the growing impact of the cost-of-living crisis.

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Economic abuse and the law

As a result of the influencing efforts of Surviving Economic Abuse (SEA), in 2021 the government named and defined economic abuse in the statutory definition of domestic abuse within the Domestic Abuse Act for England and Wales.

Also, thanks to the efforts of SEA, the Domestic Abuse Act amended the Serious Crime Act (2015) to extend the offence of controlling or coercive behaviour (including economic abuse) to apply post-separation. The same legislation created the role of Domestic Abuse Commissioner with statutory powers to monitor government actions on abuse, including economic abuse.⁴

The statutory guidance which underpins the Domestic Abuse Act formally recognises financial services such as banks and building societies as stakeholders for the first time. The Government's Tackling Domestic Abuse Plan calls on firms to sign up the Financial Abuse Code⁵ and strengthen responses to domestic abuse. There are 30 firms representing 40 brands already signed up and taking action. There are also examples of good practice, including banking partnerships with SEA, contained within the Financial Conduct Authority's (FCA) Guidance on the Fair Treatment of Vulnerable Customers 2021⁶. Within this, the FCA recognises domestic abuse and economic control as a life event which can make someone vulnerable.

¹ Refuge, Know Economic Abuse, 2020.

² Surviving Economic Abuse, Recognising and responding to the scale of coerced debt, 2020

³ Office for National Statistics, Domestic abuse during the coronavirus (COVID-19) pandemic, England and Wales: November 2020, 2020.

⁴ United Kingdom Government, Policy paper: Domestic Abuse Act 2021, 2022.

⁵ Financial Abuse Code, 2021 UK Finance Financial-Abuse-Code-2021_Updated_2022_1.pdf (ukfinance.org.uk)

⁶ Financial Conduct Authority, Guidance for firms on the fair treatment of vulnerable customers, 2021.

Why does economic abuse matter for insurers?

Insurance protection is vital for financial security, and it is important that it is made accessible to vulnerable customers. However, many victim-survivors of domestic abuse find themselves unable to access and benefit from insurance.

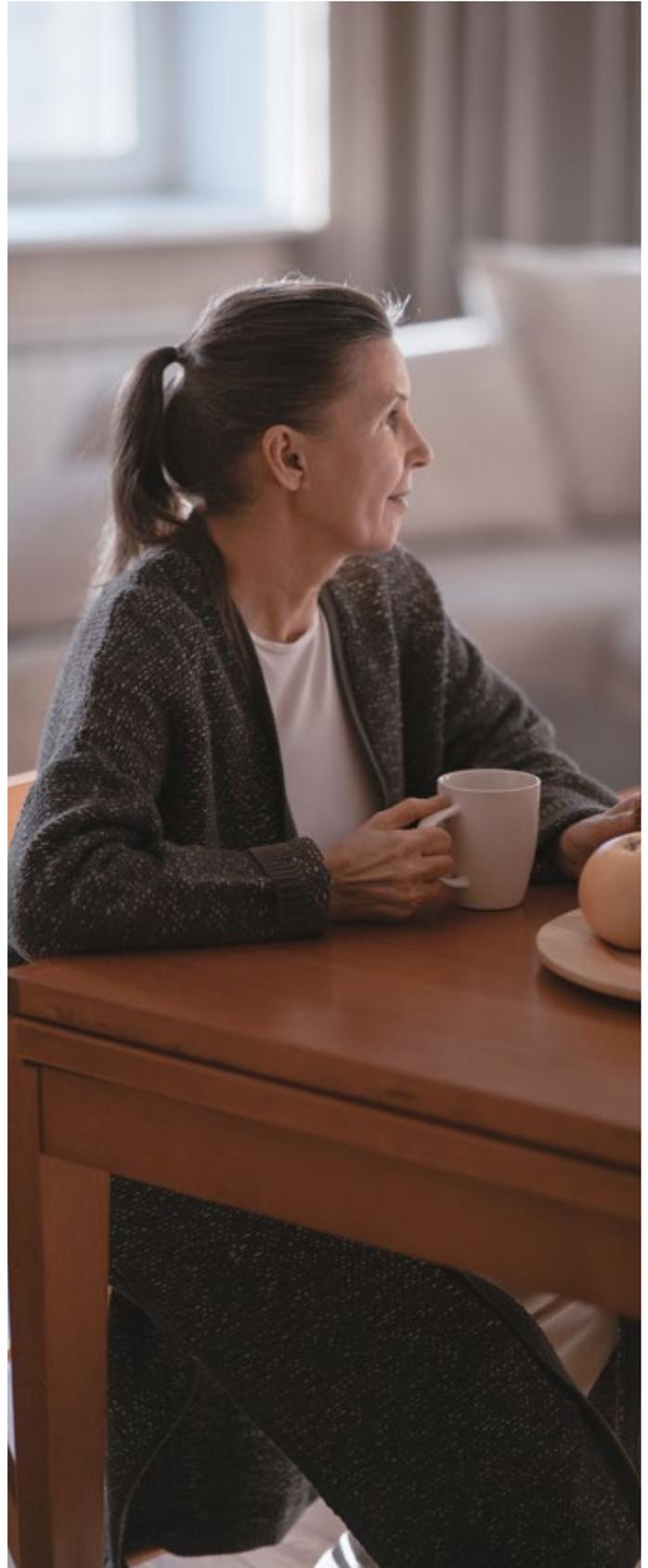
In order for the insurance sector to better protect victim-survivors, there is a need for a fuller understanding of economic abuse across the industry. This would enable products and processes to be adapted to support victim-survivors.

About this briefing

The purpose of this briefing note is to raise awareness of how victim-survivors of economic abuse are impacted by the insurance industry and make recommendations which can support insurance firms to act.

This brief was developed based on a range of information sources, including:

- literature on economic abuse and insurance
- testimonies of victim-survivors who are members of the Experts by Experience group facilitated by SEA
- interviews with insurance industry stakeholders
- a review of decisions published by the Financial Ombudsman Service which identified 29 insurance cases relevant to domestic abuse⁷
- data provided by the insurance company Aviva on vulnerable customer call volumes and 10 randomly selected anonymised case studies relating to calls which disclosed domestic abuse
- a workshop between Aviva, SEA and a selection of SEA's key trusted partners on economic abuse and the key challenges faced by survivors with insurance
- publicly available information related to Domestic Homicide Reviews and media reporting of homicides.



⁷ The Financial Ombudsman has now recognised economic and domestic abuse as a category of complaint. It provides information on its website about economic and domestic abuse and how victim-survivors can make complaints to the Ombudsman.



This briefing contains content that some people may find distressing to read.

Challenges faced by victim-survivors in accessing and benefiting from insurance protection

SEA's research found eight key challenges faced by victim-survivors:

Challenge 1:

Victim-survivors face barriers to accessing insurance

Victim-survivors of abuse may have claims histories which make it more difficult for them to access insurance. Prior claims may have been made due to damage caused by an abuser. This can result in higher premium quotes and even insurance being refused or cancelled. Online sales and automatic quotes which do not allow victim-survivors to explain their situation exacerbate such cases.

Challenge 2:

Victim-survivors' claims are sometimes unfairly rejected

Property and car insurance claims are sometimes denied if they result from damage caused by a member of the household, or by a person "allowed" to enter or legally entitled to be on the property. The Financial Ombudsman Service has ruled that such exclusions have sometimes been applied inappropriately in instances of separation, particularly from an abusive ex-partner. This is because they can leave victim-survivors unable to claim for the loss of important economic assets.



Challenge 3:

Joint policies are locking victim-survivors into ongoing financial relationships with abusers

Couples often take out insurance on a joint basis. Both parties should consent to the policy being set up, but that is not always the case. Despite this, the way in which policies are set up means the consent of both policyholders is required to change or cancel a policy. Victim-survivors therefore find themselves locked into insurance policies with abusers if they are not able to safely contact the other party to request their agreement to a change or cancel, or where an abuser refuses to cooperate. It is sometimes possible to cancel a policy by stopping payments and waiting for a policy to lapse. However, both parties are informed of stopped payments and an abuser sometimes reinstates payments to prevent the victim-survivor from cutting ties financially. In some cases, firms have named only one party for communication. This has meant that even a victim-survivor named on a joint policy cannot speak to the insurer.

"I had no choice but to go back to my ex-partner and grovel so that he would speak to the insurance company and give permission for the home insurance policy to be changed to just my name. I shouldn't have been put in the dangerous position of having to approach him."

Victim-survivor

Challenge 4:

Perpetrators sabotage or manipulate insurance as a tool of abuse

This occurs in several ways:

- Abusers may coerce victim-survivors into taking out or paying for insurance policies. They may also take out insurance policies in the victim-survivor's name without their knowledge. They may assign them as the payee of a policy without their consent, particularly through online purchases. In this way, abusers can build up large premium bills which victim-survivors are left to pay and which often prove very difficult to cancel.
- Abusers may coerce victim-survivors into making fraudulent claims or make fraudulent claims on their policy without their knowledge.
- Equally damaging are policies changed, not renewed, or cancelled without a victim-survivor's consent or knowledge. An abuser may purposefully cancel vital insurance protection such as health insurance, house insurance, or car insurance, especially in the case of joint or family policies, leaving victim-survivors vulnerable. In some cases, abusers even cancel or change victim-survivors' individual insurance policies when an insurer accepts the authority of a partner or ex-partner to act on behalf of the policyholder without their consent.

"I was deliberately severed from my private health insurance covering my disability medical expenses and specialist treatments, permanently excluding all previous existing conditions from any future insurance cover. The intent was to disable me further, cause me debilitating pain and distress, and use this to have my child removed from my care in court proceedings due to my disability deteriorating."

Victim-survivor

This sabotage is demonstrated clearly by the case of Claire Throssell. Claire experienced domestic abuse and when she left, the abuser killed their two sons by setting fire to their home. Before he did so, he wrote to the bank stating he was no longer responsible for the mortgage and did not renew the home insurance. It was only the incredible generosity of the local community that meant the house could be rebuilt and sold.⁸

Challenge 5:

Life insurance policies taken out in a victim-survivor's name can be used as a form of intimidation or with the intention of benefiting from the policy after attempts to take the victim's life

Abusers may make victim-survivors aware of life insurance taken out on them in order to frighten and intimidate them. In other cases, an abuser may take out life insurance in order to benefit financially from the murder of a victim.

"He took out life insurance on me. I tried to beg him to cancel the policy. I had to contact the insurance company, change the direct debit payments to my bank, then default to get it stopped."

Victim-survivor

SEA and Advocacy After Fatal Domestic Abuse (AAFDA) have drawn attention to cases of suicide or homicide where they are aware of an abuser benefitting from life insurance pay-outs and/or disposing of, and even selling, the victim's economic assets.⁹ The Domestic Homicide Review Panel, which SEA sits on, has reviewed cases in which perpetrators were set to receive large life insurance pay-outs, sometimes from various policies, after murdering a partner or ex-partner. Other cases have also been reported in the media. Two examples are summarised in Box 1.

⁸ Claire thanks community in touching film | Barnsley Chronicle <https://www.barnsleychronicle.com/article/21172/claire-thanks-community-in-touching-film>

⁹ Sharp-Jeffs, 2022

Box 1. Life insurance and domestic homicide cases

A Domestic Homicide Review conducted in Middlesbrough, North Yorkshire outlined how a perpetrator had taken out over £2 million in various life insurance policies to cover his wife's death before murdering her. This formed a key part of the prosecution against him. In another case reported in the press, Ian Stewart was due to receive £1.28 million as well as other assets from the life insurance policy of his wife, Helen Bailey, when he murdered her in 2017. He was also found to have previously received £28,000 from a life insurance policy after killing his first wife, Diane Stewart, in 2010.

Challenge 6:

Victim-survivors' interactions with insurers can be difficult and stressful

Where employees do not have an understanding of domestic abuse, they may interact insensitively with customers on the basis of incorrect assumptions. Where systems are not in place to record information disclosed about abuse, victim-survivors are put in the position of having to recount traumatic experiences to various employees. On the other hand, insurers can provide a positive and affirming experience for victim-survivors if they feel believed and that there is a genuine attempt to provide support. The Financial Abuse Code¹⁰ includes guidance for firms to 'minimise the need to repeat one's story'. Many financial service providers who have signed up to the Code provide insurance products.

Challenge 7:

Victim-survivors face difficulties accessing insurance information

Abusers often prevent victim-survivors from accessing full information about financial products. In cases of separation, victim-survivors are often forced to flee without important paperwork. They therefore face challenges in finding out about the insurance cover they have in place and accessing its benefits. They frequently lack information like policy numbers which insurers request in order to provide details about a policy or make changes to it. In some cases, the insurance company has refused to speak to the victim-survivor, despite being a named party. Victim-survivors might not even know which insurer to contact. The consequences of being unable to access information about a policy can be significant. For example, a victim-survivor may be unable to use a car if they don't know whether it's insured. This could prevent a victim-survivor from fleeing.

Challenge 8:

Inappropriate disclosure of information puts victim-survivors at risk

For victim-survivors fleeing an abuser, the ability to maintain privacy and avoid the abuser finding out personal information is vital. Unfortunately, there are cases in which sensitive information, particularly a change of address, has been wrongfully disclosed by an insurance company to an abuser. This can have devastating implications for the victim-survivor.

Insurers can use SEA's Checklist for insurers to explore how some of these issues may apply in relation to their products and processes.



¹⁰ Financial Abuse Code, 2021 UK Finance Financial-Abuse-Code-2021_Updated_2022_1.pdf (ukfinance.org.uk)

Employees may also be victim-survivors or perpetrators of economic abuse

Insurers should keep in mind that their employees may be victim-survivors or perpetrators of economic abuse. Indeed, those working in financial services may be particularly well placed to carry out economic abuse.

Employers can:

- provide training on economic abuse for staff to raise awareness of this form of abuse, adopt policies and working practices to support staff members experiencing economic abuse and accommodate victim-survivors' circumstances
- provide direct financial and practical support to victim-survivors, such as time off work, security, and support with the costs of short-term accommodation and travel to leave an abuser
- provide counselling or supervision for staff who are supporting survivors of abuse, given the impacts of secondary trauma are well documented.

How the financial sector is beginning to address economic abuse

In February 2021, the Financial Conduct Authority published 'Guidance for firms on the fair treatment of vulnerable customers', which applies to victim-survivors of domestic abuse. This guidance highlights the risk of perpetrators using financial services to continue abusing victim-survivors. It also highlights the lack of control victim-survivors may have over their finances, and sets out the need for firms to be aware of and respond to this.¹¹

In December of the same year, in response to regulatory changes recognising economic abuse, UK Finance refreshed its 'Financial Abuse Code', first published in 2018. The Code focuses on raising awareness of financial abuse, supporting customers in financial difficulties, and increasing the consistency of responses across the sector. The Code is voluntary, and a total of 30 UK Finance members and 40 brands have committed to implementing its guidance across the financial sector.¹²

The Code is designed primarily for banking services and some of the principles would need to be adapted for the insurance sector. A parallel set of principles or similar sector-wide initiative has not yet been put in place for insurance.

However, insurance firms will be required to implement the Financial Conduct Authority's Consumer Duty. It sets higher and clearer standards of consumer protection across financial services, building on and enhancing existing practice. The Association of British Insurers (ABI) has also started to explore issues related to economic abuse with members. This follows a series of reports authored by Jane Portas for the Chartered Insurance Institute's Insuring Women's Futures programme. The reports identified the risk of domestic abuse as one of 12 key risks in life (referred to as '12 Perils and Pitfalls') which can affect women's financial security with the risk of economic abuse¹³.

Insurance firms will be required to implement the Financial Conduct Authority's Consumer Duty, which sets higher and clearer standards of consumer protection across financial services.



¹¹ Financial Conduct Authority, Guidance for firms on the fair treatment of vulnerable customers, 2021.

¹² UK Finance, 2021 Financial Abuse Code, 2021.

¹³ Jane Portas (author and creator 6 Moments That Matter®), Securing the financial future of the next generation, 2019 Insuring Women's Futures (publisher).

The author identified '6 Moments That Matter' for improving women's financial futures. She further explored the impact of abuse on women's financial lives in 'Living a financially resilient life in the UK beyond Covid-19 – 6 Moments That Matter to build back fairer financial futures'.¹⁴ A further study¹⁵ highlighted ways in which customers and employees experiencing economic abuse can be supported by organisations across the financial services sector, including a number of insights, survivor testimonies and person-led actions to inspire insurers' approaches¹⁶

Insurance industry bodies have produced sector-wide guidance in other countries, notably the Insurance Council of Australia.¹⁷ This has contributed to the creation of domestic violence policies by some Australian insurers.¹⁸ Many insurance companies are interested in developing an industry-wide approach in the UK.

How insurers are beginning to address economic abuse

Insurance companies are beginning to address the challenges faced by victim-survivors of economic abuse at a company level. Where insurers have already put measures in place, these frequently involve escalation processes for suspected or confirmed cases of abuse. The escalation process involves:

- referring the case to a staff member trained to support victim-survivors
- recording a customer's circumstances (with their permission) on their customer record to avoid the need to explain their situation repeatedly
- referrals to external support services
- training staff on how to identify and respond to domestic abuse, including economic abuse.

Case study:

Aviva's experience supporting customers and colleagues who have experienced domestic abuse

Aviva recognised the need for internal training to allow its staff to better recognise and respond to domestic abuse, including economic abuse, and to put in place processes to support customers experiencing abuse. It therefore established a domestic abuse initiative to support customers as well as employees.

Accessible, virtual training available to all staff:

Aviva's Domestic Abuse Awareness training can be accessed online and has been completed by around 1,500 staff in the UK and the Republic of Ireland. Additional workshops, articles and other materials have also contributed to raising awareness internally.

A network of internal champions: The charity SafeLives trained more than 150 domestic abuse awareness champions. These champions provide support for both customers and employees, and signpost to external sources of support. Other members of staff can contact these champions for advice when they believe a customer they are supporting may be experiencing abuse. Almost half (47%) of champions have reported being able to practically assist either customers or colleagues since taking the training.

An official human resources policy and

employee support: An official domestic abuse policy establishes a zero-tolerance stance against any form of domestic abuse. It offers colleagues experiencing domestic abuse the time during work to access support, and make arrangements. In addition to the policy, there is also guidance for people leaders/managers. It includes information on how to approach a conversation if they believe a team member is being abused, how they can support colleagues going through domestic abuse, and how they can access support themselves.

¹⁴ Jane Portas (author and creator 6 Moments That Matter®), Living a financially resilient life in the UK beyond Covid-19 – 6 Moments That Matter to build back fairer financial futures, 2020 Insuring Women's Futures (publisher).

¹⁵ Portas, Jane. The Economic Abuse Threat Facing Girls & Women in the UK: 6 Moments that Matter in the Lives of Female Survivors – A person-led approach for the financial services sector in empowering and supporting customers and employees. 2021. <https://survivingeconomicabuse.org/the-economic-abuse-threat-facing-girls-women-in-the-uk-6-moments-that-matter-for-financial-services-in-empowering-and-supporting-customers-and-employees-report/>

¹⁶ Jane Portas & Nicola Sharp-Jeffs, The Economic Abuse Threat Facing Girls and Women in the UK: 6 Moments that Matter in the Lives of Female Survivors, 2021, published by 6 Moments That Matter and Surviving Economic Abuse.

¹⁷ Insurance Council of Australia, Guide to helping customers affected by family violence, 2021.

¹⁸ Suncorp, Domestic and Family Violence Policy, 2021.

Support for customers

Aviva is the UK's leading general insurer with over 6 million customers in the UK and Ireland. With a policy in place to identify and support victim-survivors of domestic abuse, Aviva has found that a small but important number of cases are flagged each month.

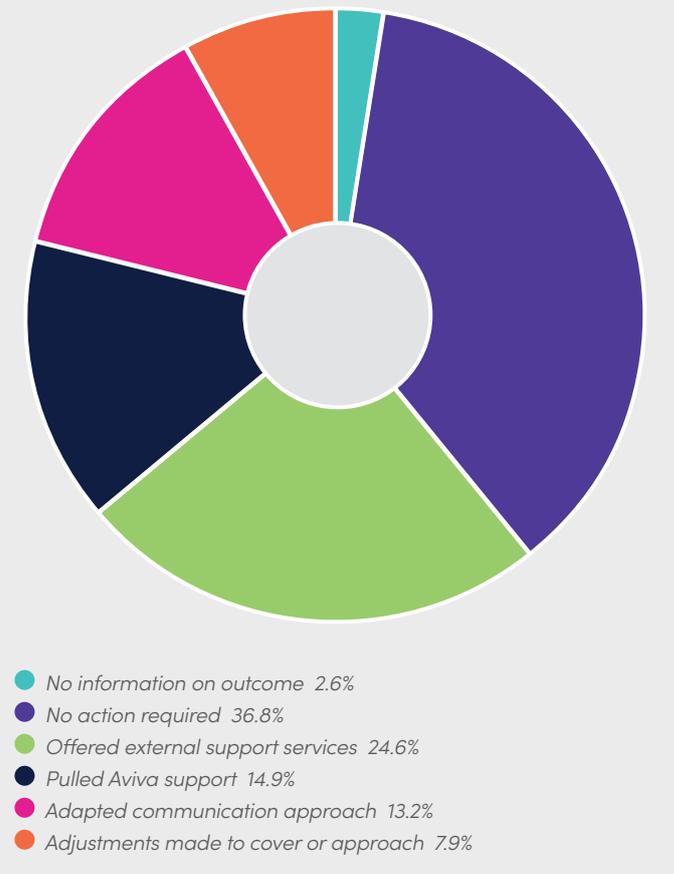
Aviva shared with SEA a data set showing call volumes and 10 randomly selected, anonymised case studies relating to calls which disclosed domestic abuse. In 2021, Aviva responded to over 8,000 vulnerable customer cases in its life insurance business.¹⁹ Of this number, Aviva recorded 1,599 cases as 'life events', a category which captures a wide range of situations such as bereavement, divorce, illness, and redundancy. Out of these 'life events', 7% (114 cases) related to domestic abuse, with an average of 9 or 10 domestic abuse cases a month. Although significant, this figure is almost certainly much lower than the actual number of customers affected. Many customers may not have disclosed the abuse to Aviva, and some cases may not have been recorded or may have been recorded under other categories. This figure only reflects the insurers' life business and does not include those who may report domestic abuse issues in relation to non-life insurance products, such as home or motor insurance.

In many cases, Aviva was not required to give a specific response to the customer beyond a sensitive handling of their situation. However, in around a quarter of cases, Aviva was able to refer the customer to external sources of support.

In over a third of cases, Aviva was able to take action internally, including:

- making adjustments to communications with customers (for example, changes to make sure that an ex-partner is not informed of a new address)
- making adjustments to an insurance cover or process
- requesting additional support internally from Aviva's domestic abuse awareness champions (Figure 1).

Figure 1. Actions taken by Aviva for customers who are victim-survivors of domestic abuse



For example, in one case shared with SEA, a policyholder called Aviva to ask for information about a joint policy. The policyholder didn't have any information about the policy, including the cover and handbook, as it had been withheld from her. During the call she disclosed that she'd been a victim of domestic abuse and needed to also change her address. She stressed the importance of ensuring this information was not disclosed to the abuser, who was also the joint policy holder. The Aviva call handler responded with empathy and care. They shared the policy details over the telephone, and followed up by email with the policy handbook. Aviva were also able to change the customer's address and, with the customer's consent, added a note to the case file explaining her circumstances. Aviva also signposted the customer to external support services – recognising the severity of her circumstances.

¹⁹ Aviva's life business includes life, health, income protection, group protection, critical illness, equity release, bonds, pensions, investments, ISAs, and annuity.



Aviva works with expert partners like SafeLives, SEA and the Employers Initiative on Domestic Abuse (EIDA) to ensure that their approach, training, and the information they are providing is suitable and up-to-date. Developing an internal network of trained champions has been vital for Aviva.

The network of champions was built on existing internal networks, such as vulnerable customer champions and ‘health heroes’ who support fellow staff members. Members of these networks received specific training on domestic abuse.

Recommendations for the insurance industry to support victim-survivors of economic abuse

To conclude this briefing note, SEA has outlined a number of recommendations that the insurance industry and individual companies can implement to transform responses to economic abuse.

Individual organisations

1. Build the capacity of staff to recognise and respond to domestic abuse including economic abuse, through employee inductions and training. Courses such as SEA’s ‘Economic Abuse and Financial Services’ can be adapted specifically for the insurance industry.
2. Communicate regularly with customers and employees about domestic abuse including economic abuse, and share positive changes in practice to build trust with victim-survivors. This raises awareness and reduces stigma in disclosing abuse.
3. Create conditions which encourage disclosures, such as external information that victim-survivors can access to find out what support is available (for example, UK Finance ‘It’s your money leaflet’ for customers).
4. Minimise the number of times a victim-survivor needs to share information about their circumstances through discreet and enhanced data recording. This also enhances information on the prevalence of domestic abuse, including economic abuse, which can be used to improve customer outcomes.
5. Invest in reviews of products and processes to ensure the safety of victim-survivors, particularly in relation to the security of confidential information and communication preferences, in line with the Consumer Duty.
6. Put processes in place that enable empowered staff to have greater flexibility around terms and conditions or policies when it is appropriate and necessary to do so.
7. Develop new ways of working to reduce barriers to insurance for victim-survivors and respond to their needs. For example, inform customers that they can step away from digital and/or automated processes, making it clear how victim-survivors can speak to a staff member directly.
8. Support employees who are affected by domestic abuse including economic abuse or are working with customers affected by it. This could include creating an official domestic abuse policy and providing guidance to leaders on how to support and signpost staff.

Insurance industry more broadly

9. Work across the industry, including with the Association of British Insurers, to develop improved practices for the separation of joint policies in cases of economic abuse.
10. Explore mechanisms to reduce foreseeable harms for victim-survivors where abusers can use insurance to perpetrate economic abuse. For example, reviewing the end-to-end customer journey to establish how abusers may exploit certain products – such as taking out a life insurance policy without the victim-survivors prior knowledge or consent.

Surviving Economic Abuse (SEA) is the only UK charity dedicated to raising awareness of economic abuse and transforming responses to it. We work day in, day out to ensure that women are supported not only to survive, but also to thrive.

Find out more

Contact us:

info@survivingeconomicabuse.org

Follow us on Twitter:

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Learn more about economic abuse:

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Access information on economic abuse:

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