

SURVIVING

ECONOMIC

A B U S E

Briefing on the Victims and Prisoners Bill

March 2023

Introduction and summary

Surviving Economic Abuse (SEA) is the only UK charity dedicated to raising awareness of economic abuse and transforming responses to it. Our work is informed by Experts by Experience – a group of over a hundred women who speak about what they have gone through so that they can be a force for change.

Economic abuse often occurs in the context of intimate partner abuse and involves the control of a partner's or ex-partner's money and finances, as well as the things that money can buy. Economic abuse is designed to reinforce or create economic dependency and/or instability. Lack of control over economic resources can result in a victim staying with an abusive partner for longer and experiencing more harm as a result. Further, ongoing interference with and lack of access to economic resources post-separation is the primary reason women return to an abusive partner¹ and makes the process of rebuilding an independent life challenging.

- One in six women in the UK has experienced economic abuse from a current or former partner.²
- 95% of domestic abuse victims experience economic abuse.³
- Economic abuse is linked to physical safety. Women who experience economic abuse are 5 times more likely to experience physical abuse.⁴
- 60% of economic abuse survivors are coerced into debt.⁵

SEA welcomes the Victims and Prisoners Bill in its attempt to enhance legislative protection for victims of crime. However, SEA joins partners in the violence against women and girls (VAWG) sector in calling for the Bill to be strengthened in a variety of respects. Many forms of economic abuse would constitute criminal conduct and fall within existing offences such as controlling or coercive behaviour, criminal damage, or fraud. The Bill can do more to both recognise economic abuse and support victims, and to that end SEA is calling for the Bill to make the following changes:

- Include a duty on relevant public bodies to provide victim support services including economic advocacy services alongside the duty to collaborate.
- Establish an emergency fund for domestic abuse victims.

¹ ANZ/RMIT University (2016) *MoneyMinded Impact Report: The Role of Financial Education in a Family Violence Context*

² Refuge (2020), *Know Economic Abuse*

³ https://survivingeconomicabuse.org/wp-content/uploads/2020/11/SEA-EJP-Evaluation-Framework_112020-2-2.pdf

⁴ Outlaw, M. (2009) *No One Type of Intimate Partner Abuse: Exploring Physical and Non-Physical Abuse Among Intimate Partners*, *Journal of Family Violence*. 24: 263-272

⁵ https://survivingeconomicabuse.org/wp-content/uploads/2020/11/SEA-EJP-Evaluation-Framework_112020-2-2.pdf

The Victims and Prisoners Bill should include a duty on relevant public bodies to provide victim support services including economic advocacy services alongside the duty to collaborate.

SEA along with sector partners welcomes the duty in the Victims and Prisoners Bill for relevant authorities to collaborate in carrying out their functions in relation to victim support services. This duty mandates collaboration across services (other than accommodation-based support) for victims of certain criminal conduct including domestic abuse. Along with Women's Aid and others however, we share the concerns of the Justice Select Committee which conducted pre-legislative scrutiny of the draft Victims Bill, that the duty does not go far enough in ensuring that community-based support services are comprehensively available for all victims of domestic abuse. For this support to be a reality, the Bill should require relevant authorities to provide/ commission services, along with a government commitment to multi-year funding for these services. The services should include advocacy support and funding for 'by and for' specialist services and be accessible to all domestic abuse victims on a needs-basis, regardless of immigration or other status. We also endorse the Committee's recommendation that the duty to collaborate should include the provision of support services to victims who do not make contact with or have withdrawn from the criminal justice system.

SEA recommends that the duty to collaborate and any new duty to provide services should include economic advocacy services. As indicated above, economic safety and resilience are paramount to victims' ability both to escape and to rebuild their lives free of these crimes. This is more urgent now than ever with the compounded impact of Covid and the cost-of-living crisis. In keeping with the recognition of economic abuse in the Domestic Abuse Act, which SEA led the call for, and also in the government's *Tackling Domestic Abuse Plan*, economic advocacy needs to be recognised as a service that is integral in the response to domestic abuse. This includes linking to money, debt and benefits advice as well as financial services, with a view to ensuring, for example, that coerced debts are written off, mortgages are delinked from the perpetrator, and credit files repaired. Recognising the role that financial services have in responding to domestic abuse, the Plan states that the government will also continue to engage with the financial sector to raise awareness and strengthen the sector's response to domestic abuse. It calls for more financial sector firms to sign up to UK Finance's [Financial Abuse Code of Practice](#) (refreshed December 2021), which now addresses debt separation.

The Financial Conduct Authority (FCA) guidance for firms on the fair treatment of vulnerable customers recognises specialist financial abuse teams as good practice that large financial services firms may consider. SEA has worked with Lloyds Banking Group (LBG) to establish a specialist domestic and financial abuse team, training staff on economic abuse and seconding a member of the SEA team to it. In addition to this, the FCA's implementation of the Consumer Duty sets to raise the bar even higher across the financial industry. The introduction of a 'consumer principle' requires firms to deliver good outcomes for all retail customers. The duty sets out provisions that require firms to mitigate foreseeable harms for vulnerable consumers throughout the entire customer journey – including both product design and customer support. As [SEA's briefing](#) sets out this could mark a substantial shift in how products and services are currently designed which reduces the risk of exploitation and economic abuse, particularly through digital channels. SEA encourages the FCA to share with firms examples of best practice around how to implement the duty and steps they might take to reduce foreseeable harms for victim survivors.

In keeping with the increased recognition of economic abuse, we recommend that the standard support offer in all domestic abuse services should include economic advocacy in partnership with money/debt and financial services. This would build on the Violence Against Women and Girls National Statement of Expectations which sets out that Commissioners should identify what steps local banks and building societies are taking to identify and support victims of financial and economic abuse.

SEA has previously evidenced the powerful impact of specialist economic advocacy services for victims of domestic abuse. Through the [Economic Justice Project](#), SEA, alongside Money Advice Plus, jointly employed a Debt and Benefit Specialist role within a local domestic abuse service, which brought together expertise on domestic and economic abuse and money and debt advice. In the project evaluation, the Specialist was found to have contributed to an increased understanding of what actions could be taken to respond to economic abuse. In addition, staff had been upskilled by the resources produced. As a further example of mechanisms to link to, Money Advice Plus runs a Financial Support Line in partnership with SEA which offers specialist advice to anyone experiencing domestic abuse who is in financial difficulty. It aims to empower people who have experienced or are experiencing abuse to regain control of their finances. A national casework service is also in operation.

In ensuring that community-based support integrates support for economic abuse, it is important that accreditation for IDVAs includes a competency standard on economic abuse, and organisations that run accreditation and related training for frontline professionals include economic abuse competencies and learning requirements. A corollary of this is that specialist support lines and casework services should be fully funded to enable services to refer on to specialist expertise if needed, regardless of risk level. The economic advocacy offer should include specialist support on financial capability for victims whose financial literacy and confidence have been undermined or damaged by an abuser.

SEA in partnership with Money Advice Plus has also created an information-sharing tool which is being used to ensure consistency in economic advocacy services. Modelled on the existing [Debt and Mental Health Evidence Form](#), the [Economic Abuse Evidence Form \(EAEF\)](#) is focused on responding to coerced debt and is being piloted by debt advisers to verify the experience of economic abuse, when communicating with creditors about coerced debt. As already highlighted, SEA research has shown that victims have an average of five creditors. Currently victims have to contact them and negotiate with them separately, repeating their story to each organisation, often more than once. The EAEF verifies that victims have experienced economic abuse, so that creditors can help them find a solution to coerced debt, such as a debt write off. It provides a quicker, easier and more consistent way for creditors and debt advice services to support survivors of economic abuse.

SEA would also like to explore piloting this form as part of a process of credit repair. The form could be shared with a creditor as the basis of re-establishing the credit score held by the victim before meeting the abuser. A credit score should reflect an individual's behaviour, but in cases of domestic abuse, it reflects the abuser's control.

The Victims and Prisoners Bill should establish an emergency fund for domestic abuse victims.

Economic abuse is used to trap victims, preventing them from escaping and rebuilding their lives safely following separation. Victims therefore need access to funding that is dedicated to helping them escape from the crimes committed by abusers. The Victims and Prisoners Bill should create an emergency fund for domestic abuse victims, to assist them to flee the abuser and to cover their immediate and short-term costs.

The cutting back of local authority services and changes in the welfare benefits system over recent years have disproportionately impacted women⁶. This includes single parent families headed by mothers. Women's Aid research *The Economics of Abuse* found that a third of victims who have left their abusive partner have had to take out credit to do so.⁷ The Children's Society surveyed 2000 families and found that 46% of families do not believe they could afford to pay an unexpected expense of £500.⁸ The research by Women's Aid found that women are unable to leave their abusive partner due to lack of access to economic resources.⁹ Women also reported that the fear of the financial implications of leaving made them stay with abusive partner for much longer than they would have done if they had had financial independence and security. As well as being a practical barrier to leaving, the lack of economic resources made survivors feel disempowered and frightened about the future. As one respondent had put it, '...having no income has made it extremely difficult to leave, and makes the prospect more scary.' Domestic abuse services also confirm the desperate economic circumstances of victims, including those coming to a refuge with very few or no possessions or without money, with one service reporting that 'We have had clients come in with nothing!'. The waiting period that operates when benefits are applied for also affects women's ability to manage financially immediately after leaving an abuser.¹⁰

Recent changes to the global and national context have further created a conducive context for abuse. [SEA's research](#) on economic abuse during the Covid-19 pandemic found almost 4 out of 5 survey respondents reporting that the perpetrator had attempted to control their money or finances during the outbreak, with 68% saying this had been successful.¹¹ 72% said that their financial situation had worsened as a result of the perpetrator's actions during the outbreak, with 39% saying it had significantly worsened. The research highlighted how hardship fund and emergency grant schemes are a major source of economic support for those in financial difficulty. The report recommended that government funding be provided to local authorities to provide local hardship funds and emergency grants to victim-survivors and promote these to residents and frontline professionals. SEA further recommended that local authorities must ensure that such schemes are flexible to meet the needs of victims.

The current cost-of-living crisis has compounded the impact of Covid for domestic abuse victims. In a recent Women's Aid survey of survivors, 73% of women living with and having financial links with the abuser said that the cost-of-living crisis had either prevented them from leaving or made it harder for them to leave. Two thirds (66%) of survivors said that abusers are now using the cost-of-living increase and concerns about financial hardship as a tool for coercive control, including to justify further restricting their access to money and

⁶ <https://wbg.org.uk/wp-content/uploads/2019/06/Benefits-or-barriers-4-nations-report.pdf>

⁷ <https://www.womensaid.org.uk/wp-content/uploads/2019/12/Economics-of-Abuse-Report-2019.pdf>

⁸ The Children's Society: The Debt Trap Exposing the impact of debt on children

http://www.childrensociety.org.uk/sites/default/files/debt_trap_report_may_2014.pdf

⁹ <https://www.womensaid.org.uk/wp-content/uploads/2019/12/Economics-of-Abuse-Report-2019.pdf>

¹⁰ Ibid

¹¹ Surviving Economic Abuse (2021), *The Cost of Covid-19: Economic abuse throughout the pandemic*,

<https://survivingeconomicabuse.org/the-cost-of-covid-19-sea-publishes-rapid-review-on-economic-abuse/>

economic resources.¹² Due to increasing energy and food costs Money Advice Plus has seen an alarming increase in domestic abuse clients with a negative budget, up 15% points to 48% between April 2022 to February 2023. This means that the charity is no longer able to reassure victims that they can leave an abuser and be financially secure. In addition, 31% of those contacting the debt advice charity between October 2022 to February 2023 have less than £100 surplus at the end of each month. Research has shown that a woman who can't access £100 at short notice is 3.5 times more likely to experience domestic abuse.¹³ Victims currently have average individual debts of more than £20,000 – six times the average debt previously suggested by research undertaken two years ago.¹⁴

While the inadequacy of local welfare provision means that a dedicated emergency fund for domestic abuse victims is a necessity, this has become more urgent now with the twin impacts of the pandemic and the cost-of-living crisis. The government's *Tackling Domestic Abuse Plan* itself recognises under 'Economic and housing support' that: 'Ensuring victims and survivors have the funds to move forward with their lives is crucial.' The Plan commits to a further trial of a flexible funding model under which funds will be made available with a wide discretion as to how they would be used, based on individual need. Within the private sector, TSB has initiated an Emergency Flee Fund for their customers who are impacted by domestic abuse, developed with guidance from Hestia and SEA. Access to vital funds to escape abuse should be available to victims of domestic abuse, regardless of where they bank – and indeed whether they bank at all, pointing to the need for the government to step in to ensure this is available consistently and on an equal basis to all victims.

While the need for victims of domestic abuse to have access to funds urgently is heightened in times of crisis such as cost of living or a pandemic, it is clearly a long-term necessity, given that no victim should be in a position where she cannot escape abuse due to lack of money. SEA therefore calls for the Victims and Prisoners Bill to establish an emergency fund on a similar model encompassing every local authority area, to cover the costs of victims seeking to leave an abuser. This would be paid directly to the victim or routed through designated domestic abuse services operating in each local authority area and/or nationally. The funds provided would cover the victim's immediate costs of leaving such as travel. It will also cover costs needed in the short-term for accommodation for the victim and any children, either for move-on accommodation from refuge or directly to other forms of housing, and would include essential appliances such as a refrigerator or washing machine. The fund should be available to all victims of domestic abuse equally and without discrimination, including migrant women classified as having No Recourse to Public Funds.

¹² Women's Aid (2022), *Cost of Living and the impact on survivors of domestic abuse*, https://www.womensaid.org.uk/wp-content/uploads/2022/08/Womens_Aid_cost_of_living_survivor_survey_July_22.pdf

¹³ Walby, S. and Allen, J. (2004) *Domestic Violence, Sexual Assault and Stalking: Findings from the British Crime Survey*. Home Office Research Study 276. London: Home Office

¹⁴ <https://survivingeconomicabuse.org/tsunami-of-need-for-abuse-victims-sea-and-map-issue-stark-warning-ahead-of-winter-cost-of-living-crisis/>