

MONEY TALK *life*



Protect your elders

Four signs that a senior in your life may be a victim of financial elder abuse. And how you can help.

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It may be the ultimate indignity to seniors that, after years of working and supporting family, they become victims of financial abuse just when they need help and care from others.

And while it may be hard to imagine this happening to your parent, the statistics spell out how frequently this problem arises. The World Health Organization states that one in six seniors suffers some kind of abuse worldwide and, while national figures are hard to come by, the Ontario Human Rights Commission has reported that financial abuse is the most common form of elder abuse reported in the province.^{1,2}

“Elder abuse is rampant and it’s an underreported crime,” says Domenic Tagliola, Tax and Estate Planner, TD Wealth. He says that the problem has two kinds of perpetrators: third-party fraudsters who use the internet, phone and face-to-face methods to separate an elderly person from their assets, and family members or loved ones who use influence or manipulation for the same purposes.

Tagliola says that a senior may be too embarrassed to report a crime or may not even know that a relative is subtly directing funds into their own hands. In this way, the crime goes unnoticed.

Elder Abuse Ontario, a charitable organization dedicated to raising awareness of the problem and providing front-line training, says that, while anyone can be swindled, the elderly may be particularly vulnerable. That’s because mental health concerns such as depression and cognitive decline put them at higher risk. Moreover, because seniors are often socially isolated, they may be more susceptible to those who prey on lonely hearts for their fraud. Here are four red flags that can indicate a senior in your life may be suffering financial abuse, and what you can do about it.



Flag: A sudden or unexplained change in finances

These changes could be as minor as small amounts of missing money or as large as abruptly selling property. It can include unusual expenses, cheques written to strangers or requests for loans or new mortgages. In extreme cases, the senior may not be able to pay the bills or their standard of living can drop below what it should be. A relative should know the general pattern of a senior's life and where their money goes — anything out of the ordinary can be raised as suspicious.

Flag: A new friend or relative with undue influence

Again, knowing the personality of a senior can help decide what might be an innocent relationship or a romantic con. If an elderly person begins throwing money around with a new friend or companion, questions should be raised. Discreetly or not, a scammer will inevitably move to demand money. Unfortunately, close relatives can also be as cruel and may have easier access to a senior's heart and their finances. It can be a joint bank account that is abused, or it could be demands for more rent than is needed.

Flag: New secrecy regarding financial affairs

If a senior is suddenly behaving unusually or nervous about money, it may mean that a friend or a relative is influencing them and the senior has a misguided reason for keeping this to themselves. Alternatively, they may have already been a victim of some kind of rip-off and they are too upset or humiliated to talk about it. Some kinds of scams have a high degree of embarrassment attached and many people would rather part with their money than have family and friends find out any details.

**Flag: Sudden changes to legal affairs**

If someone is having a criminal influence on a senior, whether that's an outside-party or a close relative, the senior may be persuaded to sign documents they don't understand or without legal support. Changes like this should alert family and friends, as well as the professionals involved, that something odd is going on. These documents may include credit card applications, changes to legal

ownerships, Powers of Attorney or Wills. If a senior is unsure about what they are signing, they need to seek independent legal help.

How you can help

Tagliola says that partnering up with experienced legal and financial professionals is one way to prevent financial elder abuse. In some cases, an advisor may be the first to know if the client is acting out of character or if their financial plans have taken an unexpected turn.

One tool that can also help is a Power of Attorney (POA) for property, Tagliola says. While it can allow the person responsible (a son or daughter, for example) to guide a senior's affairs if they lose capacity, the attorney also has the power to actively look at account statements and ask questions at the bank if they suspect any odd activities.

Moreover, Tagliola advocates that people should consider co-attorneys for a POA: the combination of a relative of the elderly person plus a trust company as co-attorneys would offer both the personal touch plus experienced and knowledgeable service, and together may quickly spot anything suspicious.



Estate planning with the help of an advisor can also detect and disrupt any exploitation, says Tagliola. That's because in the process of exploring the state of financial affairs, a professional may pick up shady activity. If there are payments going to individuals, joint-accounts, or odd bequests — anything that demands explanation — an estate lawyer can find out if anyone is having undue influence on the elderly person.

Elder Abuse Ontario says it's important for anyone who suspects fraudulent activity to ensure they are respecting the choices of the senior, even if the decisions don't make the family happy. For instance, an elderly person may begin a new relationship and may share expenses but that doesn't mean there is any wrong-doing.

The key to dealing with the problem is to identify the signs that something is wrong before your parent, grandparent or any senior suffers a financial loss, humiliation or hardship as a result. Tagliola says that scammers don't want to be detected so a crime may not be obvious and may involve many small frauds that go under the radar.

Elder Abuse Ontario offers safety planning tips for seniors including never lending a credit or bank card, keeping their PIN number a secret and seeking independent advice before signing any documents. While police, caregivers and family members can be alerted if there are concerns around abuse, the provincial guardian and trustee, an office under the attorney general which is mandated to protect vulnerable people, can also be contacted. ■

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¹ "Elder Abuse," World Health Organization, June 8, 2018, accessed May 31, 2019, www.who.int/news-room/fact-sheets/detail/elder-abuse

² Elder abuse and neglect, Time for action: Advancing human rights for older Ontarians, Ontario Human Rights Commission, June, 2001, accessed May 31, 2019, www.ohrc.on.ca/en/time-action-advancing-human-rights-older-ontarians/elder-abuse-neglect#fnB36

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