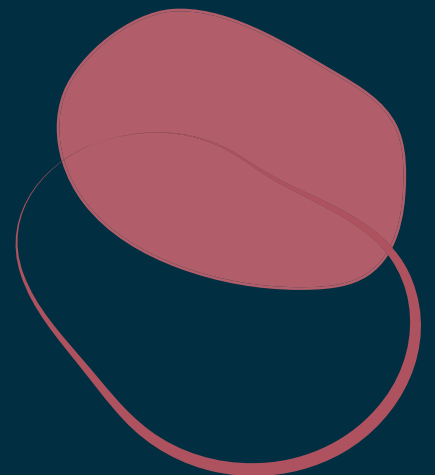


Submission to the Parliamentary Inquiry into the financial services regulatory framework in relation to financial abuse in Australia

June 2024



Contents

About Financial Counselling Victoria and the financial counselling sector	3
About this submission	4
Our commentary and recommendations	6
Full list of recommendations	7
Family Violence	13
Prevention	14
Living with family violence	20
Seeking assistance / crisis	21
Recovery	23
Elder Abuse	25
Prevention	26
Living with elder abuse	28
Seeking assistance / crisis	29
Recovery	30
Summary	31
Appendix: Voices of Financial Counsellors	32
Appendix: Case Studies	36

About Financial Counselling Victoria and the financial counselling sector

Financial Counselling Victoria (FCVic) is the peak body and professional association for financial counsellors in Victoria. We provide resources and support to financial counsellors and their agencies who assist vulnerable Victorians experiencing financial difficulty. We work with insurers, governments, banks, utilities, debt collection and other stakeholders to improve approaches to financial difficulty for vulnerable Victorians.

Financial counselling is a free, confidential, and independent service. It provides vital help for people experiencing, or at risk of, financial hardship. Financial counsellors are uniquely qualified professionals, specially trained to deal with complex financial matters. They assist more than 23,000 Victorians each year – including newly arrived migrants and refugees, people impacted by catastrophic natural disasters, and particularly pertinent to this submission, family violence victim-survivors and people who have experienced elder financial abuse.

We note that Victoria leads the nation in its delivery of specialist family violence financial counselling thanks to a direct funding injection for the sector after the state's Royal Commission into Family Violence. All financial counsellors in Victoria undertake specialist family violence training, as it is estimated that between 30-60% of all financial counselling clients (regardless of funding stream) are affected by family violence.

Further, FcVic has been working for some years with the state Department of Families Fairness and Housing and local community services on preventing elder abuse through financial counselling. This has included education for financial counsellors, and for aged care, health and allied professionals about financial counselling and its role in helping to mitigate elder abuse, as well as a special elder abuse project focusing on the aftermath of the 2019-20 Black Summer bushfires.

It is in this context of representing Australia's most developed and specialised family violence financial counselling sector, and with proven expertise in addressing elder abuse, that FcVic makes this submission, informed by the specialist knowledge of financial counsellors.

About this submission

We welcome the opportunity to provide a submission to the Parliamentary inquiry into the financial services regulatory framework in relation to financial abuse.

Our submission is informed by what financial counsellors have told us about the needs of vulnerable clients who have experienced financial abuse. We provide an overview of what is working well, and ideas for redesigning systems and services to ensure that both prevention and recovery are key focuses.

We give special thanks to the following financial counsellors for their significant contributions to this submission, captured in the section titled “Voices of Financial Counsellors”:

- Elizabeth Stary
- Kylie McLoughlin
- Bernadette Pasco
- Jackie Smith
- Bronwyn Davis
- Merlene Price



The commentary and recommendations provided in this submission should be read in conjunction with a body of work already produced by FCVic on the topic of family violence and elder abuse in financial services, including:

- [Submission to the next stage of Victoria's work to end family violence](#)
- [Response to the draft National Plan to End Violence against Women and Children 2022-32](#)
- [Submission to the Inquiry into Support for Older Victorians from Migrant and Refugee Backgrounds](#)
- [Stronger than Before: Rebuilding financial resilience for older bushfire residents. Evaluation of Year Two Full Report](#)

We also draw your attention to [a previous submission by our national peak body](#), Financial Counselling Australia, to the Inquiry into family, domestic and sexual violence, which provides good insights into the experiences of financial counsellors when working with financial services in relation to financial abuse.

We acknowledge and support the submissions, insights and recommendations of fellow community sector organisations to this Inquiry, including the submission by the Economic Abuse Reference Group (EARG), to which we are a signatory. The EARG submission has a larger focus on financial and regulatory systems, and therefore our individual submission supplements the recommendations in the joint EARG submission, providing further clarity on the unique experiences of financial counsellors in Victoria who work with vulnerable people experiencing financial abuse, with a focus on government and social systems.

We also support the work of Economic Justice Australia and the Older Persons Advocacy Network in addressing financial abuse.

Further questions about this submission can be sent to Amanda Chan: achan@fcvic.org.au.

Our commentary and recommendations

Introduction

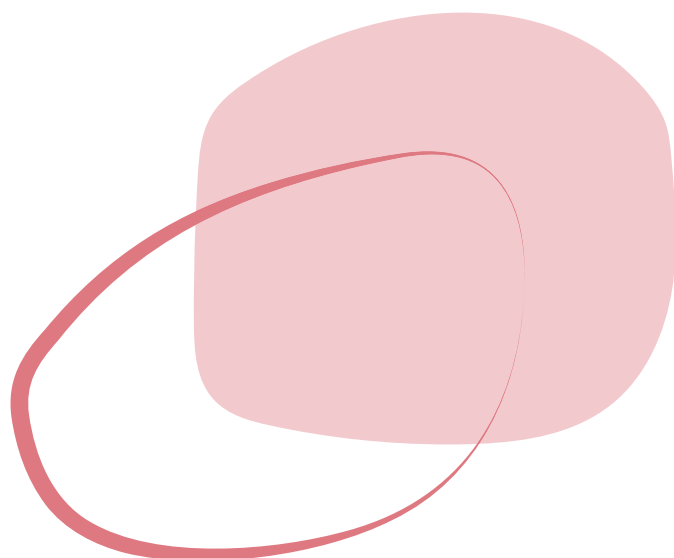
Financial abuse takes many forms and affects a wide range of people. In this submission, we provide insights and recommendations into two groups of victim-survivors of financial abuse – family violence (FV) and elder abuse (EA) victim-survivors.

It is critical to recognise financial abuse, economic insecurity and financial vulnerability of women and children as significant forms of FV to be addressed with specific and well-designed systems of prevention, early intervention, response and recovery across industry, regulatory and government systems.

Prior to Australia's first Royal Commission into Family Violence which was completed in 2015¹, EA was regarded as an emerging issue, related primarily to ageing of the older person. The Royal Commission marked a turning point in Victoria, where EA became widely recognised as a form of FV – one typically characterised by complex familial relationships, guilt and social isolation that can complicate efforts to address the issue.

Uniquely, EA is also perpetrated fairly equally by men and women, and both men and women are victims, which is quite different to the highly gendered nature of intimate partner FV.

It should be understood that FV and EA exist because of social and systemic structures that are gendered and ageist in design, allowing perpetrators to operate with little fear of discovery or consequences. Our proposed recommendations are designed to address these structural biases and inherently flawed service designs.



Full list of recommendations

Financial counsellors witness first-hand the way perpetrators can manipulate government service systems, including social security, child support, myGov, the Australian Tax Office (ATO) and Australian Securities and Investments Commission (ASIC), the financial services system, and the legal system, to continue to perpetrate violence.

We have a number of recommendations for systems reform which work across both groups of FV and EA victim-survivors, addressing service system gaps across the individual's journey of prevention, experience, crisis and recovery.

Recommendation 1: Implement all recommendations from Economic Justice Australia's report '[*Debt, Duress and Dob-Ins: Centrelink compliance processes and domestic violence*](#)'.

Recommendation 2: Services Australia should assess a mother's income independently of her partner when receiving any type of social security payment.

Recommendation 3: Services Australia staff should be required to undergo trauma-informed family violence training regularly to ensure that victim-survivors receive appropriate quality of services.

Recommendation 4: Services Australia should implement a free telephone hotline specifically for financial counsellors who work with FV victim-survivors to increase efficiencies and tailored supports for those who need it most.

Recommendation 5: Amend the *Social Security Act 1991* to include family violence and financial abuse as a reason for social security debts to be waived.

Recommendation 6: Implement a system of universal childcare to avoid bolstering a childcare subsidy system which creates financial dependence and risk of financial abuse.

Recommendation 7: Ensure that there is an option for a toll-free 1800 number for Services Australia given existing wait times.

Recommendation 8: Funding for staff in Services Australia offices should be increased, and staff trained and empowered to assist people in-person in the office rather than telling people to do self-service online, which will assist multiple vulnerable populations

Recommendation 9: The ATO to work with the financial counselling sector to co-design training for all ATO frontline staff on client vulnerability and trauma-informed practice to better equip them with the skills they need to work with these clients.

Recommendation 10: Additional hardship indicators to be added to the ATO's assessment process including experience of family violence, elder abuse, financial abuse and poor mental health, and that appropriate consideration is given to the client's engagement with a financial counsellor.

Recommendation 11: ATO guidelines are amended to:

- a) Standardise the waiving of penalty interest in cases where financial hardship and/or financial abuse has been established, and where culpability in 'fraudulent' transactions cannot be established
- b) Ensure that repayment arrangements requested by the ATO are realistic and affordable. In amending the ATO's processes, the financial counselling sector would welcome the opportunity to work with the ATO on developing guidance in this critical area.

Recommendation 12: The ATO to change their identification protocols to require professional identification by financial counsellors, rather than personal identification. A model that can be adopted is the *Banking Code of Practice* and its accompanying *Industry Guideline: Banks' financial difficulty programs* with the model guideline as follows – "where a financial counsellor has been appointed by a customer, the bank should accept the agreed industry standardised forms."

Recommendation 13: The ATO to establish a dedicated direct phone and email line for financial counsellors working on behalf of their clients

Recommendation 14: The ATO to establish a case management model whereby dedicated case managers are assigned to work with financial counsellors on client matters, acting as a liaison point between financial counsellors and different ATO areas to ensure quick resolution of matters.

Recommendation 15: The ATO and Services Australia systems to be linked to share information including details of client vulnerability to avoid the need to retraumatise clients by the retelling of information.

Recommendation 16: Implement a 'Super Baby Bonus' scheme, whereby \$5,000 will be deposited into the super accounts of women upon the birth of a child where the super balance is below \$50,000.

Recommendation 17: Increase the low-income super tax offset (LISTO) threshold to the top of the second lowest tax bracket.²

² The Association of Superannuation Funds of Australia, ASFA Research note: Policies to reduce the super gender gap, July 2023

Recommendation 18: Create a ‘Primary Carer’ Supplementary Concessional Cap, and remove the five-year limit on the use of concessional caps, which will allow primary carers to take advantage of tax savings within a super environment.

Recommendation 19: Support the Fair Work Commission with appropriate funding in their work on promoting job security and gender equality – the super gap can be partially addressed by ensuring that female-dominated job roles are valued and paid at similar levels to male-dominated job roles.

Recommendation 20: Legislate a requirement for measuring super balance growth during the course of a partnership, to allow for inequitable balance growth to be accounted for and divided equitably after a relationship breakdown. This can ensure that super balances for both people in the relationship have been equally contributed to during the course of the relationship.

Recommendation 21: Create a requirement to build human touchpoints into all lending processes, with all staff to be appropriately trained in recognising and responding to instances of FV and financial abuse.

Recommendation 22: Where FV has been disclosed, any debts should be dealt with at the originating source (creditor) rather than being on-sold to debt collectors. Where debt collectors are made aware of FV, they should either waive the debt or return it to the originating source for treatment under the creditor’s policies.

Recommendation 23: Require all lenders and creditors to adopt Safety by Design principles into the design of its product and services, per the [‘Designed to Disrupt: Reimagining banking products to improve financial safety’](#) report by the Centre for Women’s Economic Safety.

Recommendation 24: The Banking Code of Practice should become a mandatory Code for all banks and non-major lenders, rather than a voluntary Code.

Recommendation 25: The ABA guidelines on Preventing and responding to family and domestic violence should be embedded into the mandatory Banking Code of Practice.

Recommendation 26: Update the Australian Financial Complaints Agency’s (AFCA) [approach to joint facilities and family violence](#) to include all financial facilities relating to family violence even when it is not a joint facility. Once updated, this should be adopted into the ABA Banking Code of Practice.

Recommendation 27: Services Australia to remove 'child support' from the income calculation of social security payments for all FV victim-survivors. Whilst child support agreements are a requirement for people to have to receive their full FTB entitlements, provide detailed information or options and streamline the process for victim-survivors of FV to opt out of this system.

Recommendation 28: Implementing an annual review and reconciliation system for the child support system, to ensure that any amounts unpaid or underpaid are deducted from the perpetrator's tax return or other financial assets and income streams (e.g. superannuation or directly out of a paycheque) and paid to the intended recipient. Where payments have been delayed, systems should be set up to calculate and charge interest on the payment.

Recommendation 29: Increase funding to pro-bono community legal services for FV victim-survivors, tailored to their family law needs including property settlement issues. Additionally, broaden eligibility criteria for victim-survivors accessing pro-bono community legal services to ensure that more vulnerable people can access these services.

Recommendation 30: Increase funding for FV specialist financial counsellors across the country to levels at least proportionate to Victoria's current funding level, to ensure that every victim-survivor will receive the same level of service and assistance, no matter their location.

Recommendation 31: All lenders to be required to remove negative credit listings from victim-survivors' credit files which are related to the experience of FV and financial abuse.

Recommendation 32: Increase funding for community support programs targeting older people who are isolated from the general community, especially those which provide financial literacy and wellbeing support, and provision of free legal support to assist with power of attorney arrangements and more.

Recommendation 33: Where it is clear that an older person is relying on a family member as an interpreter, government, financial and regulatory bodies should be encouraged to source a non-family member interpreter at no cost to the individual. Funding for interpreting services for frontline services should be increased accordingly.

Recommendation 34: Financial and Services Australia systems to regularly review and seek clarification for transactions that are to the detriment of the older person (see AFCA Approach to financial elder abuse), leveraging technological solutions for efficient review processes. Where the review process identifies opportunities for streamlining accounts, the institution should discuss opportunities for streamlining and safeguarding financial management directly with the individual.

Recommendation 35: Financial and government institutions to ensure an ongoing and accessible place-based service for members of the community who require in-person service delivery.

Recommendation 36: Strengthen the third-party authorisation process over financial and Services Australia systems, including regular (e.g. annual) review and re-authorisation of these arrangements to ensure that they are still in the individual's best interest.

Recommendation 37: Harmonise enduring powers of attorney laws nation-wide, in line with a 2007 recommendation by the House of Representatives Standing Committee on Legal and Constitutional Affairs, a 2017 recommendation by the Australian Law Reform Commission, and the 2019-2023 National Plan to Respond to the Abuse of Older Australians.

Recommendation 38: AFCA's approach to financial elder abuse should be adopted into the ABA Banking Code of Practice (which we have recommended be made mandatory).

Recommendation 39: Ban mortgage lenders and other institutions involved in a home loan process from asking applicants to get guarantors from older family members, with financial penalties for any breaches.

Recommendation 40: The number of Financial Information Service officers at Services Australia should be increased, providing support and information to older people about property sales, gifting funds, and relevant issues.

Recommendation 41: Boost funding to the National Elder Abuse Helpline and for statewide services providing advice on financial elder abuse.

Recommendation 42: Integrate reporting systems, so that where financial abuse has been formally reported, all providers will receive a ‘flag’ on an account to ensure that any current third-party authorisations will be reviewed when flagged.

Recommendation 43: Increase long-term sustainable government funding to deliver financial elder abuse recovery services focused on connection and education, with the provision of free legal and financial supports.

There is an opportunity here to deliver significant reform to financial, regulatory and government services to better support vulnerable FV and EA victim-survivors and create real consequences for perpetrators. We urge the Committee to consider our recommendations in full.



Family Violence

Journey map

Our commentary and recommendations for FV victim-survivors have been grouped thematically and aim to address service system issues and gaps across the individual's journey of prevention, experience, crisis and recovery.



PREVENTION

Social Security
Taxation and Business
Superannuation

LIVING WITH FAMILY VIOLENCE

CRISIS

Financial System
Government System

RECOVERY

Prevention

The prevention of family violence against women, children and older people is everyone's social responsibility. This requires not only attitudinal change, but consideration of how to change government and financial service systems and processes that enable or allow financial abuse to occur.

Social Security system

Financial counsellors have witnessed firsthand abuse perpetrated through the social security system relating to payments including parenting payments, family tax benefit, childcare benefits and child support. This can manifest in several different ways, due to a government social security system that is designed to foster financial abuse.

Example 1: Where a perpetrator does not give accurate information about their income, this can impact a woman by creating a social security debt when the reconciliation of his income is finally completed.

Example 2: New mothers receiving Family Tax Benefit and Parenting Payments who haven't worked long enough or in suitable employment to qualify for paid maternity leave have their benefits assessed based on the gross income of their working partner, thereby creating financial dependence and stress at a particularly vulnerable time of their lives.

Example 3: Childcare subsidies, and subsequently childcare debts, are provided in the new mother's name due to the mother most likely being the Centrelink recipient due to being the lower income earner in the household.

Following the breakdown of a relationship due to family violence, financial counsellors see perpetrators manipulate the childcare subsidy system by falsely reporting shared care percentages, leading to debts with social security for the victim-survivor.

Financial counsellors also report victim-survivors struggling to maintain access to childcare with these debts, especially where a child has not been able to attend due to relocation issues and other factors related to the experience of family violence.

Given that research has shown that financial stress can increase the risk of family

violence³, and that financial abuse is a prevalent form of family violence in Australia⁴, we have serious concerns about these structural issues with the social security system which create financial dependence on a partner, and subsequently financial stress in a relationship.

At a particularly vulnerable time of pregnancy and post-partum, where research demonstrates that women are at greater risk of experiencing violence from an intimate partner⁵, the system must be redesigned to foster financial independence within family units, to create an essential financial safety net.

Additionally, the move to self-service online services through myGov or phone calls, represents a barrier to accessing services for victim-survivors. Financial counsellors have raised the issue of cost of phone credit for women on pre-paid plans when they have to wait on-hold with Services Australia for a long time, and the complexity involved with accessing the online system for the first time especially when a victim-survivor is asked to give information about the perpetrator or only has access to a phone for technology.

Particularly at the crisis point where a victim-survivor is impacted by trauma, may be facing court appearances for IVO's, is supporting children to move schools, is living in transitional housing or re-housing, systems need to be reconsidered to reduce barriers at the most vulnerable time for women and their children. gap in the government initiative to assist new mothers in having financial independence by receiving paid maternity leave.

Recommendation 1: Implement all recommendations from Economic Justice Australia's report '[Debt, Duress and Dob-Ins: Centrelink compliance processes and domestic violence](#)'.

Recommendation 2: Services Australia should assess a mother's income independently of her partner when receiving any type of social security payment.

3 Morgan A & Boxall H 2020. Social isolation, time spent at home, financial stress and domestic violence during the COVID-19 pandemic. Trends & issues in crime and criminal justice no. 609. Canberra: Australian Institute of Criminology. <https://doi.org/10.52922/ti04855>

4 Australian Domestic and Family Violence Death Review Network, & Australia's National Research Organisation for Women's Safety. (2022). Australian Domestic and Family Violence Death Review Network Data Report: Intimate partner violence homicides 2010–2018 (2nd ed.; Research report 03/2022). ANROWS.

5 Campo, Monica. (2015). Domestic and family violence in pregnancy and early parenthood: Overview and emerging interventions, Australian Institute of Family Studies.

Recommendation 3: Services Australia staff should be required to undergo trauma-informed family violence training regularly to ensure that victim-survivors receive appropriate quality of services.

Recommendation 4: Services Australia should implement a free telephone hotline specifically for financial counsellors who work with FV victim-survivors to increase efficiencies and tailored supports for those who need it most.

Recommendation 5: Amend the *Social Security Act 1991* to include family violence and financial abuse as a reason for social security debts to be waived.

Recommendation 6: Implement a system of universal childcare to avoid bolstering a childcare subsidy system which creates financial dependence and risk of financial abuse.

Recommendation 7: The Services Australia telephone hotline should be free of charge. Ensure that there is an option for a toll-free 1800 number given existing wait times.

Recommendation 8: Funding for staff in Services Australia offices should be increased, and staff trained and empowered to assist people in-person in the office rather than telling people to do self-service online. – will assist multiple vulnerable populations

Taxation and business systems

Financial counsellors report ongoing issues with the tax system's recognition of financial abuse as a contributing factor in client's vulnerability in trauma. We have provided examples to the ATO where clients have been treated poorly including through lengthy delays on responses and requests for unreasonable repayment schedules.

Example 4: a family violence victim-survivor on the Disability Support Pension was told by the ATO to pay \$50 per fortnight for the rest of her life while interest continued to accumulate on her debt.

Financial counsellors provided evidence of an alarming increase in Goods and Services Tax (GST) fraud cases (the ATO refers to this category of people as Operation Protego), where vulnerable people with lower levels of financial literacy are being scammed or coerced into filing inaccurate Business Activity Statements or tax returns to receive funds from the ATO.

The third party then claims a portion of the funds, and the client is left with ATO debts due to the inaccurately filed documents. In some cases, these scams were perpetrated as part of systemic financial abuse in FV situations.

This fraud can be exacerbated by financial abuse and coercion in the form of unwilling or unknowing directorships, where people experiencing FV are registered as co-directors or sole directors of companies and coerced into taking out business loans, signing documents where they don't understand the implications, and ultimately held responsible for any fraudulent activity related to the company – including the filing of inaccurate Business Activity Statements.

Finally, we are also concerned about the tax system's lack of understanding of the critical role of financial counsellors, who are carrying out a professional role on behalf of their clients. The ATO requires financial counsellors to provide personal identification (Tax File Number) rather than professional identification. We have also recently heard reports that this personal information of financial counsellors may be being shared with clients, and with the ATO's external debt collection agency Recoveriescorp – which leads to significant privacy concerns.

Overall, it is clear that the taxation and business systems are not equipped to understand service delivery through a family violence safety lens, which then exacerbates the trauma experienced by the client and continues to perpetuate financial abuse and punishment of the individual by the system, rather than by an individual perpetrator.

Recommendation 9: The ATO to work with the financial counselling sector to co-design training for all ATO frontline staff on client vulnerability and trauma-informed practice to better equip them with the skills they need to work with these clients.

Recommendation 10: Additional hardship indicators to be added to the ATO's assessment process including experience of family violence, elder abuse, financial abuse and poor mental health, and that appropriate consideration is given to the client's engagement with a financial counsellor.

Recommendation 11: ATO guidelines are amended to:

- a) Standardise the waiving of penalty interest in cases where financial hardship and/or financial abuse has been established, and where culpability in 'fraudulent' transactions cannot be established

b) Ensure that repayment arrangements requested by the ATO are realistic and affordable. In amending the ATO's processes, the financial counselling sector would welcome the opportunity to work with the ATO on developing guidance in this critical area.

Recommendation 12: The ATO to change their identification protocols to require professional identification by financial counsellors, rather than personal identification. A model that can be adopted is the Banking Code of Practice and its accompanying Industry Guideline: Banks' financial difficulty programs with the model guideline as follows – “where a financial counsellor has been appointed by a customer, the bank should accept the agreed industry standardised forms.”

Recommendation 13: The ATO to establish a dedicated direct phone and email line for financial counsellors working on behalf of their clients

Recommendation 14: The ATO to establish a case management model whereby dedicated case managers are assigned to work with financial counsellors on client matters, acting as a liaison point between financial counsellors and different ATO areas to ensure quick resolution of matters.

Recommendation 15: The ATO and Services Australia systems to be linked to share information including details of client vulnerability to avoid the need to retraumatise clients by the retelling of information.

Superannuation system

There has been significant research^{6,7} into how factors such as parenthood and caregiving responsibilities for aging parents can significantly impact a woman's ability to maintain secure employment – thereby threatening her long-term financial security through lower superannuation balances when compared to male peers⁸.

It is clear that due to social structures relating to gender inequality and an outsized caregiving burden, parenthood presents a significant barrier to women's financial

6 Hussain, R.; Wark, S.; Ryan, P. Caregiving, Employment and Social Isolation: Challenges for Rural Carers in Australia. *Int. J. Environ. Res. Public Health* 2018, 15, 2267. <https://doi.org/10.3390/ijerph15102267>

7 Carers NSW (2020). 2020 National Carer Survey: Summary report. Available online at: <http://www.carersnsw.org.au/research/survey>

8 The Association of Superannuation Funds of Australia, ASFA Research: An update on superannuation account balances, November 2023

independence, as it often leads to career interruptions and reduced working hours. Similarly, women may find themselves taking on caregiving responsibilities for their aging parents, further compounding the challenges they face in maintaining workforce participation. These continued caregiving roles by the 'sandwich generation' exacerbate existing financial vulnerabilities and leave women particularly vulnerable to economic insecurity as they age, creating continued financial dependence on a partner.

To address the 'super gap' and create a stronger financial future for women at risk of financial abuse, the government can implement a series of legislative and financial system reforms in addition to the recently announced payment of superannuation on the government's Paid Parental Leave Scheme.

Recommendation 16: Implement a 'Super Baby Bonus' scheme, whereby \$5,000 will be deposited into the super accounts of women upon the birth of a child where the super balance is below \$50,000.

Recommendation 17: Increase the low income super tax offset (LISTO) threshold to the top of the second lowest tax bracket.⁹

Recommendation 18: Create a 'Primary Carer' Supplementary Concessional Cap, and remove the five-year limit on the use of concessional caps, which will allow primary carers to take advantage of tax savings within a super environment.

Recommendation 19: Support the Fair Work Commission with appropriate funding in their work on promoting job security and gender equality – the super gap can be partially addressed by ensuring that female-dominated job roles are valued and paid at similar levels to male-dominated job roles.

Recommendation 20: Legislate a requirement for measuring super balance growth during the course of a partnership, to allow for inequitable balance growth to be accounted for and divided equitably after a relationship breakdown. This can ensure that super balances for both people in the relationship have been equally contributed to during the course of the relationship.

⁹ The Association of Superannuation Funds of Australia, ASFA Research note: Policies to reduce the super gender gap, July 2023

Living with family violence

The current landscape of online lending presents significant challenges in relation to the protection of people experiencing FV and financial abuse. Across various lending platforms, including business loans, buy-now-pay-later (BNPL) schemes, and small amount credit contracts, there is a lack of understanding, policies, procedures, and training tailored to addressing the vulnerabilities of people experiencing FV.

FV financial counsellors report seeing perpetrators of FV easily exploiting online lending, such as payday loans, to incur debts in the name of the FV victim-survivor. This is exacerbated by the anonymity and convenience afforded by online transactions, increasingly prevalent in the move towards a cashless society and the automation of credit products, which enables perpetrators to use these platforms without any human interaction or scrutiny – oftentimes with coercive tactics designed to pressure and intimidate the victim-survivor.

There is also significant evidence from FV financial counsellors of existing debt collection practices that exacerbate the trauma and experience of FV victim-survivors. We argue that creditors are sometimes complicit in perpetuating financial abuse by on-selling debts to collection agencies without consideration for the underlying dynamics of FV.

Recommendation 21: Create a requirement to build human touchpoints into all lending processes, with all staff to be appropriately trained in recognising and responding to instances of FV and financial abuse.

Recommendation 22: Where FV has been disclosed, any debts should be dealt with at the originating source (creditor) rather than being on-sold to debt collectors. Where debt collectors are made aware of FV, they should either waive the debt or return it to the originating source for treatment under the creditor's policies.

Recommendation 23: Require all lenders and creditors to adopt Safety by Design principles into the design of its product and services, per the '[Designed to Disrupt: Reimagining banking products to improve financial safety](#)' report by the Centre for Women's Economic Safety.

Seeking assistance / crisis

Financial system

FV financial counsellors continue to encounter challenges within the credit industry, including the insistence of credit providers on demanding extensive evidence of FV. Moreover, many credit providers lack trained staff and appropriate hardship policies, contravening the Australian Banking Association's (ABA) guidelines on Preventing and responding to family and domestic violence. However, where effectively implemented, the ABA's guidelines have proven effective in assisting credit providers to sensitively meet the needs of FV victim-survivors, using trauma-informed approaches and safety considerations to facilitate their financial recovery.

While there are always opportunities for further improvement, these positive approaches were particularly evident in the Big 4 Banks in the 2023 'Rank the Banks' report by Financial Counselling Australia, with financial counsellors rating support provided to FV victim-survivors highly. Unfortunately, the non-major banks and other lenders rated more poorly, with financial counsellors providing the following comments:

Again long-term hardship needs to be provided in settlement cases and stronger [domestic violence] policies around financial abuse and waiving of debts for clients forced into these situations.

[Non-major bank] are quite difficult to deal with, insist on providing bank statements and very little understanding of [family violence].

Recommendation 24: The Banking Code of Practice should become a mandatory Code for all banks and non-major lenders, rather than a voluntary Code.

Recommendation 25: The ABA guidelines on Preventing and responding to family and domestic violence should be embedded into the mandatory Banking Code of Practice.

Recommendation 26: Update the Australian Financial Complaints Agency's (AFCA) [approach to joint facilities and family violence](#) to include all financial facilities relating to family violence even when it is not a joint facility. Once updated, this should be adopted into the ABA Banking Code of Practice.

Government system

Following on from the examples provided on page 14, we suggest that more work can be done on the issue of child support to better foster independence for FV victim-survivors, alleviating their burden and holding perpetrators to account for non-payment, underpayment and delayed payment of child support as a form of ongoing financial abuse.

Additionally, FV financial counsellors report particular issues with the private collection system for child support, and a report from Women's Legal Service Australia, quoting from a research article, stated that "The non-payment or underpayment of child support is enabled by a system that tends to take a hands off approach, giving fathers an undesirable amount of control."¹⁰

Example 5: For safety reasons, women might choose 'private collection' in the child support system to avoid inflaming the perpetrator. Under private collection, a calculation is made by Centrelink, assuming that a woman is receiving "x" amount of money from the other party. Centrelink then calculates the payments a woman receives for supporting her children based on that child support assessment.

However, often perpetrators do not actually pay any money. That means the Centrelink assessment is completely incorrect as there is no cross-check under private collection. This means the woman not only receives less Centrelink assistance, but also receives little or no child support.

Recommendation 27: Services Australia to remove 'child support' from the income calculation of social security payments for all FV victim-survivors. Whilst child support agreements are a requirement for people to have to receive their full FTB entitlements, provide detailed information or options and streamline the process for victim-survivors of FV to opt out of this system.

Recommendation 28: Implementing an annual review and reconciliation system for the child support system, to ensure that any amounts unpaid or underpaid are deducted from the perpetrator's tax return or other financial assets and income streams (e.g. superannuation or directly out of a paycheque) and paid to the intended recipient. Where payments have been delayed, systems should be set up to calculate and charge interest on the payment.

10 Women's Legal Services Australia, 'Non-Payment of Child Support as Economic Abuse: A Literature Review', May 2024.

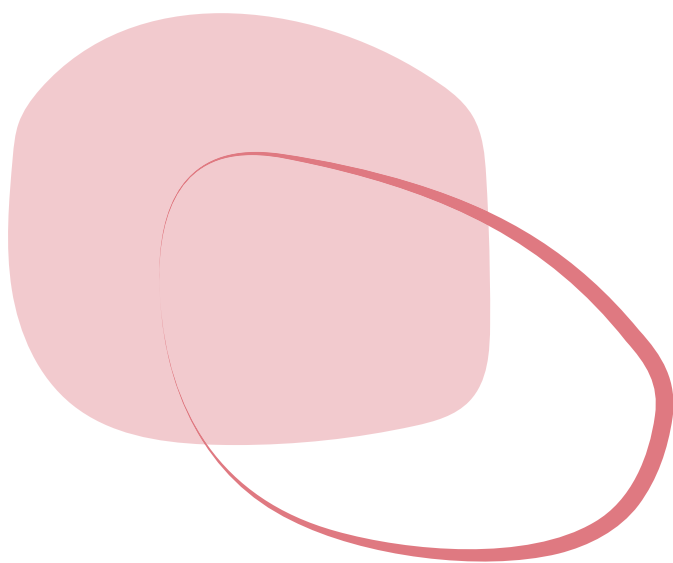
Recovery

FV financial counsellors witness continued perpetration of financial abuse after the end of a relationship, often through the property settlement process. If a victim-survivor's money is tied up in assets such as a family home and they are unable to afford private legal support, there are limited options for pro-bono legal support to complete this financial detangling process. It can often take many months, if not years, particularly when the perpetrator has the financial means to contest the process or withdraws and extends the time it takes for property settlement to occur.

Example 6 - A FV victim-survivor fled her family home with her son over 12 years ago. The perpetrator has lived cost-free in the family home for this time, while the victim-survivor contributed over \$75,000 to mortgage payments. During the time that she was making mortgage payments, the victim-survivor was working to pay for an additional private rental property and the cost of raising their son, with no child support assistance.

The bank has only recently begun proceedings to repossess the property, as the victim-survivor had no financial means to engage with a lawyer to initiate this and was also fearful of retribution by the perpetrator. She has experienced continued perpetration of FV over the past 12 years.

On a final note, given that the Credit Reporting Code will soon include family violence as an example of “circumstances beyond a person’s control”, there is some work to be done to ensure that all creditors are equipped to support requests for removing credit information from credit reporting, to better support victim-survivors in their financial recovery from FV.



Recommendation 29: Increase funding to pro-bono community legal services for FV victim-survivors, tailored to their family law needs including property settlement issues. Additionally, broaden eligibility criteria for victim-survivors accessing pro-bono community legal services to ensure that more vulnerable people can access these services.

Recommendation 30: Increase funding for FV specialist financial counsellors across the country to levels at least proportionate to Victoria's current funding level, to ensure that every victim-survivor will receive the same level of service and assistance, no matter their location.

Recommendation 31: All lenders to be required to remove negative credit listings from victim-survivors' credit files which are related to the experience of FV and financial abuse.



Elder Abuse

Journey map

Our commentary and recommendations for EA victim-survivors have been grouped thematically and aim to address service system issues and gaps across the individual's journey of prevention, experience, crisis and recovery.

PREVENTION

**LIVING WITH
ELDER ABUSE**

CRISIS

RECOVERY

Prevention

As previously mentioned, elder abuse (EA) is family violence, and there are similarities in the way that financial abuse can manifest through both EA and intimate partner violence. The abuse is typically carried out by someone close, and the victim-survivor is often vulnerable due to systemic issues – government and financial systems, or social structural and support systems. EA can also be the continuation of intimate partner violence across a lifetime.

There is a real need for a systemic regulatory, policy and community push to alleviate loneliness and social isolation for older people, understanding the potential risks to their mental health and well-being and the increased risk of EA when there is a lack of community connection for the most vulnerable.

Recommendation 32: Increase funding for community support programs targeting older people who are isolated from the general community, especially those which provide financial literacy and wellbeing support, and provision of free legal support to assist with power of attorney arrangements and more.

For older people from migrant and refugee communities, these risks can be enhanced due to any cultural and language barriers, visa dependencies and arrangements, and physical and social isolation. A financial counsellor has provided the following example:

“When police attend elder abuse call outs where the adult child does the interpreting, that person can claim that the older person has dementia and therefore can’t be relied up on and is violent. In this situation, the younger person who is perpetrating the abuse retains their power by interpreting for their relative.”

There is an education piece required here for frontline service providers as well, to create greater understanding of the essential role played by neutral third-party interpreters.

Recommendation 33: Where it is clear that an older person is relying on a family member as an interpreter, government, financial and regulatory bodies should be encouraged to source a non-family member interpreter at no cost to the individual . Funding for interpreting services for frontline services should be increased accordingly.

In addition to addressing the social structures and systems which lead to an increased risk of EA, there are opportunities for financial systems to directly work with older people to manage their financial affairs, and for legislation to strengthen a national approach to addressing a legal aspect to EA.

Older rural communities have higher gaps in digital inclusion, across physical infrastructure and digital literacy. This means that any service targeting vulnerable people will require a face-to-face component and or use of traditional media to reach those who are most excluded or vulnerable.

Recommendation 34: Financial and Services Australia systems to regularly review and seek clarification for transactions that are to the detriment of the older person (see AFCA Approach to financial elder abuse), leveraging technological solutions for efficient review processes. Where the review process identifies opportunities for streamlining accounts, the institution should discuss opportunities for streamlining and safeguarding financial management directly with the individual.

Recommendation 35: Financial and government institutions to ensure an ongoing and accessible place-based service for members of the community who require in-person service delivery.

Recommendation 36: Strengthen the third-party authorisation process over financial and Services Australia systems, including regular (e.g. annual) review and re-authorisation of these arrangements to ensure that they are still in the individual's best interest.

Recommendation 37: Harmonise enduring powers of attorney laws nation-wide, in line with a 2007 recommendation by the House of Representatives Standing Committee on Legal and Constitutional Affairs, a 2017 recommendation by the Australian Law Reform Commission, and the 2019-2023 National Plan to Respond to the Abuse of Older Australians.

Living with elder abuse

Elder abuse is typically carried out by someone (or multiple people) close to an older person, for example a child and their partner, or a spouse and adult child¹¹. Studies have shown that older people from lower socio-economic backgrounds, who were single, separated or divorced, living in rental housing, owning a house with a mortgage, or have poor physical or psychological health may all have a higher risk of EA¹².

Currently, our government, financial and regulatory systems have a default position of relying on the individual or their designated trusted third-party (usually a family member) to administer their own financial affairs. However, where there are additional vulnerabilities as detailed in the paragraph above, we suggest that policies and legislation should be revised to better protect the most vulnerable .

We also note that given the state of the housing market, financial counsellors have reported that collusion between mortgage lenders, accountants and lawyers is common, where young people seeking a home loan are often asked to have their parents sign on as guarantors. This is not in the financial interest of the older person and may conflict with Centrelink's deeming and gifting rules, which could financially impact on the older person's pension.

Recommendation 38: AFCA's approach to financial elder abuse should be adopted into the ABA Banking Code of Practice (which we have recommended be made mandatory).

Recommendation 39: Ban mortgage lenders and other institutions involved in a home loan process from asking applicants to get guarantors from older family members, with financial penalties for any breaches.

Recommendation 40: The number of Financial Information Service officers at Services Australia should be increased, providing support and information to older people about property sales, gifting funds, and relevant issues.

11 Melanie Joosten, Pragma Gartoulla, Peter Feldman, Bianca Brijnath & Briony Dow, Seven years of elder abuse data in Victoria (2012–2019), National Ageing Research Institute in partnership with Seniors Rights Victoria, August 2020, Melbourne, Australia.

12 Qu, L., Kaspiew, R., Carson, R., Roopani, D., De Maio, J., Harvey, J., Horsfall, B. (2021). National Elder Abuse Prevalence Study: Final Report. (Research Report). Melbourne: Australian Institute of Family Studies.

Seeking assistance / crisis

However, EA does often differ in the outcomes desired by victim-survivor when they reach out for assistance. For example, where 'separation' and 'escape' is often the objective for most specialist FV services, people experiencing EA may wish to retain their relationship with the perpetrator as a close family member, but for the financial abuse to stop or other resolutions.

The victim-survivor may be afraid to report financial abuse because they fear the repercussions both for themselves and for the perpetrator as a close family member. They fear losing contact, becoming more isolated, being made to leave their home, and feelings of guilt and shame.

All these fears combined create a formidable barrier to older people promptly reporting abuse, which can mean that a victim-survivor endures abuse for a long time, only seeking help when the situation escalates to an extreme level or when someone else notices the ongoing mistreatment.

Recommendation 41: Boost funding to the National Elder Abuse Helpline and for statewide services providing advice on financial elder abuse.

Recommendation 42: Integrate reporting systems, so that where financial abuse has been formally reported, all providers will receive a 'flag' on an account to ensure that any current third-party authorisations will be reviewed when flagged.

Recovery

The recommendations noted in the 'Prevention' section above directly translate to the actions that can be taken in this 'Recovery' section – it comes down to enhancing community connections, reducing social isolation, and maintaining financial independence and enhancing decision making powers for older people.

Recommendation 43: Increase long-term sustainable government funding to deliver financial elder abuse recovery services focused on connection and education, with the provision of free legal and financial supports.



Summary

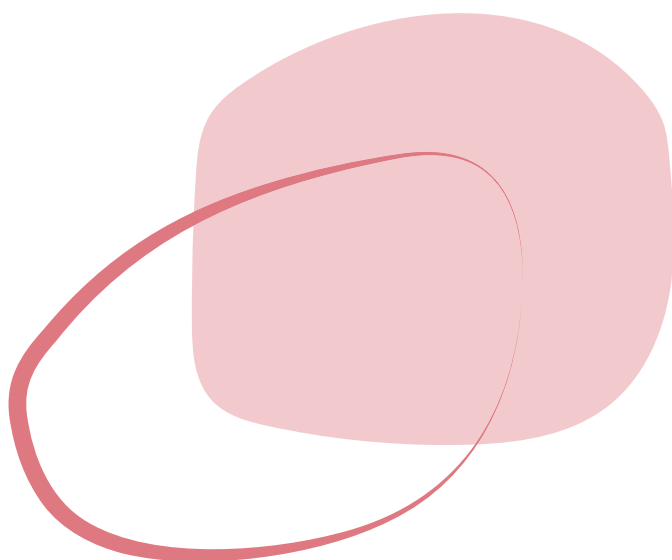
We emphasise our introductory point that family violence and elder abuse exist because of social and systemic structures that are gendered and ageist in design, allowing perpetrators to operate with little fear of discovery or consequences.

What we have proposed in our submission, and in other submissions that we have endorsed, are different ways to ‘design out’ these flaws, to design and build structures and systems that are inclusive and safe for the most vulnerable in our community.

While these recommendations are strong and considered, we remind the Government that implementation of these proposed reforms cannot happen in isolation.

Changing systems and structures is one thing. Changing community attitudes is another. Government must continue to work with the community sector to address family violence and elder abuse on the frontlines through our important prevention, crisis response and recovery work.

Thank you for the opportunity to provide this submission to the Parliamentary inquiry into financial services regulatory framework in relation to financial abuse on behalf of Victorian financial counsellors who each year, assist over 23,000 vulnerable people experiencing financial hardship .



Appendix: Voices of Financial Counsellors

#1 – Kylie McLoughlin

Client, mother of two young children, was subjected to physical, emotional and financial abuse. If she did not perform 'sexual acts' for the perpetrator she was required to obtain money for him. This was in the form of personal loans & her own income. He gave instructions to her and a broker for applications.

I have worked with AFCA and the credit providers have not acted outside of legislation, therefore they are unable to assist further. Of the three creditors I am working with, one has waived the debt and the other two are standing firm that they want all funds repaid. Client feels high anxiety every time she makes a payment as it is a reminder of what has happened to her. The payment plans to clear the debts are very low which means they are going to take a lifetime to pay off. Client is upset that while there is media talk of helping victim-survivors of family violence, there isn't support in this area. She said she may as well let him 'beat her up' so she could get assistance.

This is a similar story with many debts where the perpetrator has forced the victim-survivor to apply for loans/credit. The victim-survivor has acknowledged the loan, and signed documents accepting the loan as they are too scared of the ramifications if they didn't.

I think there needs to be a bit more support in this area, especially where there is clear evidence, such as text messages & emails, that the client wasn't willingly applying for the credit.

Kylie McLoughlin, Victoria (8 years as a financial counsellor)

#2 – Elizabeth Stary

Requiring a mother who has experienced significant family violence with young children under 14 to participate in mutual obligations after leaving family violence needs to be dropped. Lacks understanding of the impacts of family violence. Currently a person can seek a 13 week exemption with social work support but this is nowhere long enough with recovery when women are relocating, getting counselling, getting counselling and supports for children, dealing with complex legal processes including family violence intervention orders at different stages. Mutual obligations should be stopped altogether, but at the very minimum 12 months exemption if there is an intervention order in place. Getting access to a social worker is difficult especially if it is not during the time of a crises so getting a follow up appointment after 13 weeks is impossible.

There is no assessment of the amount of Centrepay deductions and debts coming from a recipient's account. Consumer leases and payments deducted by Centrepay leave women who have been coerced or had their accounts fraudulently accessed by perpetrators in extreme hardship and in a difficult position to financially leave/recover.

Elizabeth Stary, Victoria (18 years as a financial counsellor)

#3 – Bronwyn Davis

Financial institutions play a critical role in identifying and responding to financial abuse. Below are my recommendations to address some of the gaps.

Firstly, all financial institutions, creditors, debt collectors and the like must establish a mandatory family violence policy. Many creditors do not have family violence policies or when it is requested some creditors have responded that it is an internal sensitive document unable to be shared.

When assessing requests from victim-survivors of family violence, there should always be discretion to assist on the grounds of family violence. In my experience some creditors have declined assisting a victim-survivor stating that family violence is not a listed reason in code, legislation, policy or similar. Institutions need to be adaptive and creative in their response to family violence and financial abuse.

Crucial to the above recommendations is that all staff receive comprehensive family violence training, not just around responding to family violence and financial abuse but also the systemic and social structures that enable family violence to be perpetrated. Staff need a sound understanding of the nuances of family violence and financial abuse and that there are differences between family violence and financial hardship.

Lastly, compensation available to victim-survivors through various schemes such as Australian Financial Complaints Authority, for when a creditor makes an error for example a privacy breach, or failure to respond to family violence disclosure needs to be increased. The compensation does not reflect the power imbalance, harm caused, or act as a deterrent.

Bronwyn Davis, Victoria (9 years as a financial counsellor)

#4 – Merlene Price

In the last 12 months we have seen a huge spike in women who are victims of financial abuse and FDV.

- Joint accounts were cleaned out by the perpetrators so our clients could not get access to it. Mortgage repayments were not made so that clients fell into arrears.
- One client's ex-partner chose to leave his highly paid Management position to work in a lower position to reduce child support. He was employed in a family members company.
- Ex- partners stopped paying school fees, health, and car insurances.
- Clients were not aware their ex-partner had sign them up as Directors of a business and Family Trusts.

There is a lack of mental health services and counselling services to refer clients are traumatised and have multiple mental health issues stemming from FDV. Clients diagnosed with PTSD and other serious mental illnesses cannot afford appointments with psychologists or psychiatrists.

Women are forced to live under the same roof with the perpetrators as they have nowhere to live. This is due to the increase in private rental accommodation and cost of living in WA and the ever-growing waitlist for public housing.

CALD women are the most vulnerable due to many factors – e.g. arrived in Australia on Spousal Visas, no family supports, isolation. There is a lack of CALD-specific information (for example, related to gender equality and violence, service availability, legal rights, and entitlements) language and communication barriers.

We had a client from India whose ex-husband took her dowry from their joint safe deposit at the bank. He was court ordered to return the jewellery, but a few pieces were missing. One CALD client was threatened at knifepoint to apply for a 50K loan to send to his family in India. We managed to get the balance of \$45,000 waived, but this was a painstakingly long process.

Opportunities for reform:

- Financial abuse should be considered a financial crime.
- Mental Health services should be accessible for women at high risk and should be as long as needed not the GP Mental Health Plan which only allows for 6 visits per year.
- Mental Health services to work together with Financial Counsellors with clients who are too overwhelmed and traumatised to deal with finances and make informed decisions.
- Education and Awareness on Financial Abuse – using media platforms, radio, TV, adverts

on buses, trains, medical centres, and hospitals waiting areas etc

- Financial Counsellors or Capability Workers be specifically funded to provide information sessions, tools, and resources regarding financial abuse and FDV to students in secondary schools, refuges, TAFES, CALD women services, prisons etc

Merlene Price, WA (24 years as a financial counsellor)

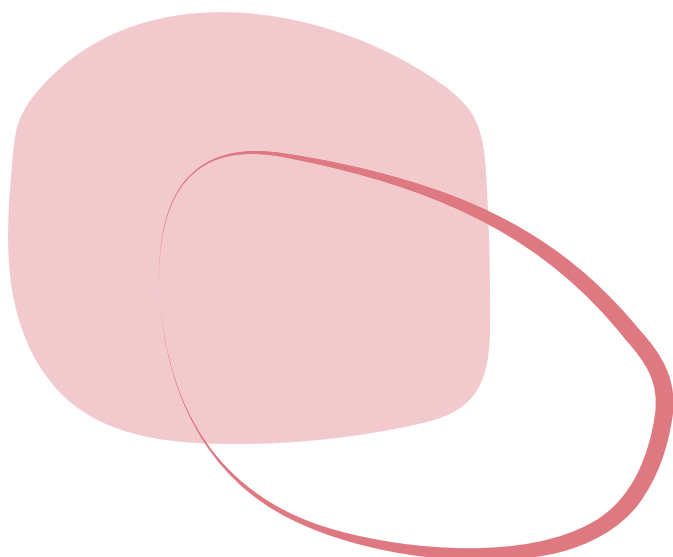
#5 – Jackie Smith

The Family Law Act 1975 needs to be amended, so settlement does not include pre-existing tax debt. Currently, pre-existing tax debt can be inherited within the property settlement process following divorce or de facto relationship breakdown.

A women cannot be held responsible for ensuring her perpetrator is up-to-date with his tax when she enters a relationship with him. She has no access to any of this personal tax records. It is the responsibility of the ATO to follow up outstanding tax debts.

See relevant case study below.

Jackie Smith, Queensland (4 years as a financial counsellor)



Appendix: Case Studies

Dianna

Dianna has survived a lifetime of family violence. Her previous partner was an extremely violent person for years, physically, emotionally, sexually, financially, psychologically. Things finally changed when Police were involved and she went into refuge.

After refuge she was required and needed to engage in several different counselling sessions and programmes for her recovery. Despite the significant PTSD she experienced, her job search provider over the following year consistently required her to report in for mutual obligations. Over the year Dianna also experienced several complications with having her payments cut off completely for a period of time, having her payments reduced and before they were finally reinstated a \$10,000+ debt raised against her at the most difficult time of her recovery. In this time Centrelink requested a child support agreement and withheld complete family tax benefits until this was completed despite the fact the father had no contact with the child and there was a 5 year IVO against him.

It took over 11 months for Centrelink to fully rectify her payments, with dozens of phone calls, attempts of going in person to no avail, going to a MP's office to request help, making a complaint and appealing before Centrelink resolved the situation and had to back pay her payments they had not made.

Over this time, she had constant stress and anxiety, feelings of incompetence and hopelessness, inability to pay for phone credit, getting behind in rent several times, not being able to pay for utilities, not being able to pay specialist appointments, not being able to buy all the things she needed for her young child and at times not having sufficient food in her cupboards to feed them both.

Centrelink told her that if she wanted an exemption from job searching activities, she either had to go to the doctor or see a social worker. At the local bulk billed clinic she would never get the same doctor and they did not like completing forms when they did not have a relationship with the patient. Centrelink told her that she could go to a social worker but it was impossible to get an appointment through the phone service and she was disregarded as a priority because her family violence was not recent. 12 months on, her job search provider are still requiring job searching activities but she is not ready.

Provided by Elizabeth Stary, Women's Legal Service Victoria

Shayla

Shayla came to Australia as a migrant and now lives in regional Victoria. She is a single parent aged in her early 40s looking after her only child aged 9 years of age. Shayla has experienced financial abuse, physical and verbal abuse throughout her marriage. When she was living with her husband, he took control of all the finances and never included her in decision making or information. A couple of years ago, he disclosed they were in a financial mess and put their housing at risk as they could not keep up to date with mortgage repayments.

Shayla initiated changes on her bank account and he subsequently made her move out of the family home. Shayla went into refuge and later received housing support through a family violence service to move into private rental. Shayla later received support to apply for Jobseeker. She now receives Jobseeker Allowance, Family Tax Benefits and Commonwealth Rent Assistance and her private rental costs take almost 65% of her Centrelink income.

Shayla does her best to keep a budget but is finding the cost of living, especially in terms of food, energy costs, petrol and car maintenance not enough to get through. Shayla recently advised that she also had a Centrelink debt of over \$5,000, whereby she is paying a \$80 per fortnight deduction for something to do with her Family Tax benefit. On contact with Centrelink they have advised that she did not properly disclose the income of her family however she did not know what her husband's income was when they lived together.

Provided by Elizabeth Stary, Women's Legal Service Victoria

Serina

Serina is on a Disability Support Pension and is paying a Centrelink debt for incorrect information that her ex-husband provided her when she applied for Centrelink. Serina's ex husband is very unpredictable and often cancels the parenting arrangement with their daughter, leaving Serina with uncertainty and in a position of more care. Whilst Serina is managing mostly with her new independent living and caring for her daughter, she cannot manage the additional deductions of the Centrelink debt and does not understand how this happened when she had told Centrelink her details.

Provided by Elizabeth Stary, Women's Legal Service Victoria

Angelina

Angelina left a family violent situation with Police arriving to remove the perpetrator. At that stage Angelina had rental arrears because the person using violence had not contributed to the private rental costs and she was subsequently evicted and lost her job. In her 50s, Angelina had nowhere to live and had no option but to live in her car. Her children were removed from her whilst she was homeless.

Angelina had never been in this situation and was not confident with IT, computers and systems online. Angelina went to a Centrelink office and advised of her situation. Centrelink cut her payments after calculating her previous working income, as such not paying her correct entitlements as she had lost her job.

For almost half a year Angelina was struggling to even buy food as most of her money went on paying for petrol and car maintenance so that she had somewhere to live and so she could use what extra she had for her children when she had contact. Fortunately, Angelina received community services support and her Centrelink income was rectified but it has not been enough to live off. Angelina has had no choice but to take up work to survive now living in private rental even though she is still recovering from the family violence.

Provided by Elizabeth Stary, Women's Legal Service Victoria

Escaping Violence Payment (EVP)

Women's Legal Service WA has been assisting a client with an extensive history of experiencing FV, including significant financial hardship because of historical and on-going economic abuse. The client was able to obtain an EVP of \$5000, given in vouchers and a "weel card" which is a cash card that is uploaded to the client's Apple wallet. Like all EVP payments, the payment options are received via email and can only be utilised with a tech device.

The client was separated from the perpetrator and living in her own accommodation. The perpetrator located the client, broke into her home, seriously assaulted her, and stole her phone before fleeing. He was able to then access her phone and transferred all accessible value from EVP cash cards to his own account and a gambling account. This financially devastated the client, as those funds were effectively all she had access to fund purchase of vital necessities.

Provided by Merlene Price, Women's Legal Service WA

Tech abuse and fraud

A client who had been receiving legal support had their Google account hacked by the perpetrator. The perpetrator and the client had been separated for months, and there was an FVRO in place. The client began receiving emails from her Gmail account regarding changes to her Google account. The perpetrator accessed the client's Google account and changed security and privacy settings, such as the account password and recovery email. The client was receiving emails notifying her of the change in recovery email with a message stating - "Guess who?" this was the perpetrator taunting the client.

The perpetrator was able to then access personal and sensitive information, which included the client's application for the EVP via her Gmail account. The perpetrator then made a fraudulent application for the EVP using the details of the client.

Provided by Merlene Price, Women's Legal Service WA

Toni

Note – full correspondence from this client has been sent to the Parliamentary Joint Committee on Corporations and Financial Services on Monday 3 June.

"From my personal experience, the legal proceedings initiated by my former partner of 6 years were orchestrated to secure him payment for his taxation debt that he incurred before, during and after our relationship, and additionally for him to obtain a share of my property through property settlement in the Family Court.

It started when I received an email 2 years after our separation, from his accountant requesting my income was required for the years 2012 to 2019.

This was the first time I became aware of any non-lodged tax returns. At this point, I was still oblivious to any debt. When I confronted my former partner about the seriousness of this situation, he urged me to deceive the ATO by citing my previous medical conditions as the reason for his non-compliance. I refused to partake in his plan. I suspect this was the catalyst for his decision to pursue legal action through the family court system, a form of punishment and control.

This scheme unfolded post-separation, as my former partner disclosed tax returns dating back over 14 years, revealing tax debts from six years preceding our de facto relationship.

This was all constructed with the assistance of his associate, who is an accountant and a former ATO auditor and assessor.

The disclosed unpaid taxes from 2006-2020, effectively fabricating a taxation debt, emerged only after our separation. Despite assurances throughout our relationship that he was up to date with taxes, his entire debt that I did not know about, including interest, penalties and fines, was included. During the proceedings, I discovered my former de facto partner completed tax returns without bank statements from 2008-2014, however ultimately, the courts validated the legitimacy of the returns and overlooked any suspicion. Despite my request for specific details concerning this debt, including the breakdown of penalties, fines, and interest, I was denied access to this information. I still to this date do not know the legitimacy or accuracy of this debt.

Over a 2.5-year period of legal proceedings in the Family Law Courts, comprising of nine hearings, 32 submissions, and various legal proceedings including conciliation conferences and trials, the court unfortunately failed to fully comprehend my former partner's deceptive tactics and identify financial abuse accordingly. His underhanded manoeuvres, which involved exploiting legal loopholes and deliberately prolonging the proceedings, has left me vulnerable to ongoing financial exploitation. To date, my legal expenses have exceeded more than \$170,000 striving to exclude a taxation debt that had been concealed from me throughout our short term six-year defacto relationship.

My former partner has been successful in manipulating the family law system to include his taxation debt, accrued since 2006. The Family Courts have enabled this and ultimately rewarded him. I am now faced with losing my home and my business.

Despite the Australian Taxation Office (ATO) being fully aware of his debt for all of those years, have shown a disturbing level of neglect by failing to pursue his debt over many years effectively. My former partner even continued to trade, operating his carpentry business, collecting GST from his customers and not paying the ATO, failing to lodge any taxation returns or BAS statements and failing to pay any income tax which enabled him to continue increasing his debt.

This unresolved debt continues to linger, awaiting the sale of my family home—a 26 year old property in my name only, mortgaged by myself, that I have single-handedly renovated multiple times with my own funds and financially serviced in my sole name for the entire 26 years. A home that I also have run my home based salon from for 15 years and is my only source of income. This outstanding debt has left me in a position where I have been subjected to financial abuse that will affect my future, independence, employment and

financial security.

The Australian Taxation Office's (ATO) failure to address a debt accumulated by my former partner over nearly two decades has directly impacted my future, my home, and my ability to generate income. Despite the ATO's awareness that tax debt is a shared responsibility in the family court system, they neglected to inform me or take appropriate measures to recover my former partner's tax debt."

Provided by Jackie Smith, Brisbane Domestic Violence Service

Thuy

Thuy is a single mother and has been living in Australia for 8 years. She has experienced family violence and had to escape into refuge with 2 children. She does not qualify for a permanent visa and only receives Centrelink Family Tax benefits. Her family violence worker assisted her with getting accommodation through a housing service which is subsidised. After, Thuy has \$250 left per week to pay for food, utilities, phone, school costs, transport expenses and anything else. She is constantly contacting emergency relief services to assist because she has no other option. As she speaks very little English her employment options are limited.

Provided by Elizabeth Stary, Women's Legal Service Victoria

Lara

Lara lives in regional Victoria. Lara was a stay-at-home mum raising her 3 children and picked up some casual work when she could. However her opportunities to work were limited as her 3 children had special needs that meant sometimes she had to care for them and her husband never took on any caring responsibilities. After the kids left high school and having lived in a relationship of family violence, Lara left the relationship after the last significant incident.

After separation she was left with no savings, hardly any superannuation and no significant assets. After the constant financial struggle, she went back to work in a low skilled job, however not long after sustained a workplace injury that has impacted on her abilities and movement. Lara could no longer afford the private rental that she and her son, who was not able to work, live in. They spent the next 6 months homeless until receiving some housing

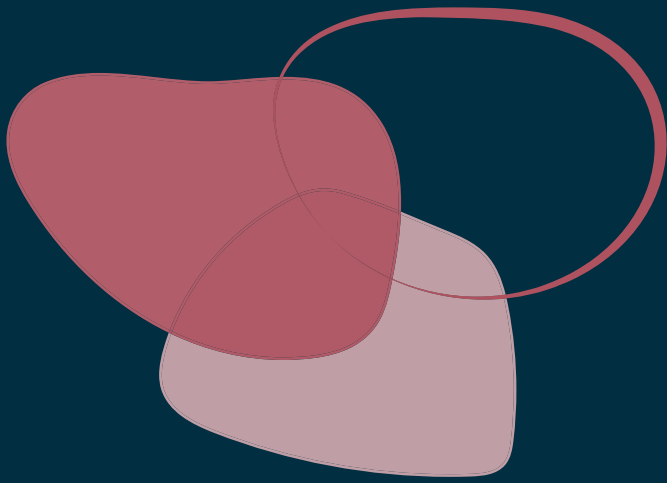
support and getting back into a more affordable rental property.

Since the accident, Lara has applied for the Disability Support Pension twice. She has been rejected although she had letters from the doctors and specialists. Lara was assessed to be able to work 8 hours per week. However, she cannot find 8 hours per week employment in her township. She also physically cannot work 8 hours straight due to her physical disability. Her doctor is fed up with filling out forms and doesn't really understand the Centrelink system either.

Nowadays, Lara has exhausted all emergency relief providers in her region. Every week she is increasingly worried that she and her son will end up homeless again. She feels completely overwhelmed and depressed and often has suicidal ideation.

Provided by Elizabeth Stary, Women's Legal Service Victoria





FCVic

Financial Counselling
Victoria Inc.

Financial Counselling Victoria is the peak body for financial counsellors in Victoria: providing advocacy and support for those in financial hardship.

FCVic acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners of the lands on which our organisation is based.

We pay our respects to their Elders, past and present.

As the FCVic team works remotely across many lands, we extend our respects to the Elders of other Aboriginal and Torres Strait Islander communities throughout Victoria and Australia.

We recognise the continuing connection that First Nations communities have to land, water and culture, and acknowledge that sovereignty was never ceded.
