



## **Good Practice Industry Guideline for Addressing the Financial Impacts of Family Violence – Version 1a, 4 April 2017**

This document has been developed by the Economic Abuse Reference Group (EARG) - see Appendix 2. It provides guidance for industry or government bodies which are developing policies and procedures to respond to customers (or members of the public) who are experiencing financial detriment resulting from family violence.

The EARG expects to continue developing this document during 2017, but have published this version at an early stage so that it is available to assist current work.

Members of the Economic Abuse Reference Group which have approved this document are:

- Consumer Action Law Centre
- Domestic Violence Victoria
- Financial and Consumer Rights Council
- Good Shepherd Australia New Zealand
- Women's Legal Service Victoria
- WestJustice
- Financial Counselling Australia
- Financial Rights Legal Centre
- CARE ACT
- Justice Connect Homeless Law
- Kildonan Uniting Care

Thankyou also to Legal Aid NSW for their input.

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## A. The nature of family violence

Family violence is “the repeated use of violent, threatening, coercive or controlling behaviour by an individual against a family member(s), or someone with whom they have, or have had an intimate relationship with, including carers.”<sup>1</sup>

Family violence is underreported, and “a great deal of the violence remains hidden”.<sup>2</sup> It may not be immediately apparent that a customer or work colleague is a victim – or a perpetrator – of family violence.

Forms of family violence include emotional, verbal, social, economic, psychological, physical and sexual abuse. Family violence also includes threatening, coercive or other behaviour that controls and dominates one family member and makes them feel fear for their own safety or wellbeing, or that of others.<sup>3</sup>

Family violence is gendered violence. Perpetrators are far more likely to be men, and women comprise the clear majority of victims. Estimates vary on the rates of male violence against their partners – one study found that 87 per cent of all survivors of domestic and family violence are women and that 98 per cent of all perpetrators are men.<sup>4</sup>

This does not discount the fact that some men can be, and are, victims of family violence; however not at the same rate. Further, the factors that drive abuse of women are generally different to that perpetrated against men.<sup>5</sup> Therefore, these guidelines adopt gendered language when discussing the issue of family violence.

## B. What is the economic impact of family violence?

Family violence can have a significant detrimental impact on a woman's financial wellbeing, both during the violent relationship, and if (and when) a woman leaves the perpetrator. Financial insecurity is one reason a woman may stay in a violent relationship. Leaving a violent relationship must sometimes be done quickly and suddenly. A woman may not be able to take much with her, or may have to move far away from her home due to safety concerns. This can leave a family violence survivor (and often her children) with few financial resources and make it difficult to find secure housing and establish a new life.

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<sup>1</sup> Fiona McDonald, *Spotlight on economic abuse: A literature and policy review* (Good Shepherd Youth & Family Services, 2012).

<sup>2</sup> State of Victoria, *Royal Commission into Family Violence: Summary and Recommendations*, Parl Paper No 132 (2014–16) Summary Chapter, 18.

<sup>3</sup> *Family Violence Protection Act 2008* (Vic) S 5.  
[http://www.austlii.edu.au/au/legis/vic/consol\\_act/fvpa2008283/s5.html](http://www.austlii.edu.au/au/legis/vic/consol_act/fvpa2008283/s5.html)

<sup>4</sup> Anthony Morgan & Hannah Chadwick, *Key Issues in Domestic Violence: Research in Practice Number 7* (Australian Institute of Criminology, 2009) <http://www.aic.gov.au/publications/current%20series/rip/1-10/07.html>

<sup>5</sup> Michael P Johnson, ‘Conflict and Control, Gender Symmetry and Asymmetry’ (2006) 12 (11) *Domestic Violence* 1003-1018.

Some of the challenges are:

- Domestic and family violence is the leading cause of homelessness for women<sup>6</sup>
- Survivors of domestic and family violence often have significantly reduced assets post-separation<sup>7</sup>
- Economic abuse erodes survivors' sense of their financial capability and ability to make financial decisions<sup>8</sup>
- Survivors often inherit, and then pay for jointly accumulated relationship debts when the relationship ends<sup>9</sup>
- Survivors are more likely to be reliant on income support after experiencing domestic and family violence<sup>10</sup>

In many cases, economic abuse exacerbates this situation. Economic abuse is a form of family violence. It "involves behaviour that controls a woman's ability to acquire, use and maintain economic resources."<sup>11</sup> Economic abuse is a common aspect of a violent relationship and can continue post-separation.

Economic abuse can include, among other things, coercing a woman to:<sup>12</sup>

- incur debt for which she does not receive a benefit, or take on the whole debt of a relationship
- relinquish control of her assets or income, or reduce or stop paid employment
- claim social security payments
- sign a power of attorney that would enable her finances to be managed by someone else
- put household bills in her name alone
- sign a contract, loan application or guarantee
- sign documents to establish or operate a business.

It may also include:<sup>13</sup>

- removing or keeping property without consent
- disposing of property against another person's wishes and without lawful excuse

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<sup>6</sup> 'Violence puts women on the streets', *New Matilda* (online), 8 March 2013. <http://newmatilda.com/2013/03/08/violence-puts-women-street>

<sup>7</sup> Rochelle Braaf & Isobelle Barrett Meyering, *Seeking Security: promoting women's economic security after family violence* (Australian Domestic and Family Violence Clearinghouse, 2011).

<sup>8</sup> Ibid.

<sup>9</sup> Tanya Corrie & Magdalena McGuire, *Economic Abuse: Searching for Solutions* (Good Shepherd Youth & Family Services, 2013).

<sup>10</sup> Nicola Sharp, *What's Mine is Yours* (Refuge, 2008).

<sup>11</sup> Adrienne E Adams et al, 'Development of the Scale of Economic Abuse' (May 2008) 14(5) *Violence Against Women*, 563-588.

<sup>12</sup> Most examples sourced from: <http://www.ntlawyers.com.au/economic-abuse-relationships-marriages-domestic-violence/>

<sup>13</sup> Ibid.

- preventing access to joint financial assets, such as a joint bank account, for the purposes of meeting normal household expenses
- demanding disclosure of a person's credit card details and/or passwords
- demanding cash
- preventing access to online banking or purchasing
- preventing someone from seeking or keeping employment.

In some cases, economic violence can begin after separation because it allows the perpetrator to continue to exert control. Women are unlikely to identify that they are victims of economic abuse.<sup>14</sup>

See Appendix 1 for a further, more detailed overview of family violence and economic abuse.

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<sup>14</sup> State of Victoria, Royal Commission into Family Violence: Report and recommendations (2014-2016) Vol IV, Parl Paper No 132 (2014–16) 94.

## C. Good practice principles

The following principles underpin a good-practice industry, or agency, response to the financial impacts of family violence:

1. Safety and security are paramount.
2. Responses must take into account that:
  - women are unlikely to report family violence and may not realise they are experiencing economic abuse
  - family violence, whatever form it takes, may have an impact on a woman during all stages of engagement (for example both before, during and after contracting)
  - economic abuse is a form of family violence
  - financial hardship resulting from family violence can be long-term
  - there is a connection between gender inequality and family violence.
3. Women should only need to tell their story once.
4. Avoid blaming victims of family violence – it is actions of the perpetrator that are responsible for the violence.
5. Staff should be trained on, and able to identify, family violence (without the victim self-reporting) and respond and refer appropriately. This includes how to support victims, as well as how to respond to perpetrators.
6. Organisations should aim to support all victims of family violence, including staff.
7. The complexity of victims' lives should be minimised, by the provision of a simple, easy and flexible process.
8. A flexible and broad range of options should be available to respond to a family violence disclosure. The options should be practical and appropriate.
9. Wherever possible, the woman's access to essential services (or goods), including communication, housing and transport, should be protected.

## D. Key elements of a response to the financial impacts of family violence

Policies will differ depending on the type of entity, the types of services it provides and the nature of the financial obligations incurred. However, the following should be used as a guide.

1. **Economic abuse is a form of family violence and must be recognised as such.** Under the law in a number of states<sup>15</sup>, economic abuse is specifically identified as family violence. Procedures should be in place at all levels where customers transact or engage with the organisation, to respond to family violence whether it is physical or takes other forms.
2. **The organisation, particularly front-line staff, should recognise indicators of potential family violence (including economic abuse), and respond appropriately.** It is likely that most women won't self-report family violence and may not even recognise economic abuse.
3. **Consider possibility of economic abuse at all stages.** For example, the risk of economic abuse should be considered at the time any contract is formed – not only when a problem arises.
4. **Single entry point.** This will usually require a specific phone number that is widely published to customers and support services, and staff answering those calls who have had specialist training and can ensure the caller's issues are handled appropriately – and as seamlessly as possible.
5. **One point of contact.** Where possible, the woman will be assigned to a case manager with a dedicated phone line, but otherwise processes ensure that engagement is as seamless for the customer as possible.
6. **Processes should avoid the need for women to repeat their story.** This includes the situation where a woman has already outlined her story to a professional or an advocate.
7. **Evidence of family violence should not be requested unless absolutely necessary.** Wherever possible, accept what the woman says about family violence. Avoid requiring proof of family violence unless this is clearly required to provide the resolution being considered by the business. Evidence may not be required in each case. If the woman's request is not considerable – or would be similar to that of other customers in financial hardship – it may be unreasonable to require specific evidence of family violence. If evidence is required, consider the practicality of the woman obtaining evidence and consider the level of proof required. Not all victims of family violence obtain court orders, or have organisations or health/welfare staff who can attest to family violence.
8. **Staff should have adequate training to respond to family violence matters. This should be appropriate to their roles within the organisation and should include training on:**
  - Recognising indicators of family violence (including economic abuse)
  - Recognising the effects of trauma and responding appropriately

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<sup>15</sup> For example Victoria and Queensland.

- Recognising the complexity of financial and other problems experienced by victims of family violence
  - Making referrals to assistance agencies.
9. **Internal processes and work requirements must allow adequate time** for staff to deal appropriately with these matters.
  10. **Safety/privacy.** Processes should ensure that the business does not put the customer at risk and does whatever is required to prevent the perpetrator from identifying her physical, or electronic, contact details. It may be appropriate to 'flag' the individual's account to alert other staff, and where relevant, prohibit online access to the account and/or place additional security requirements on online access. Staff should be trained on how to ensure information is kept confidential, and how best to communicate with the customer to ensure she is safe – this should include asking what her preferred form of communication is.
  11. **Processes and time-frames should be flexible** to take into account the complexity of the range of issues the woman may be dealing with and the complex decisions she needs to make.
  12. **A range of flexible, practical options which can be matched to the particular situation should be available.** Options could include considering removal of the woman's name from an account/debt, a debt waiver, or various payment arrangements based on the individual's circumstances. Wherever possible, necessary services should be maintained (including those relating to communication and mobility) and the woman's future financial security should be considered (for example by changing a credit report where appropriate). Responses should take into account that hardship may be long-term, and that resolution of some family law disputes, particularly where family violence is involved, can take years.
  13. **Maintain access to essential services (such as housing, utilities, phone).** The options/solutions presented should focus on preserving services such as internet and mobile phone – as well as access to housing – as these are likely to be vital to the woman's safety and her ability to establish a new life.
  14. **Ensure that staff can recognise when a customer may benefit from a referral** to a relevant agency (including housing, family violence support or community legal services) and that staff can provide the name/s of such services.
  15. **Consult with family violence agencies** (and other expert organisations) in relation to the development, implementation and review of policies.
  16. **The business/department culture should support all victims of family violence.** Ensure that the workplace demonstrates a consistent approach to all victims of family violence, including staff. Therefore, the workplace should have a policy in place on how to support staff members who experience family violence, which includes appropriate training of managers and an Employee Assistance Program.

17. **Monitoring.** Organisations should have in place effective processes for monitoring the quality and effectiveness of its response to family violence (including compliance with the organisation's policy), which contribute to improving service quality.

18. **Regularly review the application and effectiveness of the policy.**



## Appendix 1

This good practice guideline focuses on women as victims of family violence. While men can also be victims of family violence, women are more likely to experience family violence.<sup>16</sup> Further, when a relationship breaks down, women are more likely than men to experience financial hardship.<sup>17</sup>

Women who are subject to family violence are likely to experience significant financial detriment. Many of these women are subject to economic abuse from their partners, further worsening their financial situation and putting at risk their ability to live independently. Some women who have not been subject to economic abuse may experience it once they leave a relationship.

“Economic abuse is commonly experienced during a violent relationship, and can continue post-separation. In some cases, economic abuse can begin after separation. In family violence situations, physical and sexual abuse may cease after separation while emotional and economic abuse continues. Economic abuse is a mechanism for the perpetrator to continue to exert control when other forms of violence are not available.”<sup>18</sup>

The Royal Commission into Family Violence “heard that women are highly unlikely to identify their own experience of economic abuse; some even wish they had experienced physical abuse rather than economic abuse because it is easier to identify and support is more widely available.”<sup>19</sup>

### Financial impact of family violence

Financial impacts that arise from family violence (whether or not there is economic abuse) include:

- Difficulty maintaining employment (due to physical injuries, low self-esteem or avoiding perpetrator contact)
- Few financial resources (because of leaving in a hurry, lack of access to bank accounts, concern that financial activity may enable tracking by perpetrator and bad credit report due to debt issues).
- Risk of homelessness (due to lack of resources to set up and maintain a new home).<sup>20</sup>

Where family violence includes economic abuse, there can be other negative impacts:

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<sup>16</sup> The Royal Commission into Family Violence found that In Victoria three-quarters of victims in family violence incidents attended by police are female and 77 per cent of perpetrators recorded by police are male.

<sup>17</sup> Pru Goward, *Striking the Balance: Women, Men, Work and Family*, Discussion Paper (Sex Discrimination Unit, Human Rights and Equal Opportunity Commission, 2005) 54.

<sup>18</sup> State of Victoria, Royal Commission into Family Violence: Report and recommendations (2014-2016) Vol IV, Parl Paper No 132 (2014–16) 94.

<sup>19</sup> *ibid*, p94

<sup>20</sup> Nicola Sharp, *What's Mine is Yours* (Refuge, 2008), 9-10.

- While the woman remains in the relationship:
  - Lack of access to funds for her own, and children's needs
  - Inability to obtain or maintain employment
  - Lack of access to communications such as email or phone
  - Stress from contact about bills and debts
  - Lack of control over her day-to-day life.
- Once the woman has left the relationship:
  - Little, or no, access to money/bank accounts
  - Decrease in income, threat to vital assets such as a car, and stress due to an unfair allocation of liabilities (for example debts incurred for the partner's benefit or being left to pay joint debts alone)
  - Poor credit history which can reduce ability to borrow in the future at reasonable rates
  - Problems acquiring vital utilities such as electricity or phone because of unpaid accounts in her name
  - Lack of confidence/knowledge to deal with day-to-day financial matters
  - Ongoing increasing debt liabilities due to the ex-partner continuing to incur credit (eg credit card or phone) for which the woman is responsible.

Economic abuse can lead a woman to returning to (or deciding to stay in) a violent relationship.

“Economic violence can also be seen as particularly significant since the research literature observes how economic factors can profoundly impact a woman's ability to leave an abusive man (Brandwein, 1999; Lyon, 2002; Fender et al., 2002; WNC 2003; Bell & Kober, 2008). As Lyon (2002:12) notes, lack of access to income and other resources is one of the most 'commonly given reasons why women experiencing domestic violence stay with their partner and may result in some women staying with a violent partner for longer and experiencing more injuries as a result (Earlywhite&Stohl, 2005).”<sup>21</sup>

Every individual's circumstances are different, as is the assistance they may require. However, it can be useful to consider that women who require support with financial problems may:

- experience financial detriment (but not necessarily economic abuse) as a result of physical or emotional abuse

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<sup>21</sup> Nicola Sharp, *What's Mine is Yours* (Refuge, 2008) 6.

- experience economic abuse in combination with physical or emotional abuse
- experience economic abuse only after they have left the relationship
- experience economic abuse without experiencing other, more visible forms of family violence.

## Economic Abuse

### How is Economic Abuse Defined?

Economic abuse involves “behaviours that control a woman’s ability to acquire, use and maintain economic resources”<sup>22</sup> (p.564)

“While in 2008 Economic abuse [was] only just beginning to attract the attention of researchers, it is widely recognised as a form of violence against women for example:

- The United Nation (UN) General Assembly’s (2002) Resolution on the Elimination of Domestic Violence against Women, recognises that domestic violence can include economic deprivation
- the UN Secretary-General’s (2006) in-depth study on violence against women goes on to state that economic abuse and exploitation are manifestations of violence ‘that require greater visibility and attention’ (United Nations,2006:47)
- The Council of Europe (2002) acknowledges that violence can take many forms, including through denying women financial independence and controlling their economic decisions.”<sup>23</sup>

Section 5 of the Family Violence Protection Act (Victoria)(FVPA), for example, identifies “economic abuse” as a form of family violence, and Section 6 states:

Economic abuse is behaviour by a person (the **first person**) that is coercive, deceptive or unreasonably controls another person (the **second person**), without the second person’s consent:

- in a way that denies the second person the economic or financial autonomy the second person would have had but for that behaviour; or
- by withholding or threatening to withhold the financial support necessary for meeting the reasonable living expenses of the second person or the second person’s child, if the second person is entirely or predominantly dependent on the first person for financial support to meet those living expenses.

The FVPA provides examples of economic violence including:

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<sup>22</sup> Adrienne E Adams et al, ‘Development of the Scale of Economic Abuse’ (May 2008) 14(5) *Violence Against Women*, 564.

<sup>23</sup> Nicola Sharp, *What’s Mine is Yours* (Refuge, 2008) 5.

- coercing a person to relinquish control over assets and income;
- coercing a person to sign a range of financial or legal documents; and
- preventing a person from accessing joint assets to meet normal household expenses.

### **Extent of Economic abuse**

While economic violence is defined by Victorian law as one form of ‘family violence’, it is not typically identified by victims, or the community, as family violence.<sup>24</sup>

“Estimates vary from 30-90 per cent of family violence cases involving incidents of economic abuse. (Macdonald, 2012). A conservative estimate suggests that economic abuse occurs in approximately 50 percent of family violence cases (Sharp, 2008). If that were true, then an estimated 1.86 million women in Australia may have experienced economic abuse (Corrie & McGuire, 2013).”<sup>25</sup>

### **The Role of Debt in Economic abuse**

Debt can be used as a way of maintaining control over women once they leave the relationship.

Debt is a common way for abusers to control their partners. Women are protective of their credit records and often continue to pay the full amount of a joint debt when the man threatens to default.

“The use of debt was a common and pervasive form of economic violence. Perpetrators would often force women to take out debts in her name, and retain the asset during the relationship and post-separation. This was particularly true for cars, which were regularly withheld from women to control and limit their economic and social participation.”<sup>26</sup>

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<sup>24</sup> Owen Camilleri, Tania Corrie and Shorna Moore, *Restoring Financial Safety: Legal Response to Economic Abuse* (Good Shepherd and Wydham Legal Service, 2015), 11.

<sup>25</sup> Owen Camilleri, Tania Corrie and Shorna Moore, *Restoring Financial Safety: Legal Response to Economic Abuse* (Good Shepherd and Wydham Legal Service, 2015), 18.

<sup>26</sup> Owen Camilleri, Tania Corrie and Shorna Moore, *Restoring Financial Safety: Legal Response to Economic Abuse* (Good Shepherd and Wydham Legal Service, 2015), 13.

## Appendix 2

### What is the Economic Abuse Reference Group?

The Economic Abuse Reference Group is a group of community organisations which aims to improve business and government responses to economic abuse, and therefore reduce the negative financial impact of family violence. The group is primarily Victoria-based, but it does work with some interstate or national agencies in relation to issues that are not exclusively Victorian. Members of the group have broad experience working with victims of family violence and working with industry and government to develop guidelines and codes. The group's work is significantly informed by the report of the Victorian Family Violence Royal Commission.

The group is currently providing feedback in relation to several industry and government responses to financial issues associated with family violence. While it can't respond to all requests for input, the group can be contacted through its website [www.earg.org.au](http://www.earg.org.au)

The Economic Abuse Reference Group is supported by the Victorian Government.