

# Financial Abuse and Scams

**Guidance for councillors, directors, managers and social work practitioners**

## Background

A mass marketing scam is a misleading or deceptive business practice where the person receives an unsolicited or uninvited contact (e.g. by letter, email, phone or advertisement) and false promises are made to con the victim out of money. A doorstep scam is whereby victims are cold called at their homes and persuaded to part with money as a result of rogue trading activity.

Victims of scams, whether that is mass marketing scam or doorstep scam, are victims of financial abuse. The Care Act 2014 puts all local authorities under a duty to take steps to prevent individuals being subject to financial abuse. It also requires them to take suitable steps to prevent or delay adults needing care and support; preventing people becoming victims is a key element of maintaining health and wellbeing in later life.

Local trading standards services are at the forefront of tackling financial abuse through their activities in identifying, visiting and supporting victims of scams. They are also actively working in partnership with the National Trading Standards (NTS) Scams Team to deliver key education to help promote the continued health and wellbeing of those potentially at risk. (e.g. [www.friendsagainstscams.org.uk](http://www.friendsagainstscams.org.uk) )

ADASS and the NTS Scams Team are therefore committed to working together to support the valuable work undertaken locally by both adult social care and trading standards professionals. This document seeks to provide valuable information on how we can achieve this and together recognise and respond to the signs of financial abuse.

We are also pleased to have the support of the Local Government Association (LGA) and the Adult Principal Social Worker Network (APSWN).

This guide gives some key information on the effects of scams on the continued health and wellbeing of individuals which we believe is essential for all those working in the adult social care sector to be aware of. The later part of the guidance then is divided into sections to address the following specific roles:

- Councillors
- Safeguarding Adults Boards

- Health & Wellbeing Boards
- Practitioners

## The Scale of the Problem

Scams make people part with their money and personal details by intimidating them or promising cash, prizes, services and fictitious high returns on investments. Scams are fraud and fraud is a crime. These scams are also an under-reported form of financial abuse.

Each year scams cause approximately between **£5 and £10 billion** worth of detriment to UK consumers. Scams can also have a substantial impact on economies and markets by undermining consumer trust and confidence in legitimate businesses.

## Scams & Health

It has long been suspected that victims of scams, specifically the elderly and consumers made vulnerable by their circumstances, experience deteriorating health, independence and loss of self-confidence. These give rise to additional financial costs on the health and social care sector which could be prevented through earlier intervention and protection. The inevitable consequences of being a victim are also far more costly in terms of deteriorating health than with pure financial loss; and greater efforts need to be made to prevent scams so as to improve long term health outcomes in the UK.

Some key considerations are:

1. An ageing population and reduced cognitive function

NTS Scams Team evidence shows that the average age of a scams victim is 75. Academic research has confirmed that older people are more susceptible to becoming victims due to lower levels of cognitive function<sup>1</sup>.

The number of older people continues to rise, with over 11.6 million (17.8% of the population) aged 65 and over in mid-2015<sup>2</sup>. By 2050 the number is predicted to reach 20 million<sup>3</sup>. Furthermore, dementia is a key contributor to reduced levels of cognitive function and the number of people with dementia in the UK is forecast to increase from 815,827 to 1,142,677 by 2025, an increase of 40%<sup>4</sup>.

The National Centre for Post-Qualifying Social Work and Professional Practice (NPCPQSW) at Bournemouth University has highlighted this issue in their research into the effects of financial scamming<sup>5</sup>.

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<sup>1</sup> James, B., Boyle, P. and Bennett, D. (2014) Correlates of susceptibility to scams in older adults without dementia, *Journal of Elder Abuse and Neglect*, 26:2, 107-122 [USA]

<sup>2</sup> Office for National Statistics, Statistical Bulletin June 2016

<sup>3</sup> Office of National Statistics age profiling

<sup>4</sup> Dementia UK Second Edition 2014, The Alzheimer's Society

<sup>5</sup> NCPQSW, Bournemouth University: Financial Scamming – Our Campaign and Research to date

## 2. Social Isolation

There is strong evidence that social isolation is linked with deterioration in health. Around a million (10%) older people are termed 'chronically lonely' at any given time in the UK which will seriously increase their risk of suffering mental and physical illness<sup>6</sup>.

Social isolation also puts individuals at greater risk of cognitive decline<sup>7</sup> which is a key factor that contributes to becoming a victim of a scam. Furthermore, victims of scams who are alone may engage with a criminal more readily than other people because of their natural need for human interaction.

## 3. Impact of scams

A National Trading Standards Doorstep Crime Project was completed in 2014/15 and its report<sup>8</sup> included a victim impact survey which highlighted four significant facts in relation to health harms:

- On a scale of 1 to 10, with 10 being the worst affect, 50% rated the effect of the crime on them as between 6 and 10.
- 23% said it had affected their health.
- 38% said it had resulted in them having reduced confidence generally.
- 26% said it had left them feeling down or depressed.

In 2012 a Victim of Crime Survey<sup>9</sup> concluded that 31% of victims of distraction burglary admitted that it affected their health. The impact of burglary and scams is comparable due to the shared personal intrusion into the home.

This supports academic research commissioned by the Home Office<sup>10</sup> which showed that vulnerable adults defrauded in their own home lose confidence and become more susceptible to repeat crime. Furthermore, they are 2½ times more likely to either die or to go into residential care within two years when compared with their non-defrauded older adult neighbours.

Finally, Age UK undertook research looking at the impact of fear of crime on the elderly<sup>11</sup>. They admit that it is difficult to establish whether fear of crime is a cause of poor health or whether they are linked through more complex two-way relationships. For example, fear of crime may increase the risk of depression, but depression itself may heighten susceptibility to fear. However, they conclude that analysis does indicate that fear of crime contributes to poor health.

The victims of scams are an issue for adult social care. Victims are being subjected to financial abuse within their own homes and each local authority is under a duty to take steps to protect them.

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<sup>6</sup> Promising approaches to reducing loneliness and isolation in later life, January 2015, Age UK

<sup>7</sup> James et al, 2011

<sup>8</sup> National Trading Standards Doorstep Crime Project Report 2014/15, March 2015

<sup>9</sup> Operational Liberal Victim of Crime Survey 2012

<sup>10</sup> Donaldson, R. (2003) Experiences of older burglary victims

<sup>11</sup> Age UK Study "Fear of crime and its effect on older people" 2014 Peter Lloyd-Sherlock and Sutapa Agrawal

## Financial Abuse, Scams & the Care Act

Section 42 of the Act states that where a local authority has reasonable cause to suspect that an adult in its area —

- (a) has needs for care and support (whether or not the authority is meeting any of those needs),*
- (b) is experiencing, or is at risk of, abuse or neglect, and*
- (c) as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it.*

*The local authority then must make whatever enquiries it thinks necessary to enable it to decide whether any action should be taken in the adult's case and, if so, what and by whom.*

Section 42(3) clearly states that abuse includes financial abuse; and for that purpose “financial abuse” includes –

- (a) having money or other property stolen,*
- (b) being defrauded,*
- (c) being put under pressure in relation to money or other property, and*
- (d) having money or other property misused*

Added to this the most recent edition of the, “Statutory Guidance to support Local Authorities implement the Care Act 2014” recognises that trading standards have a valuable contribution to make in ensuring adults are safeguarded, saying:

*14.28 Internet scams, postal scams and doorstep crime are more often than not, targeted at adults at risk and all are forms of financial abuse. These scams are becoming ever more sophisticated and elaborate. For example:*

- Internet scammers can build very convincing websites.*
- People can be referred to a website to check the caller's legitimacy but this may be a copy of a legitimate website.*
- Postal scams are massed-produced letters which are made to look like personal letters or important documents.*
- Doorstep criminals call unannounced at the adult's home under the guise of legitimate business and offering to fix an often non-existent problem with their property. Sometimes they pose as police officers or someone in a position of authority.*

*14.29 In all cases this is financial abuse and the adult at risk can be persuaded to part with large sums of money and in some cases their life savings. These instances should always be reported to the local police service and local authority Trading Standards Services for investigation. The Safeguarding Adults Board will need to consider how to involve local Trading Standards in its work.*

*14.30 These scams and crimes can seriously affect the health, including mental health, of an adult at risk. Agencies working together can better protect adults at risk. Failure to do so can result in an increased cost to the state, especially if the adult at risk loses their income and independence.*

Safeguarding adults with care needs who are subject to financial abuse via scams therefore need to be considered as part of a whole council and indeed whole partnership approach.

Furthermore, Section 2 also states local authorities must make provision for services that prevent or delay the need for care and support.

## Conclusion

There is a great deal of excellent collaborative work taking place across the country between adult social care and trading standards in order to prevent and safeguard victims of financial abuse. This document seeks to highlight the reasons for continuing and enhancing this collaboration and has been written jointly by ADASS and the NTS Scams Team. It also has the endorsement and support of the following organisations:

- Independent Chairs of Safeguarding Adult Boards
- Principal Social Worker Network
- Local Government Association

As organisations we are committed to recognising, supporting and disseminating best practice in this area to ensure there is adequate safeguarding provision concerning scams in place.

## What can you do?

The following Annexes initially seek to inform and challenge key areas for adult social care.

The tips within the Annexes are designed to help in your role as you consider your response to the risks of financial abuse associated with scams. They are not exhaustive but suggest areas you may like to focus on.

**Annex 1 – Top Tips for Councillors**

**Annex 2 – Top Tips for Safeguarding Adults Boards**

**Annex 3 – Top Tips for Health & Wellbeing Boards**

**Annex 4 – Top Tips for Social Care Practitioners**

**Annex 5 – Case studies**

We hope that the contents of this document are useful but please do provide feedback to either of the authors, either about the contents of this guide or to highlight other areas where you would appreciate further input.

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## **Annex 1 - Top tips for Councillors**

### ***Ensure that you are aware of scams***

There is an excellent on-line training session (which takes no more than 40 minutes to complete) at [www.friendsagainstscams.org.uk](http://www.friendsagainstscams.org.uk). Please consider how this initiative could be cascaded within your council.

### ***Ensure your council services are working together to protect victims of scams***

Often due to the structures of local councils some services find it more difficult to work across functions to achieve better outcomes. We suggest you make contact with your local Head of Trading Standards and Director of Adult Social Services (DASS) to assure yourself that a council-wide strategy is in place.

### ***Ensure your safeguarding policies includes scams***

It is important to recognise that scams are a form of financial abuse and therefore should be referred to in safeguarding policies, having the requisite practice guidance to ensure that victims are effectively supported locally.

### ***Prevention is better than cure***

Putting in preventative measures, targeting those at risk of scams, to ensure they don't become victims is more cost effective than supporting a victim. What preventative education initiatives is your council running and how cost effective are they when compared against the costs of a resident in care as a consequence of having health needs and no personal finance to cover this cost?



## **Annex 2 - Top tips for local safeguarding adult boards & regional safeguarding networks.**

### ***Ensure that you are aware of scams***

There is an excellent on-line training session (which takes no more than 40 minutes to complete) at [www.friendsagainstscams.org.uk](http://www.friendsagainstscams.org.uk). Complete it yourself and encourage other members of the board to be trained. You could also ask for a member of your local Trading Standards Team to come and speak at your next board meeting which will give you a real idea of the work being undertaken locally and how you could link in and support this.

### ***Working with Trading Standards to tackle scams***

Trading Standards teams are an excellent resource which undertake work to support victims who are identified by the NTS Scams Team (by means of intelligence sharing with partners such as the Royal Mail, financial institutions and the care sector). However, it is essential that they are provided with recognition and support by the board. We recommend that a trading standards officer sits either on the board or a relevant sub-group to ensure current and relevant information on scams can be considered.

### ***Referral mechanisms established for scams safeguarding referrals***

We should be ensuring that every client contact counts. In practical terms, this is helping all people (whatever the agency that they work for) to know the signs of a person being targeted by scams and knowing how to make a safeguarding referral to gain support. A consideration should be that the more complicated and time consuming the referral process is, the less likely it is that an individual will make a referral. Consider fast track mechanisms that make it quick and easy for a care provider for example to make a referral to highlight a concern.

### ***Use of regional groups and multi-agency meeting to increase awareness***

Consider inviting a representative of your local Trading Standards Team or the NTS Scams Team to speak at your regional group or multi-agency meeting. It is often through hearing about individuals targeted by scams and the effects on lives that the true cost of such criminality is recognised.

### ***Know about added value initiatives to help support victims***

There are many dedicated and committed individuals who work tirelessly to combat scams in the community. Some are based within local authorities, some are from the third sector or the police. Ensure these are highlighted to the board and discuss ways in which they can be promoted or provided more widely.

Financial institutions and other similar organisations are also keen to help where they can to prevent their customers losing money. CIFAS, for example, offer a mechanism whereby they can offer free protective registration at the request of local authorities, ensuring that any individual under council care with an increased risk of being subject to fraud can be registered with CIFAS. Subsequently any future application for credit services will be alerted to the local authority. ([https://www.cifas.org.uk/protecting\\_the\\_vulnerable](https://www.cifas.org.uk/protecting_the_vulnerable))

## **Annex 3 - Top tips for Health and Wellbeing boards**

### ***Ensure that you are aware of scams***

There is an excellent on-line training session (which takes no more than 40 minutes to complete) at [www.friendsagainstscams.org.uk](http://www.friendsagainstscams.org.uk). You could also ask for a member of your local Trading Standards Teams to come and speak at your next board meeting which will give you a real idea of the work being undertaken locally and how you could link in and support this.

### ***Recognising the link between scams and health & wellbeing***

Being a victim of scams and other criminality has a direct effect on a person's continued health and wellbeing. Building community resilience to such activity can help health outcomes, particularly with the older generation. Has this been explored at a local level and the activities which could help?

### ***Recognising social isolation as an aggravating factor***

Those individuals who are socially isolated are more susceptible to scams. Is this recognised as part of the board's strategy in tackling social isolation and the associated effect on continuing mental wellbeing?

### ***Prevention is better than cure***

Putting in preventative measures, targeting those at risk of scams, to ensure they don't become victims is more cost effective than supporting a victim. What preventative education initiatives are the board supporting and how cost effective are they when compared against the costs of health or social care provision which is a consequence of no early intervention?

## **Annex 4 - Top tips for social care and health practitioners**

### ***Ensure that you are aware of scams***

There is an excellent on-line training session (which takes no more than 40 minutes to complete) at [www.friendsagainstscams.org.uk](http://www.friendsagainstscams.org.uk). You could also ask for a member of your local Trading Standards Teams to come and speak at your next team meeting which will give you a real idea of the work being undertaken locally and how you could link in and support this.

### ***Be able to look out for the signs of someone who may be responding to scams***

Identifying scam victims can be difficult as they:

- May be unaware of their victim status
- Are instructed to remain quiet by the criminals
- Feel guilt, shame or are in denial
- Fear that they will lose their social or financial independence if they tell friends or family
- Don't want to lose their 'friendship' with the criminals

There are some key signs to look out for by observing a victim's behaviour or when visiting their home:

- High volume of scam mail
- Hoard large quantities of 'worthless' goods & cheap 'tat'
- Be living in shocking or unsanitary conditions
- Poor personal hygiene
- High usage of chequebooks
- Frequent visits to the Post Office
- Not paying bills or buying food
- Deceitful about scam participation
- Increasing isolation from friends / family
- No support from family / friends or anyone to confide in
- Receives a high volume of phone calls
- Become extremely distressed, angry or aggressive to learn that they are a scam victim
- Feel ashamed or embarrassed at what they have done
- After a period of grooming, have strong emotional ties with the scammer

### ***Knowing how to talk to a potential victim of scams***

If you find yourself talking to a client who you suspect is a victim of scams, the following guidance may help you illicit more information which will help subsequent support:

- Take a conversational approach instead of asking structured questions
- Seek to sensitively obtain more information regarding the scams (e.g. timescales of victimisation / any contact details of criminals etc.) by asking informal and open questions.
- Try and establish if they are the victim of any other scams, e.g. Doorstep Scams, befriending, etc.
- Spend time listening to the consumer; do not judge them
- Refrain from getting frustrated, interrupting them or finishing their sentences
- Use honest, simple and caring language which makes them feel as if they're being empathised with and taken seriously:

### ***Know how to take appropriate action to prevent further financial abuse***

If you believe that a client is being targeted by scams, whether or not you know they are responding, seek advice from your local Trading Standards Team. They will probably have well established mechanisms for providing adequate support to break the cycle of victimisation. This will either be through themselves or via established partnerships with other organisations.

Even if you have not yet seen a client who you believe is a victim, it is good to be aware of what your Trading Standards Team does in the area of scams and work together to establish the best means of support. You could offer valuable guidance to them on safeguarding issues.

### ***Knowing about issues of mental capacity, unwise decisions and cognitive impairment***

Often victims can be suffering from a form of cognitive decline which makes them more likely to respond to scams. It can be difficult to establish the level of decline and the impact this can have on the client's day to day ability to deal with financial affairs. Carrying out a mental capacity assessment can inform in these situations, together with inviting input from the client, family members and financial institutions as necessary.

You will of course need to give consideration to statutory duties under the care act relating to safeguarding and your local safeguarding procedures and whether a referral needs to be made to safeguarding team for a Section 42 enquiry.

## Annex 5 – Case Studies

### Case Study 1

Following a referral from the National Trading Standards (NTS) Scams Team, a local Trading Standards Officer (TSO) visited Mrs M, a 92 year old lady who lived alone.

The living room held little evidence of scam mail or brochures but on talking to Mrs M and showing her a cheque she had written (which had been obtained by the NTS Scams Team), she was left visibly shocked. It was at this point she showed the TSO a large store cupboard in her hallway which was full with bags of scam mail. She then showed her bedroom which was piled high with items she had ordered to enter the prize draws.

Mrs M mentioned she had fallen behind on her rent a couple of years ago, but firmly believed she would be a winner and be able to pay her rent and top up her dwindling savings. It transpired she had been responding to prize draws for over 10 years, with an estimated spend of £500 per month which amounts to a detriment of approximately **£60,000**.

Mrs M said she did not want or need a fraction of what she ordered but the more she responded, the more she received. She had no family locally and after realising she had been conned for all these years, did not want them to find out. Mrs M and the TSO had an in depth conversation as to what constituted scam mail and how to spot it and Mrs M admitted she was relieved it was all out in the open.

Through contact with the TSO, Mrs M had **34 bags of scam mail** removed and now receives regular visits from her sheltered housing association. Mrs M agreed to have all her mail re-directed, her telephone number changed and signed up to both the telephone and mailing preference service.

## Case Study 2

Mr H was referred his local trading standards service by a member of staff at his bank, due to concerns around his involvement with a Spanish Lottery suspected to be a scam.

Officers visited Mr H to discuss the mail with him and to give advice and support in his home. Mr H explained that he used to holiday in Malaga with his wife and had on occasion purchased lottery tickets using holiday money before they left the country, so when the Spanish Lottery sent him a letter congratulating him on his prize, it seemed plausible.

Over the next 4 years Mr H received several letters from the Spanish Lottery, coupled with repeat phone calls to his mobile phone, requesting payments to release the funds from Spain. Phone calls were made daily by a variety of individuals, who shared personal stories with Mr H, befriending and grooming him before asking for further sums of money.

Judging by the receipts Mr H gave to Trading Standards Officers, the detriment level for this victim reached over **£164,000**.

Mr H told officers that he reached a stage when he had no more money left to send. Letters written by him to the criminals spoke of his “deep debt” due to sending his life savings and borrowing money to continue to send money to them. He asked that they looked favourably on him and asked if they could send his winnings as soon as possible. The criminals responded saying that they would contribute some of the money themselves to help him, meaning Mr H only had to only find some of the cash. Unfortunately this only served to further build on the fictitious relationship and maintain his trust.

Mr H lived with his wife who was unwell and had no other family members to support him. He continues to receive further support and advice.

## Case Study 3

Following concerns about scams and other financial abuse, Carmarthenshire Trading Standards established a Financial Exploitation Safeguarding Scheme (FESS). The multi-agency scheme, set up in 2014, works not only to prevent fraud and identify victims but also protects them from further exploitation by putting support in place from social care and housing teams.

The scheme also includes financial institutions and staff have received specialist training to help them recognise the signs of financial abuse, and if they believe one of their customers is a victim, they are able to refer them to trading standards for an immediate intervention.

The team has dealt with thousands of pounds worth of fraud in the past 12 months alone – mostly concerning older people and those vulnerable through ill health.

Cases include:

- An elderly man lost £50,000 over a period of 10 years to bogus lotteries and prize draws. The individual came to the attention of trading standards via the National Trading Standards (NTS) Scams Team after they located mail sent by the resident that had cheques made out to the scam organisation attached. The cheques were returned, a nuisance call blocker installed and continued support given.
- An elderly woman was duped out of £4,500 after receiving a bogus prize draw notification. Initially no money was asked for but the individual then received a letter purporting to be from the United Nations advising they had received notification that £750,000 was being transferred into the UK but due to counter terrorism measures they needed £4,500 to gain a permit for the money to enter the country.
- An elderly man referred via the NTS Scams Team was found to have been paying over £600 a month to bogus prize draws and overpriced vitamin supplements with little or no health benefits other than those found at a fraction of the price in any High Street pharmacy. The individual had been doing this since 2009 and it is estimated that he lost around £43,200.
- A man was conned out of £90,000 for substandard home improvements. Intervention by the trading standards service resulted in support for the victim and a successful conviction and imprisonment of the criminals.
- A man parted with his life savings of £75,000 to boiler room scams involving diamonds, fine wine and fine art over a period of three years. The individual was in his 70s and visually impaired and was brought to the local authority's attention by staff at the local bank. A Trading Standards Officer visited the victim and he was brought under the protection of the scheme. He is now in sheltered housing and is being supported by trading standards, social services and housing teams.