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What is Financial Exploitation?

What is elder financial exploitation?

Financial exploitation is the fraudulent or otherwise illegal, unauthorized, or improper actions by a caregiver, fiduciary, or other individual in which the resources of an older person are used by another for personal profit or gain; or actions that result in depriving an older person of the benefits, resources, belongings, or assets to which they are entitled.

Elder financial exploitation is the theft of money, property or belongings.

Who is at risk for elder financial exploitation?

Anyone can be the victim of financial exploitation. Financial exploitation crosses all social, educational, and economic boundaries.

Why are older adults at risk of financial exploitation?

The following circumstances or conditions, especially in combination, can make an older adult more vulnerable to financial exploitation.

Some older adults may:

- Have regular income and accumulated assets.
- Be trusting and polite.
- Be lonely and socially isolated.
- Be vulnerable due to grief from the loss of a spouse, family member, friend, or pet.
- Be reluctant to report exploitation by a family member, caregiver, or someone they depend on.
- Be dependent on support from a family member or caregiver to remain independent.

- Be receiving care from a person with substance abuse, gambling or financial problems, or mental health issues.
- Fear retaliation by the exploiter.
- Be unfamiliar with managing financial matters.
- Not have planned for the potential loss of decision-making capacity.
- Be cognitively impaired with diminished ability to make financial decisions or detect a fraud or scam.
- Be dependent on a family member, caregiver or another person who may pressure them for money or control of their finances.

What are some examples of financial exploitation?

- Exploitation by an agent under a power of attorney or person in another type of fiduciary relationship (see glossary for definition of fiduciary)
- Theft of money or property, often by a family member, caregiver or in-home helper
- Investment fraud and scams, including deceptive “freelunch seminars” selling unnecessary or fraudulent financial services or products
- Lottery and sweepstakes scams
- Grandparent/imposter scams
- Tax and debt collection scams
- Charity scams
- Scams by telemarketers, mail offers or door-to-door salespersons
- Computer and Internet scams
- Identity theft
- Reverse mortgage fraud
- Contractor fraud and home improvement scams

Who are the abusers?

Perpetrators of financial exploitation can be:

- Family members and caregivers
- Friends, neighbors or acquaintances
- Agents under a power of attorney or others with legal authority to manage your money or property
- Romance scams
- Telephone and mail scammers

- Fraudulent debt collectors
- Financial advisers
- Internet scammers
- Home repair contractors
- Medicare scam operators
- Other persons known or unknown to the older adult

Why don't older adults report financial exploitation?

Shame and embarrassment – Many people are ashamed to admit that they have been financially exploited.

Loyalty – Older adults may be reluctant to report a family member, caregiver or other person who may treat them well in other ways.

Fear of retaliation – Older adults might fear not being believed or losing their independence by being declared incompetent and moved into a “nursing home.”

Dependence – Victims may be dependent on the abuser for care or assistance.

Denial – Some victims are unwilling or unable to acknowledge that financial exploitation is happening to them.

Self-blame – Abuse can erode an older person's self-esteem, and some victims may believe they deserve or have caused the abuse.

Lack of awareness – Some victims are unaware that they are being exploited, or don't know to whom they can report financial exploitation.

What should you do if you or someone you know becomes a victim of financial exploitation or another form of elder abuse?

In most instances of suspected elder abuse, including financial exploitation, you should contact Adult Protective Services, generally a part of your county or state department of social services. You can find information about reaching your local Adult Protective Services office at the Eldercare Locator at eldercare.acl.gov, a public service provided by the U.S. Administration for Community Living, or by calling 1-800-677-1116.

If the older person is in danger or you believe a crime has been committed, call 911 for an immediate response from the police.

For cases of identity theft, contact your local police and the Federal Trade Commission (FTC) at 1-877-438-4338 or [identitytheft.gov](https://www.ftc.gov/identitytheft). If the loss involves funds held in a financial institution, such as a bank or credit union, report the problem to the financial institution immediately. If the loss involves credit products, such as a credit card or loan, contact the creditor immediately.

Remember that you are often not responsible for credit card charges or payments out of your bank account if you did not authorize them.

For more information go to [consumerfinance.gov/askcfpb](https://www.consumerfinance.gov/askcfpb).

► This article is part of the [Money Smart for Older Adults Resource Guide](#) by the Consumer Financial Protection Bureau.

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