

## Serving Seniors

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# Tackling elder financial abuse

With senior clients being prime targets for fraud – even from family members – there are several signs you could be looking for to help these clients protect their assets

By: JoAnne Sommers | February 15, 2015 | 00:00

JoAnne Sommers

**Independent financial advisor** Léony deGraaf suspected that one of her elderly clients was in trouble when she learned the 82-year-old woman had been declared mentally incapable by a geriatric psychiatrist and admitted to a hospital psychiatric ward.

Prior to that, the client had been living independently and making her own financial decisions, says deGraaf, president of deGraaf Financial Strategies, a seniors-focused practice in Burlington, Ont. “Unfortunately, her family doctor had just retired and my client’s son, who [held] her power of attorney [POA], took her to the psychiatrist, who diagnosed her on the basis of information the son provided,” she says. “He said she was ‘seeing things in the couch’ after she complained about a new slipcover and that she kept triggering the smoke alarm while cooking.”

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After the woman was hospitalized, her son took control of her assets. deGraaf, convinced that her client still had mental capacity, contacted Ontario’s Office of the Public Guardian and Trustee (OPGT) and succeeded in having her client moved to a retirement home. But, soon after that, the client’s son moved her to British Columbia, where he lived, and put her in a long-term care facility there. At that point, deGraaf lost touch with the client.

This story illustrates the growing issue of elder financial abuse and fraud in Canada. A 2014 report by Vancouver City Savings Credit Union (Vancity) states that 41% of seniors polled in B.C.'s Lower Mainland and Victoria had experienced at least one instance of financial abuse. Furthermore, the RCMP reports that from 1996-2003, 84% of losses related to lottery and telemarketing scams in Canada involved people aged 60 or older. And the Canadian Anti-Fraud Centre says con artists most often target 60- to 69-year-olds.

Popular scams include: the lottery ruse, in which “winners” pay a fee to collect prizes; telephone calls from people impersonating the police and asking for personal information; mail scams; and the so-called “grandson caller” scam, in which a fraudster poses as a loved one in trouble who needs money wired to him or her immediately.

The Vancity report reveals that 55% of elder financial abuse cases are perpetrated by family, friends, neighbours or caregivers. These cases often involve emotional abuse, says deGraaf: “For example, an adult child will threaten to withhold care, visits with grandchildren or outings unless the client gives [the adult child] money.”

The most common type of elder fraud involves POAs, she adds. “In one common scenario, a family member acting as POA threatens to force the [senior] to leave [his or her] home and enter long-term care unless the senior gives him or her money.”

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Signs of abuse can include:

- Clients seem intimidated in the presence of the holder of their POA or adult children.
- Clients don't understand documents that are referenced in meetings or don't remember signing them.
- Clients who previously were comfortable discussing money-related issues suddenly become defensive or withdrawn.
- Controlling people (usually the holder of the POA or an adult child) always attend client meetings and speak on their behalf.

In deGraaf's case, she looks for changes in financial behaviour, such as large or unusual withdrawals from a client's account. “If they suddenly switch to high-risk equities from GICs, it's a red flag,” she says.

If you have concerns that a client is facing financial abuse, you should talk with your client first, says Krista James, national director of the **Canadian Centre for Elder Law** (CCEL) in Vancouver: “Meet them privately, be frank about your concerns and review their options.”

Still, it's important to respect your client's right to make his or her own decisions, provided they have the capacity, James says: “Don't take away their power.”

If your concerns persist, inform the holder of the POA or adult children (provided they are not the problem), says deGraaf, who adds that she documents all conversations with clients and POA holders to ensure good note-taking if a matter goes to court.

The next step is to contact the OPGT in your jurisdiction. That office will investigate the situation and has the authority to freeze a person's assets and accounts, if necessary.

You also could consult an elder services officer with the police department, who will visit the senior at his or her home to discuss the matter.

James recommends you keep an up-to-date list of agencies to which you can refer your clients, including local seniors' organizations and legal services societies. You can help your clients to contact the appropriate agencies, making calls from your office if a client is unable to do so.

Here are some resources you could share with your elderly clients:

- The Canadian Network for the Prevention of Elder Abuse ([www.cnpea.ca](http://www.cnpea.ca)).
- The CCEL's "Be a Savvy Senior" tools ([www.bcli.org/project/be-savvy](http://www.bcli.org/project/be-savvy)).
- The RCMP's *Seniors Guidebook to Safety and Security* ([www.rcmp-grc.gc.ca/pubs/ccaps-spcca/seniors-aines-eng.htm](http://www.rcmp-grc.gc.ca/pubs/ccaps-spcca/seniors-aines-eng.htm)).

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