Responding to financial abuse of older people

Australian Elder Abuse Conference 2026

Presented by:
Chris Siemers, AFCA Senior Ombudsman – Banking and Finance
csiemers@afca.org.au

AFCA's role and how we help

Our approach is trauma-informed, accessible and inclusive, shaped by the voices of people with lived experience

Individuals

- ✓ Free alternative to expensive court action
- ✓ Easy to use – no industry or legal knowledge required
- ✓ Focused on a timely and fair outcome
- ✓ AFCA's final determinations are binding on the financial firm

Financial firms

- ✓ Resolve customer complaints when their internal process can't
- ✓ An independent organisation to consider external complaints in an impartial way
- ✓ AFCA provides industry data about common complaints, to help firms avoid future complaints

Advocates

- ✓ Work with you to resolve customer complaints for people experiencing difficult circumstances
- ✓ Collaboration and consultation on processes and approaches
- ✓ Regular engagement about AFCA service delivery and emerging issues
- ✓ Professional development

Complaints we consider and remedies

Complaints AFCA considers

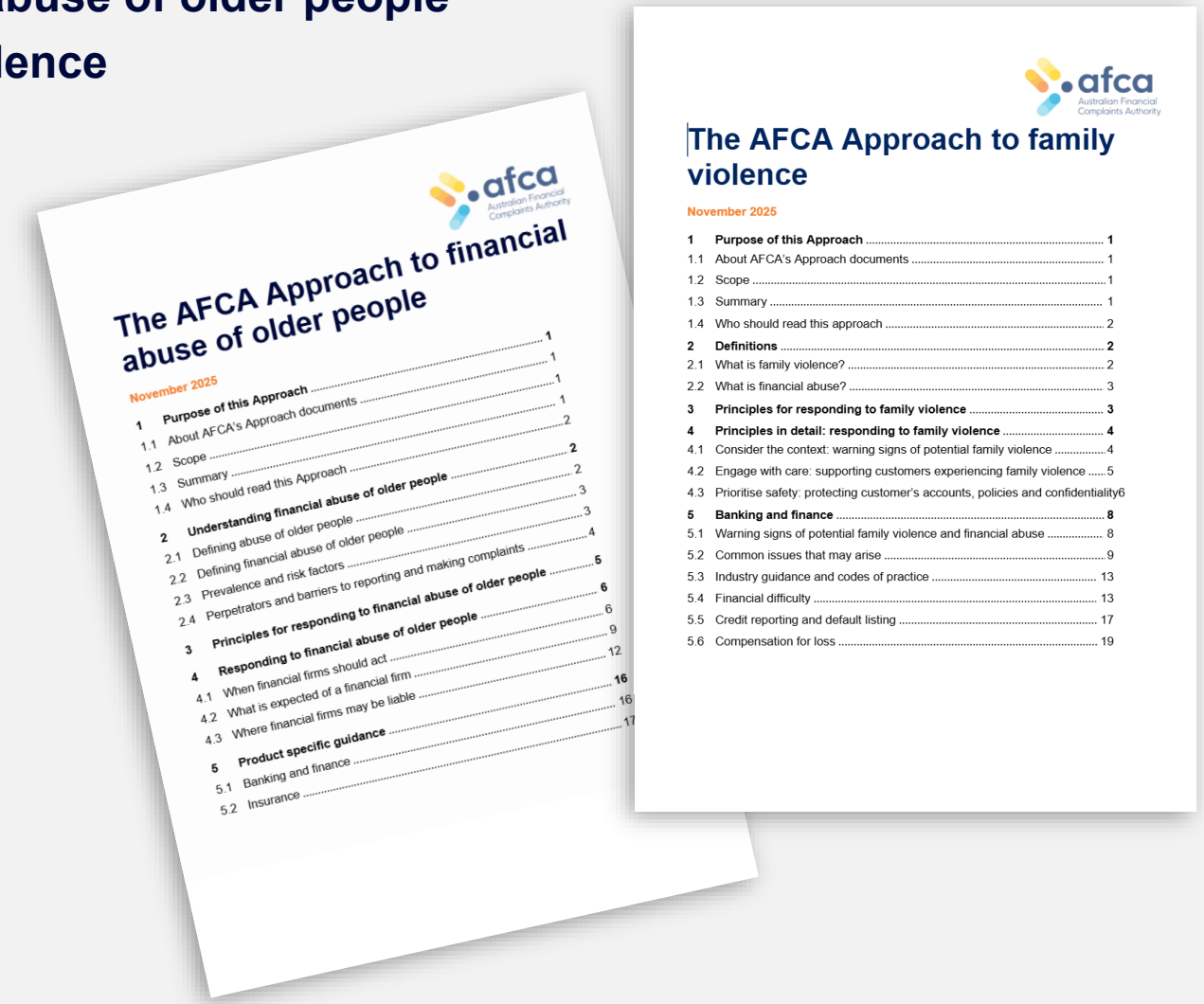
- Credit, finance and loans
- Banking deposits and payments
- Insurance
- Superannuation
- Investments and financial advice

Our current compensation caps

Financial loss	Remedies up to **$631,500** per claim
Non-financial loss	Award up to **$6,300** per claim

Introducing two new AFCA Approaches

- The AFCA Approach to **financial abuse of older people**
- The AFCA Approach to **family violence**



AFCA's Approach to the Financial Abuse of Older People

- Community expectations and industry alignment
- Safety, dignity, and fair outcomes
- Trauma-informed & culturally sensitive
- Compassionate & flexible customer engagement
- Respecting unique barriers faced by customers

Approach to the Financial Abuse of Older People

The contents

This Approach document sets out:

- definitions of financial abuse of older people (section 2)
- principles for responding to complaints involving financial abuse of older people (section 3)
- how financial firms can identify and respond to financial abuse of older people (section 4)
- information relevant to specific product areas, such as Banking & Finance and general insurance complaints (sections 5).

The AFCA Approach to financial abuse of older people

November 2025

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Frances' story

Background

- Frances was 65 and had a mental disability
- Frances lived with her appointed power of attorney who recently moved out
- A credit card application was made in Frances' name, with a $23,000 limit
- Frances did not have any knowledge of this account prior to the financial firm calling her to collect the overdue credit card balance

AFCA's Approach to financial abuse of older people

The Core Principles

Consider the context

- ✓ Recognise signs of distress, coercion, or lack of understanding
- ✓ Adopt a trauma-informed and human-centered approach that accounts for intersecting vulnerabilities
- ✓ Tailor support to cultural, linguistic, and accessibility needs

Engage with care

- ✓ Communicate with sensitivity, respect, and flexibility
- ✓ Train staff to identify financial abuse and respond appropriately
- ✓ Refer customers to specialist services when needed

Prioritise safety and agency

- ✓ Protect customer confidentiality and account security
- ✓ Avoid disclosing sensitive information that could endanger the customer
- ✓ Implement privacy protocols for joint facilities and sensitive cases

AFCA expects all member firms to apply these principles when assisting an older customer affected by financial abuse – ensuring a fair, trauma-informed, safe, and confidential service

Financial abuse of older people

Banking and finance warning signs

Approach considerations

Some of the warning signs of financial abuse of older people include:

- Unusual or large transactions involving a third party not aligned with the older person's needs
- Suspicious or sudden account changes
- Accessing new financial products that may indicate hardship
- Providing loan guarantees for an adult child or a company controlled by an adult child

Best practice

In circumstances of possible financial abuse of older people, AFCA expects firms to:

- Identify warning signs of financial abuse early
- Refer to industry guidance and Codes that outline best practices for supporting older people who may be experiencing financial abuse
- Observe code obligations which require extra care for people experiencing vulnerable circumstances.

Recognising these signs early can prevent harm and protect vulnerable customers

How a financial firm responds to warning signs of financial abuse of an older person can significantly affect the outcome of an AFCA complaint

Support and safety

What financial firms can do

- Speak with the older person privately (or make a reasonable attempt to do so) to genuinely understand their financial situation
- Ensure a POA is current, properly witnessed, relevant to financial matters, and otherwise valid under the relevant state/territory laws
- Follow internal policies and procedures, including escalating concerns to the appropriate senior person or delaying, where appropriate, the older person's request where warning signs are present

How financial firms can help customers

- Support access to documents if required, such as account statements, contracts, etc
- Support safety e.g. change access codes, PINs or passwords
- Protect customer e.g. change operating authorities on facilities
- Provide appropriate referrals e.g. helping them to connect with a specialist support service if appropriate

Possible complaint outcomes

If AFCA finds that a firm has made an error, we will generally require the firm to restore the older person to the position they would have been in had the error not occurred

- AFCA can award:
  - financial loss
  - consequential loss, and
  - non-financial loss
- If a firm fails to act on warning signs of financial abuse, and the older person suffers financially, the firm must:
  - restore position as if the error had not occurred
  - compensate for any non-financial loss (stress, inconvenience)

Our current compensation caps

Financial loss — Remedies up to **$631,500** per claim

Non-financial loss — Award up to **$6,300** per claim

A financial firm may be required to compensate an older person affected by financial abuse in specific situations and under equitable principles

When compensation may apply

A financial firm may be required to compensate an older person affected by financial abuse in specific situations and under equitable principles. For example, this might include :

- Unauthorized transactions (liable under ePayments Code)
- Forged signatures on financial documents
- The customer is unable to read (blindness or illiteracy) and no extra care provided
- The firm was aware or should have been aware of cognitive incapacity
- The firm was aware or should have been aware of undue influence or unconscionable conduct
- The firm assisted in or benefited from a breach of trust
- The firm took advantage of an older person through unconscionable conduct

Frances' story

Background

- Frances was 65 and had a mental disability
- Frances lived with her appointed power of attorney who recently moved out
- A credit card application was made in Frances' name, with a $23,000 limit
- Frances did not have any knowledge of this account prior to the financial firm calling her to collect the overdue credit card balance

Frances' story

Outcome – the AFCA determination

The AFCA ombudsman found that:

- Frances was the victim to financial abuse by her power of attorney - the credit card had been obtained by the power of attorney fraudulently
- There were obvious warning signs of financial abuse at the time of the credit card application
- The financial firm approved the credit card without discharging those warning signs of financial abuse
- Frances did not make any transactions and did not benefit from the credit card funds
- The financial firm was not entitled to pursue Frances for the debt and was required to remove all credit information from her credit file, including the enquiry
- The financial firm was required to compensate Fraces for her non-financial loss due to the stress its conduct had caused her

Preventing financial abuse of older people is a shared responsibility. By recognising warning signs early, responding with care, and placing safety and dignity at the centre of every interaction, we can help protect older Australians and support their financial recovery.

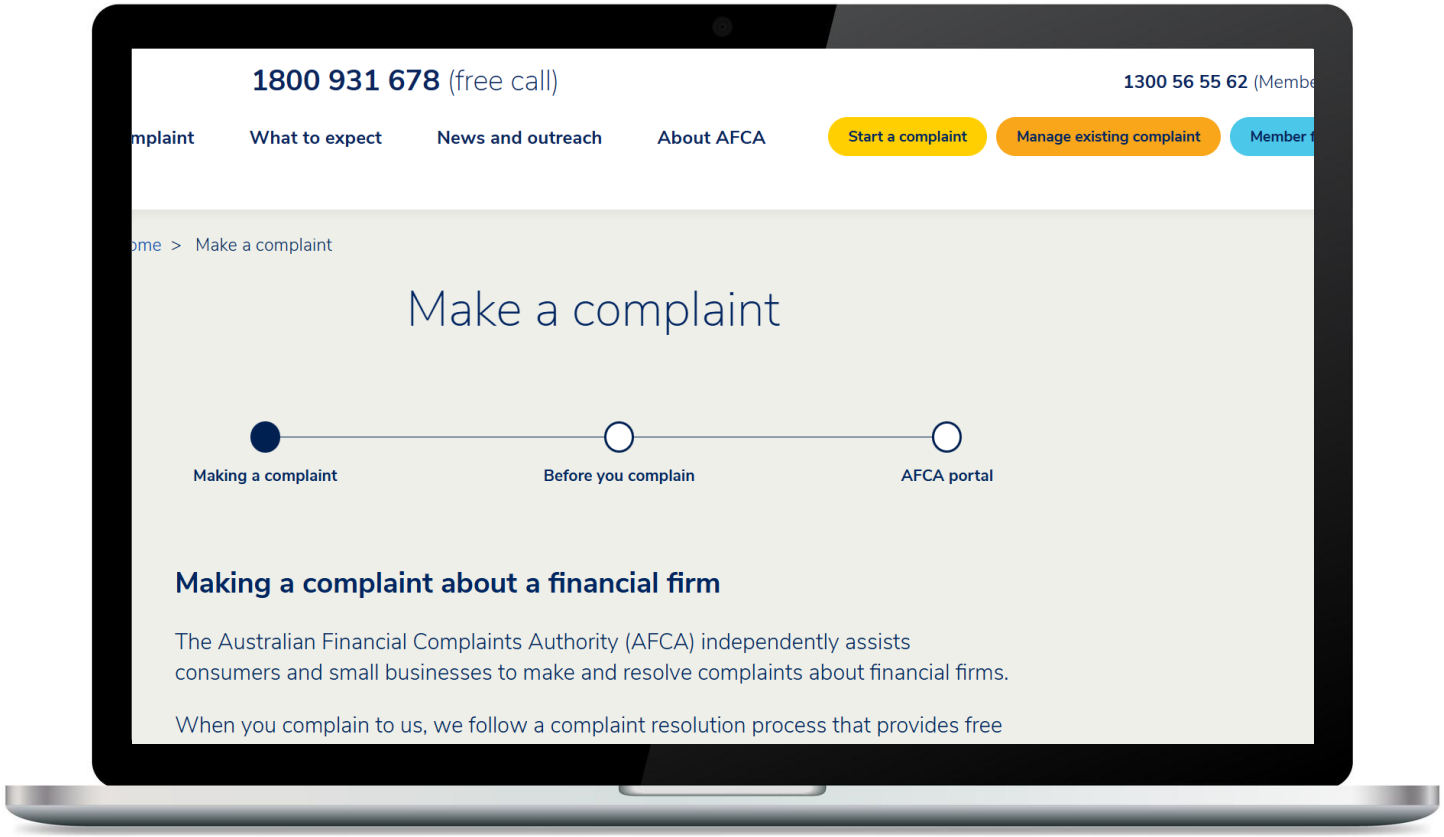
Key takeaways

- Financial abuse of older people can have significant and lasting impacts
- Early recognition of warning signs is critical to preventing harm
- Financial firms should consider the context, engage with care, and prioritize safety and agency
- A trauma-informed, human-centred approach supports better outcomes for older people
- Where firms fail to respond appropriately to warning signs, AFCA may require remediation and compensation.

AFCA provides a free, independent pathway to support financial recovery and fair outcomes

Lodging a complaint with AFCA is easy

Using our online portal is a quick and easy way to lodge a complaint, but it's not the only way



More information

Contact us

Visit afca.org.au

Email info@afca.org.au

Call 1800 931 678

Mail GPO Box 3 Melbourne VIC 3001

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