



2021 FINANCIAL ABUSE CODE

December 2021



FOREWORD FROM UK FINANCE

Financial abuse is not a new phenomenon, but recent events including the Covid-19 pandemic have brought it into sharp relief. The sad truth is that 2.3 million adults aged 16 to 74 experienced domestic abuse in the year ending March 2020¹ and one in six women in the UK has experienced economic abuse by a current or former partner².

In recent years our understanding of all forms of abuse has increased and so too has our consciousness of how much we have yet to understand. The Domestic Abuse Act (2021) includes economic abuse (of which financial abuse is a subset) in the legal definition for the first time. This is an important development and something we have called for previously.

Financial abuse can affect anyone: young or old, male or female and the consequences can be life changing, life threatening and long lasting for the individual concerned.

In 2018, UK Finance launched the first Financial Abuse Code and since then our members have been working with organisations such as Surviving Economic Abuse to develop our understanding of victim-survivors' needs and explore how we can provide a sympathetic, positive response which helps individuals to regain control of their finances.

In 2020, the sector supported the government's *#You are not alone* campaign raising awareness of the vital support available and we have seen individual firms develop innovative partnerships which enhance this support.

But we know there is more we can do. We have heard from a range of specialist support organisations that help individuals who face challenges because of their personal circumstances, protected characteristics and socio-economic background that three areas need further work: consumer-facing awareness; support provided to customers in financial difficulties; and sector consistency.

The new 2021 Financial Abuse Code focuses on addressing these issues and I am delighted that it includes enhanced consideration of how firms can deal with debt separation, including consideration of controlling and coercive behaviour. This is a complex area and it will continue to be a focus for our members throughout 2022, as currently there is no legal framework for the fair separation of debts or apportionment of credit balances.

We are also working with the Money and Pensions Service to explore how we can develop new consumer money guidance materials, so that individuals can quickly find the information required to help them access the support they need. We will also continue to work with government and subject matter experts, including those with lived experience, and look forward to the publication of the Home Office Domestic Abuse Strategy.

Finally, I am delighted that 29 members and 39 brands have committed to implementing this Code, including 14 organisations that are making the commitment for the first time. By working together and sharing best practice, customers can be confident that they will be treated sympathetically and positively when they are facing particularly difficult circumstances.

We recognise that seeking help may be challenging, but we would always encourage customers to contact their bank or building society as the first step to getting help and support.

Eric Leenders

Managing Director,
Personal Finance
UK Finance



1. [ONS data](#), year ending March 2020.

2. Refuge. (2020) [Know Economic Abuse](#), Refuge: London

FOREWORD FROM SURVIVING ECONOMIC ABUSE

I am absolutely delighted to have been asked to write this foreword for the 2021 Financial Abuse Code. Our understanding of economic abuse and victim-survivors' needs has come on leaps and bounds since 2017 when we worked with UK Finance to develop the original Code.

Earlier this year, the Financial Conduct Authority (FCA) published Guidance on the Fair Treatment of Vulnerable Customers which recognised domestic abuse (including economic control) as a life event which can drive vulnerability. Within the guidance, the work of Surviving Economic Abuse (SEA) in providing support to financial services firms was recognised as good practice. This work has been funded by the Home Office since 2018 as part of the Westminster government's programme of activity linked to what is now the Domestic Abuse Act (2021). Indeed, because of influencing work undertaken by SEA, the Act not only names and defines economic abuse within statute, but also extends the controlling or coercive behaviour offence to apply post-separation when economic control commonly escalates. It is only appropriate then that, as our understanding of economic abuse evolves and deepens, so the pillars and principles set out in the Code are updated accordingly.

The public-health response to Covid-19 created a conducive context for economic abuse. Increased surveillance at home shut down victim-survivors' usual routes to support. With many firms reporting to SEA that disclosures of domestic and economic abuse were increasing, the pandemic reinforced the important role that financial services firms can play in providing a pathway to safety.

In September 2020, SEA called for the financial services sector to adopt a consistent policy position on coerced debt, so we are particularly encouraged by the new inclusion of debt principles with the 2021 Financial Abuse Code. The importance of responding to coerced debt in all its forms was recognised by the Money and Pensions Service in line with a recommendation made by the independent challenge chairs for the UK Strategy for Financial Wellbeing to the Money and Pensions Service (MaPS).

SEA is working in partnership with Money Advice Plus (MAP) to develop and lead a national roll out of the Economic Abuse Evidence Form (EAEF) which verifies that a customer has experienced economic abuse. We encourage all firms signed up to the refreshed Code to sign up to this initiative too.

Ultimately, we want to ensure that all forms of debt accrued within the context of domestic abuse are considered coerced, thereby holding perpetrators accountable for their behaviour. Therefore, we also call on firms to apply the requirements in the code sympathetically by providing exception processes wherever possible and appropriate, including in relation to joint mortgages, with estimates suggesting that at least ten per cent of repossession arise in the context of domestic abuse.

It is so very encouraging to see the increased number of financial services firms signed up to the 2021 Financial Abuse Code and the commitment shown to responding to customers as they regain control and rebuild their lives safely. We look forward to continuing our work alongside UK Finance and supporting firms in their efforts. If you are a signatory and would like to hear more about the support we can provide, then please do get in touch.

Dr Nicola Sharp Jeffs

Founder & CEO

Surviving Economic Abuse



BACKGROUND

During 2017, UK Finance worked with representatives from charities, victim-survivor support groups and government departments, alongside UK Finance's Domestic, Financial and Economic Abuse Working Group and Consumer Advisory Group to develop a voluntary **Financial Abuse Code of Practice**.

First launched in 2018, the code was created to increase awareness and understanding amongst firms and their staff of financial abuse and how to spot it.

Three years on from publication, the UK Finance Vulnerability Committee agreed to revisit the Code to ensure that it reflects our deeper understanding of victim-survivors' needs, and to ensure that it is aligned with the FCA Guidance on the Fair Treatment of Vulnerable Customers and the Domestic Abuse Act 2021.

The Domestic Abuse Act recognises economic abuse as a form of domestic abuse and it is defined as "any behaviour that has a substantial adverse effect on an individual's ability to (a) acquire, use or maintain money or other property or (b) obtain goods and services".¹

Financial abuse is a subset of economic abuse (control of money/finances, property, goods and services) and relates specifically to control of an individual's financial affairs. Firms will be cognisant of both the impacts of financial and economic abuse, however customer support strategies will mainly be focused on supporting customers to regain control of their financial affairs.

Our members understand that financial abuse can take a variety of different forms within relationships, whether by partners, family members or carers and may manifest itself as financial and economic control through restriction, exploitation or sabotage – creating dependency and/or insecurity. The Financial Abuse Code of Practice considers financial abuse scenarios including those within the context of partner relationships, domestic abuse but also the older population as a particularly relevant demographic at risk

Working with members and specialist charities, we have updated the Financial Abuse Code so that it incorporates enhanced consideration of the treatment of debt separation, recognises the new definition of economic abuse as defined in the Act and aligns to the FCA Vulnerability Guidance Framework which recognises abuse as a key driver of vulnerability.

The principles within the 2021 Financial Abuse Code are designed to provide guidance to participating firms on how to support victim-survivors of financial and economic abuse and it is for firms to consider how these principles should best be applied within their organisation – taking into account their client base, organisational model and existing support strategies for customers in vulnerable circumstances.

The current Financial Abuse Code will remain active until 1 January 2023 when it will be superseded by the new 2021 Financial Abuse Code and the organisations listed on page 9 have publicly committed to implementing the 2021 Financial Abuse Code over the next 12 months.

The UK Finance Domestic, Financial and Economic Abuse Working Group, will continue its work during 2022 and as part of that work will be collaborating with the Money and Pensions Service on new, accessible money guidance collateral for the victim-survivors.

1. Domestic Abuse Act 2021 Part 1, Para 1, Clause 3&4.

2021 FINANCIAL ABUSE CODE

FCA Pillar	Principles
1. Understanding customers	<p>i. Firms will raise awareness amongst colleagues within the firm about the existence and impacts of financial and economic abuse including:</p> <ul style="list-style-type: none">• What financial and economic abuse looks like;• Affected groups and demographics at risk within their target market and customer base;• Key challenges faced by victim-survivors experiencing financial and/or economic abuse.
2. Communications	<p>i. Firms will make an accessible, industry wide information leaflet available to consumers, providing consistent guidance on how financial institutions can help victim-survivors of financial and economic abuse and what they can expect, in order to support victim-survivors (including third parties) to engage early with their financial provider.</p>
3. Customer Service	<p>i. Firms will create environments which encourage customers to disclose their needs.</p> <p>ii. Colleagues will, upon notification of suspected financial and/or economic abuse by the customer, offer a supportive response which respects the need for privacy. This may include:</p> <ul style="list-style-type: none">• a suggestion to move the discussion to a different channel of choice;• allowing more time to consider options available (e.g. longer appointments, separate room, deferral of a decision to a later date);• referral or signposting to specialist help. <p>iii. Colleagues will be equipped to share the relevant information on the options available to the customer to help inform their next steps, once they have either recognised, accepted or suspect any kind of financial and/or economic abuse that they have been subject to.</p> <p>iv. Colleagues understand the fact that someone may not wish to talk to the firm as an individual and, subject to appropriate authority from the customer, accept their representative (charity/victim support organisation, including community service worker, family, specialist etc).</p> <p>v. Firms will endeavour to support customers to regain control and seek to minimise inconvenience and distress in response to a disclosure by developing processes that minimise the need to repeat a story and offer specialised support as appropriate.</p>

3. Customer Service continued...	<p>vi. Colleagues will acknowledge and record (where appropriate and safe to do so), relevant information that the customer discloses about their financial and/or economic abuse.</p> <p>vii. Firms will advise the customer which areas within that business have been notified and support the customer with the details of other parts of the business, or separate brands.</p> <p>viii. Firms will treat situations on a case by case basis and provide exception processes where appropriate, to help customers who are victim-survivors of financial and/or economic abuse.</p> <ul style="list-style-type: none">• Principles of communication with third parties previously unknown to the firm include:<ul style="list-style-type: none">• Communication has to be customer led;• The firm can identify the customer;• The firm could send account related information to a refuge, other postal address, if needed.• Firms will consider, where it is considered safe and appropriate, the use of alternative addresses for victim-survivors of financial and/or economic abuse, such as registered refuges, safe house addresses or other addresses, as requested by the customer.• Firms will consider informing the customer how to authorise an agent/third party for temporary (short or medium term) delegation on their account (e.g. a third party mandate). <p>ix. Firms will support victim-survivors in accessing financial services in their own name</p> <ul style="list-style-type: none">• Consideration of non-mainstream documents as proof of identity and address (where other standard documents are not available).• Provision of an account wherever possible. <p>x. Firms will support victim-survivors of financial and/or economic abuse to access existing funds, accounts and services:</p> <ul style="list-style-type: none">• Security: working with the customer, firms will support victim-survivors to access their finances in a safe way (e.g. setting up or changing access and other security codes).• Joint assets and liabilities:<ul style="list-style-type: none">• Firms will inform the victim-survivor of other assets and liabilities held with the organisation, in recognition of the fact that a victim-survivor may be unaware of credit taken out in their name;• Firms will inform victim-survivors of how they can enquire about other products possibly held in their name, including via their credit report;• Firms will support victim-survivors gain control of their finances and separate finances between customers in joint banking relationships where it is possible to do so.
---	---

3. Customer Service continued...	<p>xi. Firms will provide support for victim-survivors with debt and arrears and will work with them to help prevent further debt from accruing, including by reviewing applicable charges and fees.</p> <ul style="list-style-type: none">a. Upon disclosure of suspected financial and/or economic abuse, firms will ensure that the victim-survivor receives support and we will endeavour to develop an understanding of their financial circumstances (which may include debts accrued with other organisations and any controlling and coercive behaviour).b. Where a customer has debts with multiple organisations, firms will recommend the customer seeks independent debt advice.c. We will be impartial when assessing cases, only asking for evidence where it is required to establish the extent of financial abuse; supporting determination of benefit of funds.d. We will not ask the victim-survivor to contact the perpetrator.e. We will be flexible in our approach and solutions, whilst supporting consistency across products where possible.
	<p>xii. Firms will inform customers about other external sources of help available to them, for example independent legal advice; specialist support; debt advice; and financial management help.</p>
	<p>xiii. Firms will contact the police where a situation requires an immediate response – either via the Banking Protocol (where it is in place across the country) or directly.</p>
4. Skills and Capability	<p>xiv. Where firms suspect financial abuse by a registered Power of Attorney, Court of protection Deputy or other registered legal third party, firms will escalate to the appropriate authorities (e.g. Local Authority safeguarding team and Office of Public Guardian).</p> <p>i. Colleague training will align with this Code of Practice and include:</p> <ul style="list-style-type: none">• Empathy (this can be part of wider/vulnerability training)• Ability to understand the definition of domestic and economic abuse (as per the Domestic Abuse Act 2021); and demographics at risk• Ability to understand other forms of abuse e.g. elder abuse• Ability to recognise potential signs and effects of financial and economic abuse and other drivers of vulnerability;• Ability to encourage disclosure• Awareness of support options, any referral process, access to specialist team / or experienced colleagues, or relevant consumer information• Training refreshers• Ongoing observations and assessment of customer outcomes. <p>ii. Frontline colleagues display empathy and will have the skills and knowledge appropriate to their role, to provide support to customers who are victim-survivors of financial abuse.</p>

4. Skills and Capability continued...	<ul style="list-style-type: none"><li data-bbox="457 327 1441 399">iii. Firms will offer practical and emotional support to frontline staff dealing with victim-survivors of financial and/or economic abuse.<li data-bbox="457 440 1446 541">iv. Firms will adopt policies to support employees who may be themselves victim-survivors of domestic, financial and/or economic abuse to help them address the situation.
5. Continuous Improvement (Monitoring and Evaluation and Product and Service Design)	<ul style="list-style-type: none"><li data-bbox="457 590 1457 698">i. Firms will undertake to design products and services inclusively, ensuring that the needs and views of victim-survivors of, financial and/or economic abuse are considered at all stages of the design process.<li data-bbox="457 741 1394 848">ii. Financial abuse will be considered as part of the firms' monitoring of their vulnerable customer outcomes, in order to understand which activities and processes work well and any areas where improvements are required.<li data-bbox="457 889 1441 997">iii. UK Finance will review this Code on a regular basis to ensure that it continues to meet the needs of victim-survivors and remains aligned to all legislative and regulatory requirements.

CODE SIGNATORIES



The co-operative bank



LLOYDS BANK



