193. Dr C Cross

Full name Cassandra Cross

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My name is Dr Cassandra Cross and I am a Senior Lecturer at the School of Justice, Queensland University of Technology. I would like to propose the relationship between fraud victimisation and elder abuse as an area which requires further research and examination.

Fraud is a significant problem for Australian society. Each year, thousands of victims collectively lose millions of dollars. In 2015, the Australian Competition and Consumer Commission reported that Australians lost in excess of $229 million. Given that fraud is well known to have a low reporting rate (many studies indicate less than one third of offences are actually reported, with online fraud having even lower recorded rates), this figure is likely to be the tip of the iceberg. In addition, this figure does not start to encompass the non-financial harms that are associated with fraud victimisation. These include a deterioration in physical and emotional health and wellbeing, depression, relationship breakdown, unemployment, homelessness and in extreme cases, suicide. The costs arising from fraud victimisation are significant and can be devastating for those who experience it.

There is a stereotype that fraud most often affects older persons. While this may be true of particular types of fraud (such as telemarketing fraud), generally speaking there is no specific demographic which highlights potential fraud victims. Instead, victimisation cuts across all demographics and does not discriminate in terms of socio-economic status and education. However, older persons are certainly attractive targets for offenders. This stems from their accumulated wealth, where an older person may have access to life savings, superannuation, may own their own home, and be open to greater lines of credit. This leads to seniors being targeted by many offenders in their fraudulent approaches. The increased popularity of self-managed superannuation is also a factor in this.

Unfortunately, there are thousands of victims who succumb to fraudulent approaches and can suffer substantial financial losses. The ACCC stated in 2015 that the total amount of losses for those aged 45 years and over was double that of losses reported by those aged 44 years and under. The impact of financial loss on an older person can have far greater impacts than for a younger person. This stems from the lack of capacity and time that an older person has to recoup any losses sustained. The earning capacity for an older person is less than their younger counterparts, and they do not necessarily have the time or the ability to recover their losses. Many older victims have needed to return to work in order to survive. Others who were financially independent and living a comfortable lifestyle, are now reliant upon the government pension to pay for the basic necessities of life.

For the past eight years I have been researching the issues associated with online fraud victimisation. Some of this research has specifically targeted seniors (defined as someone aged 50 years of older). Other research has been broad in its ambit, but still incorporated a large number of seniors. Based on this research, there are some important findings which relate to the current inquiry into elder abuse.

Online fraud has a very negative stereotype associated with it, which usually portrays victims as greedy, gullible, uneducated and somewhat deserving of their victimisation. This can present significant barriers to disclosure, and is a contributing factor to the low reporting rates for this particular crime type.

Those who experience online fraud will feel a strong sense of shame and embarrassment. There is a strong stigma surrounding this type of victimisation. This can be exacerbated for older victims of online fraud, in that victims are afraid to tell their family about their experience because they are afraid of how their family will react. In many cases, the older person may have lost a large amount of money, which is the inheritance of their child/ren. As a result, there is a lot of guilt experienced by older victims at having lost the inheritance and a subsequent anxiety around telling their child/ren what has occurred.

In addition, older victims are fearful that the fraud victimisation will be understood as an indicator that they have lost capacity, and the ability to take care of themselves both physically and financially. Older victims are terrified that they will lose their financial independence, and that their child/ren will remove this. It is important to realise that online fraud victimisation is not necessarily an indicator of diminished or impaired capacity. The types of fraudulent approaches which are directed at older persons can be very sophisticated and complex, and can be specifically targeted to the individual circumstances. There is usually a grooming process involved, where the offender/s will seek to establish high levels of trust and rapport with the victim in order to manipulate and exploit them. The development of this relationship (romantic or otherwise) is the key for offenders to get financial rewards and they will do whatever is needed to ensure compliance. This can make it very difficult for third parties (such as family, friends, or law enforcement) to break that relationship.

In relation to elder abuse, I would ask the committee to consider how fraud victimisation can be the catalyst for abuse to occur, which can include physical, emotional and financial elements. The fear of how family will react to the news of fraud victimisation is real, and in some cases, this has manifested itself in abuse. The following excerpt is from a volunteer who provides telephone support to older fraud victims in Canada and illustrates this point.

Family members can cause a big problem, can be a real hardship for the victim, especially where there are mothers and sons involved… I have been told that sons have been very, very hard on mothers because they feel they are losing their capacity, mental capacity, emotional capacity, everything. And so if sons are, are very hard on them, and they can be belligerent, I’ve had, I’ve had calls like that, they can be really cross to mothers and belittle them and make them feel very, very small and unworthy, and so I’ve had them, I’ve had it to the point where they’ve taken away their banking privileges, they’ve taken away their mail privileges, they limit, they limit them to very little outside access, and they cut off their telephone calls too. They will actually block telephone calls… So all of a sudden the victim is cut off from everything, from all communication and it’s very hard on us [older people], very demeaning and, so that victims find that very, very difficult.

This quote illustrates the severity of consequences that an older person can experience as a result of disclosing their victimisation to family members, in this case, children. While this specific example was from Canada, it is not uncommon in Australia. There have been several other examples in my research, where the older person has told their family what happened, and as a result, have been cut off and disowned in response. In one case, a woman was forced to live in her car for several months, as she had no options and her family would not provide her any support.

Given the high levels of fear and anxiety around disclosing, the majority of older victims choose not to tell their family or anyone else about what has happened (including professionals such as doctors, counsellors and psychologists). This means that they suffer in silence and isolation and the impacts of the fraud can be exacerbated without any ability to access either formal or informal support. Unfortunately, there are several circumstances where family members have reacted very negatively towards an older fraud victim and this perpetuates the lack of reporting and disclosure of this particular crime type.

Online fraud victimisation can act as a significant factor in making an older person vulnerable to elder abuse by a family member. This stems from anger at the loss of money (and future inheritance) and a perception that the older person has lost their capacity to function. It can lead to victims losing the support of family members and it can also lead to victims being denied physical and financial independence as a consequence.

It is important to recognise fraud victimisation as a key vulnerability in discussions around elder abuse. While the fraud victimisation itself is initially outside the scope of elder abuse, the consequences of disclosing victimisation can lead to outcomes which include physical, emotional and financial abuse of older persons. Given the high levels of shame and stigma associated with this particular type of victimisation, it is acknowledged that affecting change in this area will be challenging.

There are currently very few support services which exist for fraud victims within Australia. However, there are services in existence which seek to address elder abuse. It may be beneficial to include awareness of fraud victimisation and how it can operate as a catalyst for elder abuse within existing services which target this problem.

Within my most recent research project, I spoke with a number of victims who openly expressed suicidal thoughts as a result of their fraud victimisation, and these were predominantly older persons. It is hard to imagine that so many victims, particularly seniors, get to a point where they feel that suicide is the only answer. It is hard to imagine that we currently have a system where victims feel unable to disclose and seek support from those closest to them, for fear of how they will react and a belief that they will be isolated, disowned, and even abused. However, this is the stark reality for some victims and indicates the necessity for much needed change in this space.

Victims of fraud generally feel disempowered by what has happened, and can also feel betrayed and violated. The most overwhelming need articulated by fraud victims is to be listened to and to be acknowledged on what has happened. This requires a conversation to initiate cultural change, one which acknowledges the reality of fraud victimisation, how it occurs, who it targets and the type of impacts that arise. It is also one that doesn’t measure the value of a person’s life based on one wrong decision made. For many older fraud victims, they feel that their entire life is tarnished by the one choice they made to respond to a fraudulent approach. It should not be the defining moment of their life, and it should not be an acceptable reason for abuse of any kind from their family members. Older fraud victims need to be able to confidently and safely talk about their victimisation without any fear of reprisal or loss of independence, and as a society, there need to be mechanisms in place to facilitate this occurrence.

I thank the committee for their consideration of the issues that I have raised in this submission and am willing to provide further evidence if necessary to support the above arguments.

References relevant to this submission (any of these can be provided upon request)

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