

Part 01

Domestic Abuse and Money Education:

Developing effective responses



Chapter 02:

Domestic abuse and financial abuse: An overview

2.1 Introduction

In this chapter, we give an overview of domestic abuse and its relationship to financial issues, paying particular attention to the issue of financial abuse. Information is given about the impact of domestic abuse on financial well-being, to aid those advising victims of abuse. We also look briefly at the impact on any children in the family, with particular focus on the financial consequences for them.

2.2 What is domestic abuse?

Domestic abuse, often also called domestic violence, is a widespread social problem, and living with domestic abuse is a painful and damaging experience. Domestic abuse comprises physical, sexual, psychological or financial abuse that takes place within an intimate or family-type relationship and that forms a pattern of coercive and controlling behaviour. This can include forced marriage and so-called 'honour crimes'. Domestic abuse may involve a range of abusive behaviours, not all of which are in themselves inherently 'violent'.

Abusers may use a variety of tactics aimed at controlling their victims. These might include:

- physical force;
- sexual abuse;
- threats (including threats to harm others, such as children or household pets);
- isolation from family and friends;

- harassment;
- constant destructive criticism, taunts, verbal abuse, and disrespect;
- denying the abuse, and/or blaming the victim;
- financial abuse of various kinds (see below).

Research shows that domestic abuse is most commonly experienced by women and perpetrated by men⁵ and affects every community regardless of race, ethnic or religious group, age, social class, sexuality, disability or lifestyle. **Between a quarter and a third of women experience domestic violence or abuse at some point in their lives⁶.**

As women are the primary victims of domestic abuse, it is important to set this within the wider global context of violence against

⁵ See Walby and Allen, 2004; Their research showed that - while 45% women and 26% men had experienced at least one incident of inter-personal violence in their lifetimes - women are much more likely than men to be the victim of multiple incidents of abuse, and of sexual violence: i.e. women constituted 89% of all those who had experienced 4 or more incidents of domestic abuse.

⁶ See Walby and Allen, 2004. Figures from the most recent British Crime Survey 2010/11 are included in Britton, A, 2012.

women. Violence against women encompasses rape and sexual assault, sexual abuse and exploitation, sexual harassment, trafficking and exploitation in the sex industry, female genital mutilation, forced marriage and so called 'honour crimes'. Some forms of abuse are particularly prevalent among certain groups – for example, it is estimated that 1000 Asian girls are forced into marriage against their will each year⁷. Victims may experience several forms of abuse at one time, often within the context of domestic abuse.

Domestic abuse is therefore, widely recognised as a form of gender-based violence and an abuse of women's human rights⁸. Hence in this pack we will generally refer to the victim/survivor as female and the perpetrator as male⁹. However, domestic abuse also occurs in same sex relationships; and sometimes men can be the victims of violence from female partners.

2.3 The impact of domestic abuse

Living with domestic abuse will have both direct and indirect negative effects on the victim (some of which may be life-long) and can include any or all of the following:

- injury, disability or poor physical health generally;
- loss of confidence, feelings of vulnerability (perhaps facilitating future exploitation and bullying);
- depression, self-harm, eating disorders, and other mental health issues;
- use of alcohol, drugs or other substances;
- isolation from family, friends and social networks;
- death – from suicide or murder.

Living with domestic abuse can also have a detrimental effect on any children in the household. In the majority of families where there are children, and where abuse is being perpetrated, the children will be aware of this, and will often hear or see it going on. According to the Department of Health, at least 50,000 children a year witness domestic violence; and in some cases, the children

themselves will suffer physical or sexual abuse from the same perpetrator.

In some areas, there are specialist support services for those experiencing abuse. Some of these also provide services for children and young people who have been affected by domestic abuse. To find out how to contact your local domestic violence organisation see the Domestic Abuse Directory on Women's Aid's website¹⁰.

⁷ See for example, National Union of Teachers, 2005, p.4; see also Roy et al., 2011; Izzidien, 2008.

⁸ Department of Health, 2011; also HM Government, 2010, following on from two related UN definitions in 1979 and 1993.

⁹ 99% of those contacting the DAME helpline were female.

¹⁰ See www.womensaid.org.uk/azrefuges.asp?section=00010001000800060002®ion_code=&x=2&y=7

The economic abuse wheel

The Economic Abuse Wheel was developed on the basis of research examining the experience and impact of economic abuse within the context of domestic abuse. This is a helpful tool for looking at the centrality of power and control in a variety of different kinds of behaviours.¹¹

SEXUAL VIOLENCE: making her perform sexual favours for money

PHYSICAL VIOLENCE: using physical force to get money



¹¹ 'What's yours is mine': The different forms of economic abuse and its impact on women and children experiencing domestic violence; Nicola Sharp, 2008.

2.4 The relationship between domestic abuse and financial issues

There are broadly three ways in which domestic abuse and financial issues can coincide:

i. The most obvious is when the abuser directly uses financial means to control his or her partner. For example:

*He started not paying anything – none of the bills, or the mortgage. I was panicking - ... He was controlling the money we had saved up – in a savings account in his name. There was no way I could get to it. And I had debts – in my name, not in his name. I don't know what happened with his account – he said there was fraud. But he put his income into my account and then I took out the credit for the DFS sofa in my name, because my credit rating was better than his. **Noa***

This is often called financial abuse: see section 2.5.

ii. Financial problems may also arise indirectly from the abuse: for example, the victim may lose confidence in her ability to manage money, or she may have to take time off work due to injury, depression or stress; she may try to appease him by buying him gifts or treats; or she may be frightened to tell him there is not enough money to pay the bills. In addition, his abusive behaviour could generate additional costs – for example, destruction of her possessions, or damage to their joint home¹². See section 2.6 for more on the long-term impact of the abuse on financial wellbeing.

*My husband was arrested... he pushed me and caused me some damage and damage to the property... At the time, because my husband was doing all the accounts, I wasn't sure what was needed to pay, and he was moving out and I needed to reclaim on benefits and I got a bit confused what was coming in and coming out and what needed paying and that... **Sophie***

iii. There may be no direct connection between the abuse and the financial issues. Nonetheless, worries over money, poverty, or debt will overlap with, reinforce, and exacerbate the abuse and its consequences. Poverty - including lack of access to any independent source of income - can trap women in violent relationships¹⁴ – as well as (possibly) increasing the risk of violence¹⁵. Many women may be unaware of their rights to welfare benefits if they separate from their abusers, and may be ill-prepared to cope independently; and sometimes they may not even have access to sufficient cash to pay for transport to safety.

*When I was in my relationship with my ex-husband, all the bills were in my name and obviously when my husband left... he didn't give me any money and... I got into a bit of a financial mess. Basically I had bills and debts coming out of my ears... he used to give me the odd sort of £20 but you know that in this day and age, £20 doesn't do anything. So it was like I had rent arrears, I had council tax arrears, obviously it was while we was together so they were half his debts but because they were in my name, they were sending me letters saying you need to pay this. But since I've moved, in the last 2 months, I've not received a penny from my husband... He doesn't know where I am and that's good, I'd rather keep it that way. **Stacey***

¹² See also Sharp, 2008.

¹³ Women's Budget Group, 2005; Rosenblatt and Rake, 2003.

¹⁴ Jewkes, 2002.

2.5 What is financial abuse?

Financial abuse is one form of control used by domestic violence perpetrators in order to gain power over their partner; and is the most direct way in which domestic violence and financial issues relate to each other. Financial abuse can take many different forms, but all are aimed at limiting and controlling the partner's current and future actions and freedom of choice. For example, an abuser might do one or more of the following:

- **Interfere with her employment, education or training:** for example, by preventing her from participating in paid work or education; or alternatively, insisting that she works, but hands over all her earnings to him.
- **Control access to all the household finances** (including her own earnings/benefits): for example, by keeping control of bank accounts, credit cards, benefits, etc.; not giving her any money; and/or taking away any money/resources she has of her own (including money for day-to-day housekeeping expenses, her savings, or other personal money); insisting she accounts for every penny she spends.
- **Steal from her** and use the money for himself; or transfer joint assets into his own name.
- **Refuse to contribute to shared household expenses**, including failing to pay regular bills despite agreeing to take responsibility for them; or building up debts in her name or joint names – sometimes without her knowledge (e.g. utility bills, which she thinks he has paid).
- **Insist she take out loans and credit in her own name**, or force her to take on sole or joint responsibility for credit or loans beyond what she considers to be manageable.
- **Force her to take actions which are dishonest, illegal or against her own sense of right and wrong;** for example, to claim benefits fraudulently, interfere with gas and electricity meters, become involved in prostitution, shoplifting, etc.

It is often very difficult for victims to recognise abuse which is of an economic or financial nature: it may develop slowly and insidiously, so that what at the outset could be seen perhaps as protectiveness can become increasingly controlling, and leave no outlet for an independent life of any kind. For example, a potential abuser might say something along these lines:

I'll take care of all the bills – you don't need a bank account.

I earn enough for both of us, so you don't need to work now: I'll look after you.

While initially this might seem acceptable, it gives the one earning and paying the bills considerable power which could potentially be exploited in order to perpetrate abuse over the other partner:

Over-spending, and building up debts in the partner's name or joint names can also develop slowly and – even if this is an intentional form of control – it may not become obvious for some time; for example –

*My ex-husband was in debt already so I had to take the loans out to help him. The credit card [debt] was during the time he said "Oh, stick the shopping on that", because he never gave me any money to do it. And also we took out a TV – he told me to do the financing and he would pay it off within the year, but then again he never gave me the money. Silly things like that – while we were together it would have been fine, but he never ever gave me the money to help me out... I didn't really see the trouble I was getting myself in. **Janice***

Both victims and those supporting them may be reluctant to name this behaviour as "abuse". Hence many women will have lived with it for many years, until the negative impact has become almost overwhelming.

*... He was very domineering, he used my cards a lot and he asked me to pick up things he had ordered, and I paid for petrol and car insurance, and he even took money out to pay the mortgage – which was very high ... If I said we had to cut back, he got very angry, said I was being negative ... I think he knew what he was doing... I look back now and think he was trying to get all the expenses on my card... It was part of the control thing, by doing that I would not be able to leave, I would have no option to leave because I would have no money and no credit. **Elissa***

2.6 The long term impact of abuse on financial well-being

Whether or not the survivor has experienced direct financial abuse, living with a violent and abusive partner or family member can result in both direct and indirect impact on the survivor's financial well-being. The ongoing impact may include –

- loss of confidence in managing money or budgeting;
- loss of financial skills due to inexperience¹⁵;
- impact on current employment: for example, through injury or ill-health, being forced to leave work, or needing to leave her job if she has to move to a different town for safety reasons;
- impact on future employment – through ill-health (including mental health issues), disability, interruptions to her career, homelessness, and frequent moves between temporary accommodation;
- having been left with debts¹⁶;

- lack of a credit history;
- costs associated with domestic abuse – including legal costs involved in gaining legal protection, divorce, and making arrangements for children¹⁷; the need to move frequently for safety reasons, replacement of lost possessions, etc.;
- some women due to their immigration status may have no recourse to public funds after they have left their abusive partners¹⁸.

An analysis of data from the British Crime Survey of 2001 found that domestic violence has a detrimental effect on employment: among employed women who suffered domestic violence in the relevant year (2001), 21% took time off work and 2% lost their jobs¹⁹. Research in the USA shows similar concerns, and one study indicated that up to one half of those experiencing domestic abuse have lost a job²⁰ as a result of the abuse. Having no access to affordable childcare – something which is a

¹⁵ See Chapter 5 for suggestions regarding budgeting and money management.

¹⁶ Bell and Kober, 2008. See Chapter 6 for options regarding outstanding debts

¹⁷ The forthcoming cuts to legal aid and entitlement and the charge for arranging child maintenance are likely to increase the expense associated with making these arrangements, despite proposed exemptions for those experiencing domestic violence: it is not yet clear how "proof" of domestic violence is to be established, nor whether abuse that is not physical will be included.

¹⁸ See Chapter 9.

¹⁹ Walby and Allen, 2004, pp.38-39

²⁰ See www.legalmomentum.org/issues/vio/discrim.pdf. However, another American study showed that – while women who reported abuse were more likely to have experienced unemployment than other women, had lower personal incomes, and were significantly more likely to be receiving welfare benefits - they were nonetheless almost as likely to be employed as women who did not report current or past abuse – indicating that: "Domestic violence may depress women's socioeconomic and occupational status over time, but does not affect employment status per se." (Lloyd, 1997)

problem for many single parents and low-paid workers generally – will also limit employment and educational opportunities.

Women who escape from domestic abuse will therefore often continue to experience financial exclusion and/or poverty. Many of those who did not experience financial deprivation while living with abuse may become vulnerable subsequently: single parent families are on average at greater risk of poverty than those with two parents²¹, and women are on average 28% worse off immediately after divorce/separation²². Changing eligibility for and levels of Tax Credits, and the costs of childcare, will also have an impact here; for example, in making it more or less financially beneficial for low earning parents to undertake paid work. Existing inequalities are therefore exacerbated and compounded, in some cases leading to a downward spiral.

Children of survivors will also often be forced to live in poverty. The link between women's poverty and children's poverty is clear; but also women may go without basic necessities

themselves in order to ensure their children have enough²³. Statistics on child and family poverty are available from Child Poverty Action Group, and both the Fawcett Society²⁴ and the UK Women's Budget Group²⁵ have shown how the impact of the 2011 budget has fallen more heavily on women than on men, and has increased women's and single parents' poverty generally.

Children can suffer from direct financial disadvantage and loss of opportunity both while living with the abuse, and afterwards if there are ongoing financial issues. For example, they may be unable to go on school trips, their leisure opportunities may be limited, and holidays non-existent. Living with abuse also has a detrimental impact on their education: they may find it difficult to concentrate; they are less likely to have access to a computer and internet services at home; and they may have frequent changes of school, affecting both their education and their social networks. All of these things are likely to have an impact on the children's future education and employment opportunities.

2.7 Additional considerations for some groups of survivors

Some groups of survivors may face additional problems that impact both on their ability to leave the abuser, and on the financial issues they face. For example, some older women may never have been financially independent or lived alone, or their partners might have controlled all the money and paid the bills. Disentangling joint pension entitlements could also be difficult: many older women have very little or no entitlement to a pension in their own right, and may be dependent on their husbands' pensions, particularly if their earnings have always been

limited and/or they had opted for the (now obsolete) reduced rate married woman's National Insurance contributions.

I don't have a pension in my own right. I don't have any money coming in, as such... I got a forecast on my pension that told me. Because I didn't work when I was having children, I didn't have enough stamps... If I were to leave, he [husband] wouldn't [give me money]... Sheila

²¹ See Taylor et al., 2007.

²² Jenkins, 2008. This study also indicates that women's income tends to recover to some extent after a few years, but does not reach previous levels unless they remarry. (Men's income, on the other hand, tends to rise by an average of 18% after divorce.)

²³ Lister, R. 2005. Also, mothers' low income is the source of up to 70% of child poverty, and nearly 40% of children living in poverty are in single mother households.

Fawcett Society, 2008. See www.fawcettsociety.org.uk/index.asp?PageID=658

²⁴ See www.fawcettsociety.org.uk/documents/Single%20MothersSingle%20Out%20The%20impact%20of%202010-15%20tax%20and%20benefit%20changes%20on%20

²⁵ See www.fawcettsociety.org.uk/documents/The%20Impact%20on%20Women%20of%20Budget%202011.pdf

Disabled women also have additional difficulties in finding support and leaving their abusers. There is a significant lack of effective and accessible services, and of awareness of those services that do exist. If the abuser is also the carer, then neglect and extreme isolation are likely: he might over-emphasise and reinforce the woman's dependence as a way of asserting and maintaining control over all aspects of her life, including her finances (and any disability benefits to which she is entitled), using them for their own purposes. Disabled women might be particularly reluctant to leave their own housing if it has been adapted for them; and the fear that their care packages would not easily be transferred to a different area also severely limits their options²⁶.

Lesbian, gay, bisexual, transsexual and transgender survivors might find it harder to recognise that they are being abused, as their experiences might not appear to fit the usual stereotype of domestic violence²⁷. They might also be particularly reluctant to contact anyone for help, perhaps because they think they will not be believed, or they might not wish to 'out' themselves, or might be afraid of experiencing hostility, lack of understanding, or outright homophobia.

Some women from Black and Minority Ethnic communities (BME) are unwilling to seek help from any agencies because they are afraid of a

racist response; for example, service providers might base their responses on particular cultural, ethnic or religious stereotypes²⁸. Some BME women may be escaping violence from their whole family, rather than - or as well as - their partner or husband, and may be afraid of rejection from their own community if they ask for help. At the same time, some agencies avoid intervening in such situations for fear of being perceived as racist. In some areas there are specialist support services for BME women. See the Domestic Abuse directory on Women's Aid website for details of such services.

Women who have recently arrived in this country, or whose first language is not English, will find it much harder to discover what support is available or to access appropriate sources of help. You should never rely on a relative or child to act as interpreter; but try to provide a professional interpreting service, and/or Language Line if your advice service operates via the telephone. Some women might also have an insecure immigration status; for example, their right of residence in the UK might be dependent on that of their husbands, so that if they leave, they will not be entitled to claim any state benefits, thus compounding any existing financial problems they are facing. (See Chapter 11 for more information on options available for women with no recourse to public funds.)

2.8 Summary

- Domestic abuse may involve a range of abusive and controlling behaviours, not all of which are inherently 'violent'.
- Domestic abuse and financial problems may be directly or indirectly related, and overlap in a number of ways.
- Financial abuse is the most direct way in which domestic abuse and financial issues relate to each other.
- Abuse can have long term direct and indirect impacts on survivors and can result in negative financial consequences and poverty.
- Domestic abuse can also have considerable negative impact on children who live with and witness abuse, including financial consequences.
- For some groups of survivors, additional factors can impact on their experience and might have implications for the support they seek.

²⁶ See Hague et al., 2009 for more information on disabled women who experience domestic violence. The report is available at: www.womensaid.org.uk/domestic-violence-articles.asp?section=00010001002200080001&itemid=1722

²⁷ See Donovan et al., 2006. See also Stonewall Housing, 2008; Women's Resource Centre, 2010.

²⁸ See for example, Gill and Banga, 2008; Gupta, ed., 2003; Izzidien, 2008; Parmar et al., 2005