

Money problems with your partner? Dealing with financial abuse

wire



Helping women
make the right
connections

He controlled all the money. I had to account for every cent I spent.

He said I was hopeless with money and that I should trust him.

When we got married I had some savings, a job and a car. The marriage is over and I've got nothing.

I don't care about the money. I just want to feel safe, get away and start again.

Sounds familiar? Many people think of family violence as physical injury or emotional abuse. However, withholding money, controlling all the household spending or refusing to include you in financial decisions is often part of family violence and is called economic or financial abuse.

Unfortunately, many women do not have access to their finances in their relationship. Should the relationship break down, women often find themselves without any money or may not even know how much money they are entitled to.

What is financial abuse?

I barely have enough money for food for me and the kids, but he eats out and shops whenever he wants.

He won't let me drive or get a job.

Financial abuse is when your partner uses money, and other things that you might both own, to control you. Your partner's behaviour may include:

- Controlling your access to finances such as cash, bank accounts and benefits or pensions
- Refusing to contribute financially to you or the family
- Doing things that cost you or the family money; taking out loans and running up debts in your name
- Stopping you from working or studying.

The law¹ in Victoria now states that **financial abuse** which includes such social and financially controlling behaviour, **is a form of family violence**.

Who can experience financial abuse?

Women from all socio-economic and ethnic backgrounds with or without children can experience financial abuse. Controlling the money is a common aspect of family violence, and can happen to any woman regardless of her financial ability or knowledge.

Realities of 'relationship debt'

I got this huge credit card bill in the mail—all for stuff I've never seen.

Sometimes the debts you are left with due to financial abuse are referred to as 'sexually transmitted debt' or 'relationship debt'. Sexually transmitted debt or relationship debt is common and serious— it happens when you have to pay your partner's, or ex-partner's, debts. Your partner might have forced or tricked you to sign a loan contract as a co-borrower or guarantor, or sign a mortgage so they could obtain a loan.

The reality is that you can be held responsible for these debts. Although the National Credit Code states that the borrower is responsible for his or her debts, if your name is on the contract then you as a co-borrower can be held responsible. If you have more assets or earnings than your partner, or you are easier to find, it is likely you will be chased for payment. As a co-borrower, you may even find yourself solely responsible for a debt that you know nothing about. *See Managing your money & debts on pp 12.*

1. June 2012 Family Law Legislation Amendment (Family Violence and Other Measures) Act 2011

How did you get here?

I loved him and trusted him with our money, now I'm left with all his debts.

Trust in a relationship

In a relationship when you are in love, you may find it easy to trust your partner with all your money matters. It can also be challenging to question your partner about money as you may feel you are questioning their love.

MYTH: *Handing over all responsibility and control of the household finances is a way of showing your partner trust, respect, love and commitment to the relationship.*

REALITY: Shared trust, respect, love and commitment in a relationship are reflected in having honest and equal openness in all aspects of the relationship, including finances. If your partner truly trusts, respects and loves you, you should be able to have a choice about money matters and be part of the decision-making process.

Influence of your family and culture

Your family background and cultural beliefs often shape your approach to money and might affect your confidence in managing your finances.

- In your family or culture, women might be excluded from financial matters and not encouraged to manage money.
- Socially, money is often seen as a private matter that is not discussed publicly so you had no one to talk to.
- Your cultural beliefs might also lead you to think that it is acceptable for your partner to use money to control you.

MYTH: *Men are traditionally heads of the household and are better at finances than women.*

REALITY: You don't have to agree if your partner says you have poor money skills, or says you don't deserve to learn about managing your finances. **Women are great managers of the household budgets and every woman has a right to know about money.** If you are concerned that you might not have money management skills, think back to when you have successfully managed money in the past. A good example might be when you worked out the household budget and paid rent and bills.

Lost your confidence with money

I'm so scared of dealing with money I don't even want to think about it.

If you have lost your confidence with managing money, you might simply not want to know. Or you may feel overwhelmed and find it hard to take the first step. Many women in similar situations feel this way. However, it is important to take steps in learning how to manage your finances. Not doing so may disadvantage you and your family down the track.

When the penny drops

For many women, it can be hard to recognise that they are experiencing financial abuse in a relationship. However, something might tip you over the line – another bill, discovery of your partner's hidden assets or an article that you've read. You suddenly realise that you've been financially abused and that it is wrong.

When you realise the extent of your loss due to the abuse, you might feel angry and determined to get your financial share back. Unfortunately, many women soon find out that they face an uphill battle to get their rightful share – navigating the legal and child support systems in Victoria can be frustrating, challenging and drawn out over a long period of time.

The next section of this information booklet will guide you through some steps you can take towards untangling and securing your finances from your partner's.

Getting back control of your money

Turn up your power

As a first step, it is important that you start to trust yourself again and know that you can manage your money and your situation to begin creating a stable financial future for yourself.

You might not know where to start or you might have already done a lot to protect and inform yourself. No matter where you are starting from, you can 'turn up your power'.

Chances are, if you are emerging from a situation of financial abuse, you might not appreciate your self-worth – your positive qualities, values and achievements.

Money problems with your partner. Dealing with financial abuse

Getting back your sense of self-worth gives you the confidence to move forward. So before you start sorting out your financial situation, take some time to reflect on the qualities you most value in yourself with a trusted friend, advisor or a financial counsellor. Or you might want to write them down.

Investing in your *self* by building your knowledge and confidence will help you control your money, and help you avoid being controlled again in the future.

Untangle your money from your partner's

The next step is to find out what you have and don't have, and to separate yourself financially from your partner or ex-partner, so that they cannot continue to harm you financially. You need to make sure your partner cannot rack up more debts under your name, hide the family assets so you are left with none, or control you again by controlling your money.

Make yourself safe – now!

I don't care about the money. I just want to feel safe, get away and start again.

If your partner has been abusing you financially, you need to take the following safety steps urgently:

- 1. Joint bank accounts** – Freeze the accounts if you don't need the money immediately and *cancel direct debits* for any of your partner's bills. Open a new account in your name only and ensure that your income (from wages, Medicare or other benefits) is deposited into this account.
- 2. Mortgage** – If your mortgage has a redraw facility or line of credit, *change the terms so both signatures* (yours and your partner's) *are needed* to withdraw money.
- 3. Your own accounts** – For accounts in your name only (such as credit/bank debit /ATM/store cards), *cancel any second cards and request new cards* if your partner has the account details or can access the accounts online.
- 4. Security numbers/passwords** – *Change the PINs, passwords and security questions* for all your mobile phone, bank and credit card accounts, online shopping accounts, email and social media accounts. If you use a mobile banking app, make sure you deregister your partner's device(s) so he cannot access your bank account(s).
- 5. Contact details** – *Get a new mailing address* (PO box, friend or family member's address) that only you can access. *Use a computer or smartphone that your partner cannot access* to make online financial transactions, such as at a library or friend/family relation's house.
- 6. Rent** – *Remove your partner's name* from the rental agreement.

Once you have done this, you may want to take the steps below that are relevant to your situation:

- **Centrelink and child support** – Ask a Centrelink social worker to help you work through the financial issues of separation, including how you or your partner should pay child support. *See Get child support and Centrelink assistance on pp 9.*
- **Vehicles** – Transfer ownership and registration of vehicles to either yourself or your partner, so that you are only responsible and have control over the vehicle you use, and not your partner’s vehicle.
- **Insurance** – Transfer the names and scope of the cover for your home insurance such as building and contents insurance, and any other car/health/life insurances.
- **Wills and Power of Attorney** – Make or change your will, and nominate a guardian for your children if your partner isn’t the parent or guardian. Cancel any Powers of Attorney that nominate your partner, and nominate another person you trust.
- **Tax** – Visit a tax agent or contact the Australian Taxation Office **13 26 81** www.ato.gov.au/individuals/ to find out how separation will affect the amount of tax you pay or whether you are eligible for a refund. Also make sure that any tax returns are paid into an account in your name only.

Get your own credit report

A credit report provides your credit history including any loans, credit cards or bad debts you have had, or whether you have been declared bankrupt or insolvent. You need a credit report every time you apply for a new loan or credit card, or to connect utilities such as gas or electricity.

A bank or utility will arrange for a credit report based on your personal details including your driver’s licence, address and employment status. To find out more about getting a copy of your credit report, visit www.oaic.gov.au or www.moneysmart.gov.au

You can also apply for a copy of your credit report by contacting one of these national credit reporting agencies:

- **Veda Group** www.MyCreditFile.com.au **1300 762 207**
- **D&B** www.CheckYourCredit.com.au **1300 734 806**
- **Experian Credit Services** www.experian.com **1300 783 684**

If you have a bad credit report because of your partner’s debts, you are still legally responsible for those debts. Call MoneyHelp or speak to a financial counsellor to look at your options, such as restructuring your loans, negotiating debt repayments with banks, utilities and other creditors, or considering bankruptcy as an option. *See Managing your money & debts on pp 12.*

Gather important documents

You will need to gather all the legal and financial documents to make sure you are completely untangled from your partner's finances and to keep yourself safe from further financial abuse.

You may need financial records and other property, expenses, legal and/or business documents to show your lawyer or your bank. See below for a comprehensive list and examples of documents you might need.

Financial records

- Bank statements from all accounts
- Credit card statements
- Cheque books, bank cards and credit cards
- Mortgage applications and repayment records
- Records of any loans and repayments
- Any correspondence with debt collection agencies
- Pay slips
- Record of other work benefits (such as bonuses or fringe benefits)
- Receipts for other income
- Tax returns and refund statements
- Statements from superannuation accounts
- Documentation of Centrelink or childcare benefits

Property documents

- Title documents and mortgage agreements
- Rental lease agreements and payment records
- Original purchase documents of any items
- Photos of items and furnishings in the home
- List of collectibles (such as artwork or jewellery)
- Vehicle registrations and ownership documents

Expense documents

- Documents and receipts related to household spending
- Utilities bills
- Education and childcare expenses
- Health and medical expenses
- Insurances (health, life, car, house and home contents)
- Clothing receipts
- Charity donations
- Transport costs (such as petrol and public transport)

Legal documents

- Birth certificates
- Driver's license
- Marriage certificate

- Passports
- Medicare card
- Health care card
- Wills
- Prenuptial agreements
- Records of any pending legal actions
- Immigration paperwork
- Any protection orders

PLAN AHEAD. Store originals of all important documents in a secure place, such as a bank deposit box. Keep copies of all these documents in another safe place, such as with a friend you trust.



Business documents

- Business financial statements
- Records of business partnerships
- Business tax records
- Details of business assets

If it is not safe for you to collect these documents, speak to a financial counsellor on how you can get copies. To find a financial counsellor, see *Appendix–Finding financial advice, support and information pp 15*.

Get child support and Centrelink assistance

Unfortunately, some partners continue abusing women financially even after separation by manipulating and abusing the child support system. Here are some things your partner might do to avoid or minimise payment:

- Stop work or leave his job
- Declare bankruptcy to avoid payment
- Making their income and bank balance look less than it is (*see pp 11*).

IMPORTANT! As soon as your status or circumstances have changed – you have separated from your partner and/or have changed addresses, you must contact Centrelink to update your details within 14 days to ensure that you continue receiving your Family Tax Benefits. You can also enquire about your eligibility for income support payments as a survivor of financial abuse and/or if you have children under 8 years.

Call the Centrelink Family and Parents Line **13 61 50** and you'll be referred to a Family Assistance Officer who will be able to give you further advice on the actions you need to take in your situation. You may also need to contact the Child Support Agency within 13 weeks to apply for child support.

For more information on child support, visit

www.humanservices.gov.au/customer/subjects/child-support-basics

Get legal advice

Choosing a lawyer

Try to find a lawyer who understands what financial abuse is and the tactics that can be used to prevent you from getting your fair share of the financial assets in your relationship.

Here are some questions about financial abuse that you can ask when choosing a suitable lawyer:

1. I have experienced financial abuse in my relationship. How will this be factored into my case and the property settlement?
2. There has always been a power imbalance around money in my relationship. How will the Court take this into consideration?
3. I am in immediate financial need. What interim orders can you get to help me in this situation – can you get me an interim property settlement order ('Barro Order') or an interim spousal maintenance order*?

WHAT IS AN INTERIM SPOUSAL MAINTENANCE ORDER?

Your lawyer may be able to get you an interim spousal maintenance order, which is based on establishing **your financial need and your ex-partner's capacity to pay**, especially if you are in immediate financial need. This is **different from a 'Barro Order'** (now called an interim property settlement) where the Court can order that some of your legal costs can be taken out of the eventual property settlement before the matter is finally settled. De facto partners can also apply for these orders.

For more information see WIRE's information sheet on *Getting Legal Advice* and contact Women's Legal Service Victoria or Victoria Legal Aid. You can also call WIRE **1300 134 130** to find your local community legal centre.

Family Law Courts (Family Court & Federal Circuit Court)

The reality of it is that some partners use the legal system to perpetuate women's financial abuse, especially if the partner is wealthy and has the income to repeat and extend court proceedings. Should your partner have the means, you might be repeatedly taken back to court over an extended period.

This can be a huge drain on your time, energy and money. It is important that you try and look after your emotional and mental wellbeing.

Here are some ways you can prepare yourself for the Family Law Courts:

- Get all your case documents ready and find out as much as you can about the court process prior to your court hearing.
Visit www.familylawcourts.gov.au so you know what to expect in the Family Law Courts.

- Tell your family and friends about what you are going through and seek their emotional support and understanding throughout this potentially long process. You might also seek support from a social worker or counsellor.
 - Recognise that the court process may take a long time to resolve (usually a year), so pace yourself. Take time out to think about and do other things that help you feel good.
 - Talk to other women who have been or are going through similar experiences.
- Finally, remember that the role of the Family Law Courts are to interpret and apply the law. Judges' decisions are determined by technical details of legislation. This may mean some court decisions may seem unfair or insensitive to your situation. If possible, seek independent legal advice or talk to a financial counsellor about your options.

Ways your (ex-)partner can hide money from you

I don't understand where the money's going. We're both earning good salaries but there never seems to be any money.

Unfortunately, the financial abuse and control can continue after you have left the relationship, or even after settlement. Money can be hidden from you in many ways such as:

- Depositing money in trusts, or your children's accounts which you have no control over
- Manipulating joint Self-Managed Retirement Funds or drawing money on a redraw mortgage
- Declaring bankruptcy to avoid payment
- Minimising their income by deferring salary or bonuses until after settlement
- Minimising their bank account balance by 'lending' money to friends, overpaying creditors (credit cards, tax, etc.) or buying expensive items that can be sold later
- Stockpiling cash
- Minimising child support at the point of calculation, or not paying child support or their share of childcare

Your ex-partner might continue to abuse you or make it hard for you to get your fair share of the assets in some of these ways:

- Manipulating discussions with mediators or lawyers
- Manipulating the child support and Centrelink systems to stop or reduce your benefits
- Forcing you to move house and/or change jobs to incur costs for you or make it hard for you to claim your benefits
- Dragging out legal proceedings to incur costs and delay settlement making it hard for you to get or keep a job.

Finding where the money's gone

If you have grounds to suspect your partner has hidden a lot of money and other assets, you could use a forensic accountant to assist you to find it. This service can be expensive but the accountant will advise whether it is worth pursuing. You can also enquire about a 'no win no fee' arrangement. Forensic accountants work alongside your lawyer. Find a forensic accountant through your lawyer, or search the Certified Practising Accountant Australia website at www.cpaaustralia.com.au

Managing your money & debts

Financial tools can help you manage your money now and help you plan for your financial future. These tools include:

- **Working out your net financial worth – what you own versus what you owe** www.moneysmart.gov.au/tools-and-resources/calculators-and-tools/your-net-worth-calculator
- **Using a budget** www.moneysmart.gov.au/tools-and-resources/calculators-and-tools/budget-planner
- **Tracking your spend** www.moneysmart.gov.au/tools-and-resources/calculators-and-tools/mobile-apps/trackmyspend

Get help with your debts

Facing your debts can be overwhelming. Eventually, debts need to be repaid, so it's important to take action as soon as possible. You can start by creating your own debt management plan, where you list all your debts and work out which ones to pay first.

Visit www.moneysmart.gov.au/managing-your-money/managing-debts for online calculators and practical tips on managing your debt.

If you are having trouble paying debts **speak to your financial counsellor about your loan agreements, and talk to your bank and utilities companies about getting a hardship variation.** For immediate help you can call the MoneyHelp line to speak to a financial counsellor.

NOTE: Financial counsellors are free and part of a community service and can help negotiate your debt repayments with your bank, utilities and other creditors; while financial planners (or advisers) charge a fee and work for a commission.

Loan Agreements

Explore whether your loans can be restructured into smaller, more manageable repayments. Bring a trusted friend or family member to support you when you talk to banks and other creditors about your loans. You can also check with a financial counsellor to see if you are eligible for low-interest loans.

A lawyer from the Consumer Action Law Centre can also look at your loan agreements to explore your options. Contact details for the Consumer Action Law Centre and services that provide financial counselling are listed in the *Appendix – Finding financial advice, support and information pp 15*.

Consolidating debts

Consolidating all your debts into one loan can be an option for some but not necessarily for everybody. So check first with a financial counsellor or call MoneyHelp to make sure you make the best decision for your situation. www.moneysmart.gov.au/managing-your-money/managing-debts/consolidating-and-refinancing-debts

Hardship variations

Many banks have a special financial hardship team. In the short term your bank can:

- Defer your loan repayments for up to three months
- Waive fees on new loans
- Waive penalties on your loan
- Restructure your loan

Contact your bank as early as possible to negotiate a different payment schedule. For a list of bank contact numbers, visit the Australian Bankers Association website www.doingittough.info



TIP: Not all bank staff are aware about family violence and financial abuse. Bring a trusted friend or family member to a bank meeting for moral support; or request a female bank manager or financial expert.

You can apply for hardship variations with other loan organisations and utilities companies (such as electricity) by visiting the relevant organisation's website and completing their online application form. You can also use the letter template on the MoneySmart website to send a written application to the organisation.

Claiming bankruptcy

By voluntarily claiming bankruptcy, you are legally released from almost all your debts which you are unable to pay. Your creditors (to whom you owe a total of \$5,000 or more) can also force you into bankruptcy. Bankruptcy lasts for three years from the day it is declared, but is noted on your credit report for seven years.

Depending on your circumstances, becoming bankrupt can give you a fresh start financially, or can mean serious consequences for you now and in the future.

When bankrupt, you can earn up to approximately \$50,000 a year after tax and keep your basic household goods and your car if its value is less than \$7,350. However, you may have difficulty getting credit for seven years, lose assets such as your house and be limited in your career options, for example in the finance sector.

Before making a decision, you should call MoneyHelp or speak to a financial counsellor to discuss alternative options. You can also visit www.moneyhelp.org.au/your-debt-options/going-bankrupt for more information on bankruptcy.

Scams and traps

Some companies and lenders target people in debt and other types of financial crises and you could be especially vulnerable. Before making any commitments, visit www.moneysmart.gov.au/scams for more information or speak to a financial counsellor.

Build your financial future

Once you have your finances in order or have finished settlement, you might want to start thinking about your financial future. Visit MoneySmart for free resources and financial tools on superannuation, insurance and investments.

APPENDIX

Finding financial advice, support and information

Find a financial counsellor

MoneyHelp 1800 007 007 (freecall except from some mobile phones)
(9.30am to 5pm Monday to Friday) www.moneyhelp.org.au

Financial Counselling Australia 1800 007 007 (9.30am – 4.30pm Monday to Friday)
www.financialcounsellingaustralia.org.au/Corporate/Find-a-Counsellor

Agencies & resources

Australian Bankers Association www.doingittough.info

Australian Taxation Office 13 28 61 www.ato.gov.au/individuals/

Centrelink Families and Parents Line 13 61 50 (8am – 8pm Monday to Friday)

Certified Practising Accountant Australia Find a forensic accountant at
www.cpaaustralia.com.au

Child Support Agency 13 12 72 (8.30am – 4.45pm Monday to Friday) www.csa.gov.au

Community Legal Centres Find your local community legal centre
www.communitylaw.org.au/ or call WIRE **1300 134 130**

Consumer Action Law Centre consumeraction.org.au **03 9629 6300 / 1300 881 020**
(10am – 1pm Monday to Friday)

Department of Human Services – Families www.humanservices.gov.au/customer/subjects/child-support-basics

Family Court of Australia and Federal Circuit Court www.familylawcourts.gov.au

Financial Ombudsman Service 1300 780 808 www.fos.org.au

Good Shepherd Microfinance 9495 9600 goodshepherdmicrofinance.org.au
Low income loans for Healthcare/Pension card holders for white goods, medical/educational expenses or car repairs.

The Law Handbook Online (Fitzroy Legal Service)
www.lawhandbook.org.au/handbook.php

Victoria Law Foundation Everyday-Law.org.au ‘Law Help Guide 2014’
www.victorialawfoundation.org.au/publications

Victoria Legal Aid www.legalaid.vic.gov.au **1300 792 387**
(8.45am – 5.15pm Monday to Friday)

Women’s Legal Service Victoria www.womenslegal.org.au **03 9642 0877**
/toll free for country callers **1800 133 302**

Free financial tools and resources

Australian Securities and Investments Commission (ASIC) 1300 300 630
infoline@asic.gov.au

Consumer Affairs Victoria 1300 558 181 www.consumer.vic.gov.au

MoneySmart (ASIC) www.moneysmart.gov.au

Wesley Mission CreditLine www.wesleymission.org.au/centres/creditline

Financial planners

Financial Planning Association of Australia 1300 626 393 www.fpa.asn.au

MoneySmart 1300 300 630 www.moneysmart.gov.au for tips on choosing a financial planner.

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Helping women
make the right
connections

**Women's
Information**

WIRE Women's Information
and Referral Exchange Inc.
Reg. No. A122
ABN 98 957 157 895.

Call WIRE 1300 134 130

for the cost of a local call (Telephone Interpreter Service available). Hearing-impaired women can use Livechat support www.wire.org.au or email inforequests@wire.org.au



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**Drop in Women's Information Centre,
372 Spencer Street, West Melbourne**



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