



Reframing The Lens of Economic Crime:

How UK Firms Are Confronting Economic Abuse

The ongoing impact of financial and economic crime on financial institutions (FIs) and society as a whole, requires firms to continuously adapt their prevention and response mechanisms. Regulated firms in the UK continue to heavily invest in economic crime prevention, specifically on technology and resources to minimise the associated loss and damages.

However, a lesser known, but growing and far more devastating phenomenon is that of economic abuse. Too often occurring behind closed doors, it is estimated that **1 in 6 women (circa 5.07 million of the UK population)** in the UK have experienced economic abuse by a current or former partner. In the UK alone, at **least 20%** of reported cases of adult abuse are financial related. Numerous lockdowns, coupled with the Cost of Living Crisis in the UK, have made matters worse for victim-survivors, highlighting a crucial role that FIs can play in both mitigating and minimising economic abuse.

Financial and economic abuse are not typically associated with the standard perception of financial crime therefore it is important for FIs to understand the issue in greater detail and take steps to address it.

Understanding the Issue

Economic Abuse is legally recognised under the [Domestic Abuse Act](#), as any behaviour that has a substantial adverse effect on a victim-survivor's ability to acquire, use or maintain money or other property, or obtain goods or services.

The table below illustrates the differences between economic crime, financial crime, economic abuse and financial abuse and provides examples of how economic abuse becomes visible in practice. For the purposes of this paper, we will focus on economic abuse.

Economic Crime	Economic Abuse	Examples of Economic Abuse
<p>Refers to a broad category of activity involving money, finance or assets, the purpose of which is to unlawfully obtain a profit or advantage for the perpetrator or cause loss to others.</p> <p>Source: UK Gov't Factsheet on Economic Crime</p>	<p>"Economic abuse" means any behaviour that has a substantial adverse effect on a victim-survivor's ability to—</p> <p>(a)acquire, use or maintain money or other property, or</p> <p>(b)obtain goods or services.</p> <p>Economic abuse includes financial abuse along with controlling other resources, such as housing, food or transport.</p> <p>Source: Domestic Abuse Act 2021</p>	<ul style="list-style-type: none"> • Customers who do not understand or are not aware of recently completed transactions or loans in their name (transactional red flag) • Withdrawing a large, unusual or uncharacteristic amount of cash when accompanied by their partner (transactional red flag) • Indicating concerns about protecting their personal privacy or safety, or the security of their account/s (behavioural red flag) • Telling you about an intervention order or similar and have safety concerns (behavioural red flag) <p>Source: Surviving Economic Abuse</p>

Financial Crime	Financial Abuse
<p>Any kind of criminal conduct relating to money or to financial services or markets, including any offence involving:</p> <p>(a) fraud* or dishonesty; or</p> <p>(b) misconduct in, or misuse of information relating to, a financial market; or</p> <p>(c) handling the proceeds of crime; or</p> <p>(d) the financing of terrorism;</p> <p>in this definition, "offence" includes an act or omission which would be an offence if it had taken place in the United Kingdom.</p> <p>Source: FCA Handbook</p> <p>*Fraud is currently a big focus in the UK and readers should refer to the ‘Take Five’ campaign for more information</p>	<p>Involves controlling finances or coercing someone into debt. Financial abuse is a subcategory of economic abuse.</p> <p>Focuses mainly on the control and coercion of finances only.</p> <p>Source: Surviving Economic Abuse</p>

Regulatory Requirements

Regulatory obligations and associated guidance related to economic abuse are provided within three instruments - The FCA’s Guidance for firms on the fair treatment of vulnerable customers, The Consumer Duty published by the FCA and UK Finance’s 2021 Financial Abuse Code.

Instrument	Key Features	Controls/Implementation
<p>The FCA’s Guidance for firms on the fair treatment of vulnerable customers (link)</p>	<ul style="list-style-type: none"> • Sets out the FCA’s view of what firms should do to comply with their obligations and ensure they treat vulnerable customers fairly. • Recognised domestic abuse (including economic control) as a life event which can lead to vulnerability. 	<ul style="list-style-type: none"> • Understand the needs of their target market/customer base. • Verify staff have the right skills to recognise and respond to the needs vulnerable customers. • Act in response to customer needs throughout product design, flexible customer service provision and communications. • Observe and evaluate whether they are meeting and responding to the needs of customers with characteristics of vulnerability, and to make improvements where this is not happening.
<p>The Consumer Duty published by the FCA (link)</p>	<ul style="list-style-type: none"> • Builds on the previous instrument and requires higher standards from firms. • Firms have until July 2023 to implement it for all new and existing products that are open for sale. • Emphasises ways in which firms can take more proactive measures against economic abuse before they might occur. 	<ul style="list-style-type: none"> • FIs have an opportunity to review their products at the design stage, by eliminating avenues for abusers to control and coerce victim-survivors, both during the relationship and post-separation.
<p>UK Finance’s 2021 Financial Abuse Code (link)</p>	<ul style="list-style-type: none"> • Raise awareness and assist firms on how to spot financial abuse. • Aims to provide firms with a deeper understanding on victim-survivor’s needs and how to be more aligned with The FCA’s existing Guidance. 	<ul style="list-style-type: none"> • Voluntary: 29 of its members and 39 other registered firm brands sign up as code signatories committed to implementing this Code in their own firms.

How are Firms Responding to Economic Abuse in 2023?

Several regulated UK firms currently have processes and support in place to assist victim-survivors of economic abuse. Many have gone above and beyond to assist and ensure they are shining a light on the issue.

HSBC

Launched a [UK-Wide Campaign](#) spreading awareness of economic abuse entitled '[Control](#)'

Lloyds Banking Group

One of the first banks to launch a [Domestic and Financial Abuse Team](#) in 2019

Monzo

Created [Share With Us](#) feature in banking app & provided an option to create a 'code word' to alert emergency services on the victim-survivor's behalf, without tipping off the abuser

Bank of Ireland

Launched a [Vulnerable Customer Unit \(VCU\)](#)

Refer to Appendix 1 for some of the help offered by regulated UK firms in relation to economic abuse (Up to January 2023).

CASE STUDY

William*, a 25-year-old from London, used Monzo whilst in a coercive situation.

"In a moment of desperation, I used the in-app messaging feature. I was kind of astonished and incredibly impressed that almost immediately I was contacted by a support worker who told me they were sorry I was going through a tough time and they wanted to know if there was any way that they could help." (Source)

**Name changed for protection*

How could firms integrate mitigation of economic abuse into their existing compliance framework?

FIs do not necessarily have to allocate a huge amount of financial or social resources towards mitigating and minimising the impact of economic abuse to help their customers - sometimes simple steps can be integrated into their existing compliance frameworks. Some of these steps can be considered as 'add-ons', in addition to already existing frameworks or policies and procedures, such as:

Training

- FIs can provide training to colleagues in 1st line support functions, on how to recognise economic abuse and how to confidently support customers who might be victim-survivors
- Training can be imbedded in already existing training policies for economic/financial crime (as required by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017) under section 24)
- FIs can test colleagues and retain training records as they would for economic/financial crime training
- Colleagues should receive training and awareness on how to identify and escalate unusual customer and account behaviour to 2nd and 3rd lines of defence within the firm

Vulnerable customer processes

- FIs can align their current vulnerable customer policies (in accordance with The Consumer Duty published by the FCA) to include supporting customers affected by economic abuse

- Policies can include how colleagues should recognise economic abuse in a practical sense, how to respond with empathy, how to ensure the conversation with a customer is confidential, and how to offer specialist help through a vulnerable customer team

Technology

- FIs can align their current systems and MI to include mitigating and minimising strategies for economic abuse, according to the nature and size of their organisation and products provided
- FIs can also include features within their already existing applications for customers if they are in a vulnerable situation, such as the Monzo Share With Us feature and code word feature.

Stakeholder viewpoints and key conclusions

Overall, it is important to remember that victim-survivors of economic abuse cut across all levels of society and that economic abuse can happen to anyone, no matter their educational background, class, profession, lifestyle or culture. Due to the hidden nature of economic abuse, FIs need to be aware of the predictors and work in unison to mitigate and minimise the resulting impact to ensure better future outcomes for victim-survivors, allowing them to regain control over their finances, resources, as well as their physical and mental health, including after [post-separation abuse](#).

With the assistance of legislation recognising economic abuse and proactive measures taken by FIs and charities, such as [Surviving Economic Abuse \(SEA\)](#), economic abuse is thankfully receiving increased attention in the UK and we expect this area to have increased regulatory scrutiny in the future, given socio-economic trends.

Through the various regulatory obligations and associated guidance that have been published for regulated firms, the FCA and industry leading bodies, such as UK Finance, have highlighted and emphasized the social imperative of proactively combatting economic abuse.

As players in the financial services industry, FIs and associated parties have a responsibility to keep raising the profile of financial abuse as well as the wider issues of economic abuse – especially considering the residual effects of lockdowns due to Covid-19, or the Cost Of Living Crisis in the UK, topped with the uncertainty of future events. Firms have an obligation to provide and deliver good outcomes when it comes to levels of care towards consumers, not least vulnerable customers who are susceptible to harm.

We encourage FIs to at least review their current policies to determine whether they successfully allow for the mitigation and minimisation of economic abuse towards their customers, to find out what peer FIs are doing successfully about the issue, and to see if their approaches can be mirrored. Every institution has the ability to integrate economic abuse prevention into their existing compliance framework, regardless of maturity/budget availability.

About the Author

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Additional sources for regulated firms to consider

- How Banks Can Help [\(link\)](#)
- UK Finance – It's Your Money [\(link\)](#)

"Domestic and economic abuse is a key business issue for us; with 30 million customers and around 65,000 colleagues, that means that at any one time a number of our customers and colleagues will be living in a domestic abusive situation. Many victims are not aware of economic abuse, which can lead to financial exclusion and limit their ability to access safety. Through the Domestic and Financial Abuse team, we play a key role in offering practical support and guidance to victims and survivors to help them regain control."

Fiona Cannon, Group Sustainable Business Director, Lloyds Banking Group [\(link\)](#)

Appendix 1

Firm	Actions & Responses
Atom Bank Plc	<ul style="list-style-type: none"> • Description of economic abuse • Directs the customer to specialist support team/general customer support
AIB Group (UK) p.l.c	<ul style="list-style-type: none"> • Description and examples of economic abuse • Tips on how victim-survivors can get control of their finances • General customer support • Directs the customer to additional sources of information
Bank of Ireland UK	<ul style="list-style-type: none"> • Vulnerable Customer Unit (VCU) • Unit has identified and assisted 400 vulnerable customers in first month
Bank of Scotland	<ul style="list-style-type: none"> • Description and examples of economic abuse • Tips on how victim-survivors can get control of their finances • Directs the customer to additional sources of information • 'Domestic and Financial Abuse Team'
Barclays Bank UK	<ul style="list-style-type: none"> • Description and examples of economic abuse • How to Protect yourself from tech abuse • Specialist support • Specialist avenues victim-survivors can ask the firm to contact them • Additional advice
Capital One	<ul style="list-style-type: none"> • Refers customers to a UK Finance resource on how to get help for Economic abuse
Co-operative Bank	<ul style="list-style-type: none"> • Description and examples of economic abuse • Thorough information on what customers can do if they experience economic abuse • Directs the customer to additional sources of information • Economic abuse online form – Specialist avenues victim-survivors can ask the firm to contact them • Provides 'Spotting the signs of economic abuse' guidance to customers
Danske Bank	<ul style="list-style-type: none"> • Description and examples of economic abuse • General tips on how victim-survivors can get control of their finances (call, secure message online, branch) • General customer support • Directs the customer to additional sources of information
First Direct	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to additional sources of information • General tips on how victim-survivors can get control of their finances • General customer support
Halifax	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to additional sources of information • General tips on how victim-survivors can get control of their finances • 'Domestic and Financial Abuse Team' • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide)
Hampshire Trust Bank	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to additional sources of information • Tips on how victim-survivors can get control of their finances • General customer support
HSBC UK	<ul style="list-style-type: none"> • Financial Independence page – Provides advice on assisting victim-survivors regain control of their money • Refers customers to Surviving Economic Abuse • Refers customers to the Bright Sky app • Refers customers to their branches that are dubbed Safe Spaces • Description and examples of economic abuse • Directs the customer to additional sources of information • Tips to protect customers against economic abuse • Massive ad campaign highlighting HSBC UK branches are a 'Safe Space'.
JN Bank UK	<ul style="list-style-type: none"> • General customer support via the Financial Help Squad • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide)
Julian Hodge Bank Limited	<ul style="list-style-type: none"> • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide)
Lloyds Bank	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to additional sources of information • Tips on how to get control of it again/how to stay safe • 'Domestic and Financial Abuse Team'

	<ul style="list-style-type: none"> • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide)
M&S	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to additional sources of information • Tips on how victim-survivors can get control of their finances • General customer support • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide)
MBNA	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to additional sources of information • Tips on how victim-survivors can get control of their finances • General customer support
Metro Bank PLC	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to additional sources of information • Tips on how victim-survivors can get control of their finances • General customer support
Monzo Bank Ltd	<ul style="list-style-type: none"> • Description and examples of economic abuse • 'Share With Us' is a feature in the Monzo app- allows victim-survivors to disclose sensitive information to them safely, without leaving a trace. • Has a Vulnerable Customer Team • Encourages customers to agree a codeword together with Monzo when they need help. • Directs the customer to additional sources of information • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide)
Nationwide	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide) • Customer support with active steps on how the firm can support victim-survivors
NatWest	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to additional sources of information • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide) • Customer support with active steps on how the firm can support victim-survivors • NatWest and their specialist teams work in partnership with UK charity, SafeLives
Newcastle Building Society	<ul style="list-style-type: none"> • Description and examples of economic abuse • How the firm can assist victim-survivors • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide)
Royal Bank of Scotland	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to additional sources of information • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide) • Customer support with active steps on how the firm can support victim-survivors. • Online form – allowing the customer to dictate when it is a safe time for the firm to call the customer.
Santander	<ul style="list-style-type: none"> • Description and examples of economic abuse • General customer support
Skipton Building Society	<ul style="list-style-type: none"> • Briefly mentions financial abuse in their 'How to Spot a Scam' document. • Refers customers to The Refuge, which has a 24-hour national helpline.
Smile	<ul style="list-style-type: none"> • Refers the customer to the Co-operative Bank's resources and customer support team, as smile is part of The Co-operative Bank
Starling Bank	<ul style="list-style-type: none"> • Provides a Specialist Support team for 'domestic violence or abuse'.
Tesco Bank	<ul style="list-style-type: none"> • Provides a case study on an abusive relationship • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide) • General customer support
TSB	<ul style="list-style-type: none"> • Description and examples of economic abuse • Advice on how TSB can help victim-survivors and what they themselves can do • The first bank to become part of the Safe Spaces scheme • Directs the customer to additional sources of information • Introduced an 'Emergency Flee Fund'
Ulster Bank NI	<ul style="list-style-type: none"> • Description and examples of economic abuse • Directs the customer to additional sources of information • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide) • Customer support with active steps on how the firm can support victim-survivors • Online form – allowing the customer to dictate when it is a safe time for the firm to call the customer
Virgin Money	<ul style="list-style-type: none"> • Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide) • General customer support

Yorkshire Building Society

- Description and examples of economic abuse
- Directs the customer to additional sources of information
- Directs the customer to 'It's Your Money' (UK Finance Financial Abuse Support Guide)
- Customer support with active steps on how the firm can support victim-survivors
- Online form – allowing the customer to dictate when it is a safe time for the firm to call the customer