

Reverse mortgage Elder abuse guide

HEARTLAND REVERSE MORTGAGES

At Heartland we are proud to have helped over 27,000 Australian seniors live a more comfortable retirement with our reverse mortgage. We aim to provide customers with peace of mind and have a culture that places significant importance on responsible lending and the duty of care we have for every customer.

One of the ways we do this is to ensure our staff have an awareness of elder financial abuse, including undue influence and unconscionable conduct, and take steps to both detect and prevent its occurrence where possible.

What is elder financial abuse?

Elder financial abuse is any financial harm suffered by an elder caused by someone whom they trust and/or depend on. It can take many forms and may consist of a number of actions over a period of time rather than an isolated incident.

Possible Red Flags or Warning Signs

At any time

- Family member or friend attempting to handle all or a majority of communication on behalf of applicant with no authority to do so.
- Unpaid bills or lack of medical care, although the customer has enough money to pay for them.
- Giving implausible explanations, or appears confused, about what they are doing with their money.
- Customer reluctant to answer questions or avoiding providing information.
- Management of a seemingly competent older person's finances by another person.
- Signs of misuse of an Enduring Power of Attorney, Guardianship or Administration order, with control over an older person's property/financial affairs to the detriment of the older person's welfare (including use of the older person's income or assets for the benefit or expenses of the power of attorney, guardianship, or administrator).
- Indicating mail is no longer being delivered to their home.
- Funds only being drawn for gifting to children, without genuine customer desire to do so.
- An other occupier residing in the security taking advantage of a customer.
- Makes transactions they are incapable of completing (i.e. a request whilst in hospital).
- Third parties completing and lodging paperwork on the customer's behalf without documented authority on file.
- Confusion regarding the application or account, despite clear explanation.

On application

- Loan purpose is not suitable for customer type or does not meet requirements and objectives.
- Nature of the request and amount requested do not align.
- The customer's financial documentation is unusual, erratic and inconsistent with customer type.
- Overseas payments or large, unusual transactions.

After settlement

- Applications for a customer's cash reserve or redraw, that are inconsistent with purpose.
- Applications for a customer's cash reserve or redraw organised by a person other than the borrower.
- Signatures on documents/cheques not resembling the customer's signature.
- Customer not understanding or aware of recently completed transactions.
- Suspicious changes in wills, power of attorney, titles, and insurance policies.
- A change in attitude (i.e. fearful, secretive, withdrawn when there was not the tendency to do so previously).
- Change in communication method (i.e. customer does not want to confirm items over the phone, only wants to discuss items via a new email address).

If a customer has limited mobility, cognitive impairment, or speaks English as a second language, they may be entirely dependent on others for support. These situations should be treated with an appropriate level of care to ensure that the customer is not being taken advantage of.

Identification

Vulnerability, combined with detrimental impact to a customer, can help to identify improper conduct. When there are red flags, further inquiry must be made.

Consultation

Heartland understands that each and every customer places their trust in us when we provide them with finance, and we take this duty of care seriously. We work hard to ensure customers are making an informed decision. Steps taken include family discussion, outlining alternative options, providing loan projections, consideration of future needs, Centrelink advice and independent legal advice.

Independent Legal Advice

All customers must receive independent legal advice as part of the application process. This ensures that the customer understands the agreement they are making, and provides an independent check to ensure an unsuitable or misunderstood loan is not being provided. It is also

a useful step to detect and prevent elder abuse. Children and other parties should not be present during the provision of the legal advice.

Customer Agents

Heartland will only allow applications signed by an agent of the customer (Power of Attorney, Guardian or Administrator) when it is for financial matters, provides for lack of capacity, and:

- The customer is unable to sign for themselves;
- The funds are for the benefit of the Nominated Borrower(s); and
- The order has not been revoked.

When independent legal advice is provided, Heartland requires the solicitor to sign a letter of comfort confirming this information.

Heartland also requires a certified copy of the documentation (or confirmation it has been lodged with the appropriate Land Title Office).

Reluctance to discuss

If financial abuse occurs, the customer may:

- Fear that telling someone about the abuse will lead to losing the relationship, possible retaliation, or further loss of independence;
- Be reluctant to believe that someone they trust is exploiting them;
- Want the abuse to stop, but protect the abuser from legal repercussions;
- Fear they will not be believed, or that reporting the abuse will be pointless;
- Furthermore, they may not realise that financial abuse is taking place if information is being withheld from them, or account statements and other mail have been redirected.

Due to this, independent discussion directly with the customer is of vital importance when investigating red flags.

Review

Red flags will always be investigated.

It is important when reviewing red flags that questions are asked to determine the customer's true situation. Depending on the customer's requirements and objectives, it could be an informed decision that is independent from improper influence.

Conduct is improper when it involves intimidation, deceit, coercion, emotional manipulation, physical or psychological abuse, undue influence, or empty promises.

Elder abuse may not involve malicious intent (i.e. there could be a mistaken sense of entitlement, or a misunderstanding about power of attorney role), but still results in financial harm. It could happen at any time, and by any person, including someone who was previously responsible for assisting the customer and did so correctly.

Actions to take if an Issue is Suspected

1. Privacy

At all times, privacy procedures are followed. If a child or friend of a customer calls, no information will be released unless there is permission provided (an authority letter, Power of Attorney, Administration or Guardianship in place).

2. Customer Discussion

Frontline staff should listen to the customer. If there are concerns raised directly by the customer, they should always be taken seriously and documented on the lending system.

Criticism or negative responses to customer situations are to be avoided. A supportive and understanding approach which aligns with Heartland's duty of care is crucial in a red flag investigation.

If there are red flags, and third parties have inserted themselves into the financial transaction without due cause, the customer should be contacted without the third-party present for an independent conversation.

3. Escalation

All concerns and suspicions are escalated to management immediately if financial abuse is suspected or confirmed. Heartland may:

- a. Not offer a loan;
- b. Not provide additional funds;
- c. Delay the release of funds until investigations can be made;
- d. Report fraud to the Police;
- e. Notify protective agencies (such as the Public Advocate) if there has been an abuse of Power of Attorney, or Administration/Guardianship order;
- f. Speak to any additional account holder(s), attorneys, or signatories;
- g. Request permission to speak to other family members to assist;
- h. As part of the application, require a medical certificate to confirm capacity of the borrower;
- i. If there is an immediate fear of safety, contact the Police; and/or

If the customer cannot be contacted directly, request a Police welfare visit.

Banking & Finance Oath	Heartland is 100% committed to the Banking and Finance Oath. Each of our staff are signatories of this oath and have committed to treating each and every one of our customers in a fair and ethical manner.
Dementia Australia	Heartland is proud to be partnering with Dementia Australia. We support the great work that they do in raising Dementia awareness and promoting healthy ageing.
Industry Guideline	Heartland is not a bank, however we ensure our approach to Elder Financial Abuse aligns with the Australian Bankers' Association's Industry Guideline - Protecting vulnerable customers from potential financial abuse .
Support Services	<p>Financial Abuse</p> <p>If a customer advises of abuse, they will be referred to the national Elder abuse phone line: 1800 ELDERHelp (1800 353 374).</p> <p>Memory Loss</p> <p>If a family member or friend believes that the customer is experiencing memory loss or confusion, or the customer has asked for help, they will be referred to Dementia Australia 1800 100 500.</p> <p>Hardship</p> <p>If a customer is experiencing financial difficulty, Heartland will follow its hardship procedures. They may also be referred to the National Debt Helpline 1800 007 007. Further information on financial assistance can be found on the financial tools page of our website.</p> <p>Crisis Support</p> <p>If a customer requires crisis or emotional support they are referred to Lifeline's 24 hour support line 13 11 14.</p>

Information provided is accurate as at 1 March 2024 and may change from time to time.

Every situation is different - this information has been prepared without taking into account your needs, objectives, or financial situation. If you are considering a reverse mortgage, we encourage you to understand how it may affect your personal circumstances - talk to friends and family, speak to professionals, and use the resources and tools Heartland has available.

Loans are subject to loan approval criteria. Terms, conditions, fees and charges apply. Credit provided by ASF Custodians Pty Ltd (ACN 106 822 780 / Australian Credit Licence No. 386781).