**How to thwart the growing threat of financial abuse of the elderly**

David Hodges, The Canadian Press

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TORONTO - Elder abuse expert Lynn McDonald routinely fields calls concerning financial exploitation, but none more dramatic than a recent incident involving a woman in Saskatchewan who was nearly bankrupted by one of her own adult children as she underwent hip replacement surgery.

"The daughter convinced the mother to sign over everything to her while she was sick in hospital and then she'd get it back after she came out," says McDonald, director of the Institute for Human Development, Life Course and Aging at the University of Toronto.

"But she sold the mother's house right under her, and took all her possessions. When the discharge went through, the mother came out of hospital with nothing but a pension."

McDonald says 2.6 per cent of Canada's growing population of residents 55 years of age and older are financially abused, making it the second most common form of elder abuse.

With the spotlight on elder abuse awareness throughout June, she says it's critical for seniors to understand how to protect themselves from financial abuse given that the majority of cases will involve people who are close to them.

Laura Watts, a Toronto lawyer who focuses on elder law issues, says the prototypical "unsuccessful son in the basement" accounts for about 75 per cent of elder financial abuse cases perpetrated by family members.

"Often this person may have some type of dependency or some kind of alcohol problem or failure to launch," she says. "They'll start isolating the mom or older person and start cutting off social relationships."

It's at that point that the adult child may pressure their elderly parent to sign a power of attorney or put assets into joint accounts.

While Watts notes that lots of people will have good experiences with such financial arrangements, that doesn't mean they should automatically select one of their children when they're going through a planning process.

"There's a lot that goes into it and you could be asking that person to make decisions for you for up to 20 or 30 years," she says.

"If you're a person, for instance, that's 70 years old who gets dementia and cognitive impairment you may live until 90 or 95, so it could be a very long-term job."

Picking someone with budgeting acumen and who isn't in financial stress themselves is critical.

"You should always pick someone who doesn't need money," Watts says. "It's very easy to slide your hand into that cookie jar."

Financial arrangements can also be made at arm's length through a trust company, which can provide additional access to services including tax preparation, investment management, banking services and more.

"That makes things very safe," Watts says. "They will take a percentage, which is small, but what you're buying is comfort and safety that something would be done to a fiduciary standard."

Older people who already have financial arrangements in place with a family member or acquaintance should also be vigilant for red flags such as new bills suddenly being paid or an inordinate or unusual number of financial transactions, says Leanne Kaufman, head of RBC estate and trust services.

"Watch for changes in financial spending patterns or the types of places where money is spent," she says.

"Also bear in mind that this doesn't just affect the ultra-wealthy. Everyone who is potentially vulnerable to elder abuse is potentially at risk for financial abuse."

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