

At Heartland we are proud to have helped over fifteen thousand New Zealand seniors live a better retirement with our reverse mortgage. We aim to provide customers with peace of mind and have a culture that places significant importance on 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.

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.

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 order, with control over an older person's property/financial affairs to the detriment of the older person's welfare.
- 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

- Withdrawals from a customer's Express Top Up facility or redraw, that are inconsistent with purpose.
- Withdrawals from a customer's Express Top Up facility 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).

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.

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, 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) 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 and if applicable a doctor's certification that the customer cannot sign for themselves.

Heartland also requires a certified copy of the documentation.

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 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 if there has been an abuse of Power of Attorney;
- 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
- j. If the customer cannot be contacted directly, request a Police welfare visit.

Reluctance to

If financial abuse occurs, the customer may:

- Fear that telling someone about the abuse will lead to losing the relationship,

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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.

Banking Code of Conduct

Heartland is 100% committed to the New Zealand Bankers Association Code of Banking Practice and Voluntary Guidelines to Assist Banks to Meet the Needs of Older and Disabled Customers. Each of our staff are committed to treating each and every one of our customers in a fair and ethical manner.

Support Services

Elder Abuse

If a customer advises of abuse, they will be referred to their local Age Concern for assistance (www.ageconcern.co.nz for all locations)

Central Auckland	09 820 0184
Auckland North Shore	09 487 4975
Hamilton	07 838 2266
Tauranga	07 578 2631
Hawkes Bay	06 870 9060
Wellington	04 499 6646
Nelson	03 544 7624
Canterbury	03 366 090 3 or 0800 803 344

Or they can be referred to the Elder Abuse Response Service 0800 32 668 65 (www.superseniors.msd.govt.nz)

Memory Loss

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 New Zealand 0800 433 636 or www.dementia.nz.

Hardship

If a customer is experiencing financial difficulty, they may be referred to their local Citizens Advice Bureau or Eldernet for resources on financial hardship.