

CASE STUDY

FINANCIAL ABUSE OF OLDER PEOPLE

Case study eighteen: Assets for Care

Source: Client of a CPA Australia member

Emily is a widow, an ex-school teacher and head mistress, who has enjoyed success in life. She has three children, two daughters and a son, and five grandchildren, and over the years her family has given her much joy. Emily never thought of herself as wealthy, but she and her husband had owned their own home and lived comfortably.

After her husband died, Emily's youngest daughter, Bianca, suggested that Emily move in with her and her family. Emily would be close to her grandchildren and could be looked after and provided for by Bianca. In return, Emily would sell her house and pay off the remaining balance on Bianca's mortgage, a little over \$163,000. Emily agreed. Bianca was already a beneficiary under her will and there would still be funds left over for her other children and grandchildren when the day came. The other children were a little uncomfortable but eventually agreed with the arrangement.

To make things easier, Emily gave Bianca access to her bank accounts and credit cards. No formal agreement was drawn up.

The arrangement seemed to work well for the first eighteen months. In the past year however, Emily's health has deteriorated markedly. She has been diagnosed with diabetes and has early dementia. She gets confused easily and forgets things. She needs to visit the doctor weekly for treatment and monitoring, and care must be exercised at all times in case she wanders off and gets lost.

Bianca had a little runabout car, a 1987 Mazda 323 hatch, which she had had for twelve years. One day Bianca turned up at a family function dressed in a smart outfit and with a brand new car, a BMW 328i Touring SUV. When asked by her siblings how she could afford it, Bianca replied that her mother had bought it for her. Emily couldn't quite remember but thought that she had probably agreed.

BE HEARD.
BE RECOGNISED.



When challenged by her siblings on the choice of vehicle and the cost, Bianca claimed that her old car was unreliable, insisting that she needed a good car to take her mother to the doctor. Anyway, she deserved some reward. After all, she was doing all the heavy lifting in looking after her mother. Bianca's siblings were furious.

Emily was confused and distressed at the furor, the family event ended in disarray.

- Is this abuse or care?
- Is Bianca's justification reasonable?
- What steps could have been taken before the arrangement was completed to prevent abuse or misunderstanding?
- What steps are available to remediate the situation?