

CASE STUDY

FINANCIAL ABUSE OF OLDER PEOPLE

Case study nine: Exposure to potential isolation from assets and loss

Source: CPA Australia member

Daniel was close to retirement. He only had a few years to go. He was boosting his super with some salary sacrifice and now that they had the house paid off he was able to put some savings away for investment. On his plan he would be able to retire in around four years and have enough invested to live comfortably.

One night he takes a distressed call from his daughter, Therese. She is in financial trouble and does not know how to get out of it. She has \$85,000 in credit card debt and just cannot get ahead. David decides that he could borrow some money by redrawing his mortgage and pay out Therese's loans. This will mean that he won't be able to retire for probably 10 years instead of the four he planned. Daniel wants to help out his daughter, whom he loves very much. He has mentioned this situation when meeting with you to review the progress on his transition to retirement strategy.

- Is there any cause for concern here?
- What is the accountant's role?
- How would you advise Daniel?