Economic abuse: Targeting pension savings

Laura Blows explores how pensions can be weaponised in economic abuse, along with the industry's duties when such abuse is suspected

Summary

• Economic abuse is a form of coercive control in which abusers, often family members, restrict, exploit, or sabotage a victim's financial resources to create dependency and maintain power over them.
• In pensions, economic abuse can involve coercing victims into withdrawing savings, changing beneficiaries, intercepting pension communications, cancelling contributions, or manipulating pension decisions for the abuser's benefit.
• The pensions industry can protect these vulnerable customers, as required under the FCA's Consumer Duty regulations, by training staff to recognise warning signs, monitoring suspicious account activity, and signposting members to support.
• The risk of pension-related economic abuse is growing due to cost-of-living pressures, rising later-life divorces, an ageing population, and increasing cases of financial abuse linked to Power of Attorney.

"A ***crisis hidden in plain sight.***"

So economic abuse is described by Hourglass, the charity for ending the abuse of older people.

But just what exactly is meant by 'economic abuse'?

Economic abuse – not to be confused with financial abuse, which is the manipulation or unauthorised use of monetary resources – is a type of coercive control.

This can take the form of economic restriction, where an abuser limits the victim-survivor's access to and use of financial or material resources, often forcing them to become dependent on the abuser.

It can also occur through economic exploitation, where an abuser steals or uses the victim-survivor's economic resources for their own benefit, undermining the victim-survivor's financial wellbeing.

Abuse can also be through economic sabotage, where an abuser damages the victim-survivor's ability to maintain economic stability, including actions that generate costs or disrupt income or employment.

Economic abuse is a criminal offence, becoming part of the Domestic Abuse Act in 2021. Perpetrators of economic abuse can be prosecuted under the Serious Crime Act 2015, which introduced the offence of controlling or coercive behaviour.

The charity Surviving Economic Abuse notes that "it is important to recognise that coercion is central to perpetrators' use of economic abuse, where they often use punishment or the threat of negative consequences to force victim-survivors into compliance".

Prevalence

Research conducted by Aviva in 2023 estimated that 40 per cent of UK adults may have suffered from financial or economic abuse in their adulthood.

It found in most cases of economic abuse (39 per cent) the main perpetrator was a spouse or partner, while 23 per cent of respondents said the offender was a parent, sibling, or a family member.

Women are considered to be more vulnerable to economic abuse than men, with the research finding that 47 per cent of women are likely to experience economic abuse from a partner, compared to 33 per cent of men.

In July 2025, Surviving Economic Abuse's research found that one in seven – 4.1 million – UK women experienced economic abuse from a partner or ex-partner over the previous year. Of these, 42 per cent of victim-survivors did not seek any support at all for the economic abuse.

Of women who have experienced financial abuse from a partner, 24.5 per cent are over 60 years of age, financial expert Jane Portas' 2021 report, *Controlling Your Financial Future,* found.

"The impact of economic abuse in relation to pensions may be particularly felt by older women who are likely to have smaller incomes in retirement, due to pension inequality," Age UK charity director, Caroline Abrahams, says.

However, while a spouse/partner is the most common perpetrator of economic abuse, Abrahams notes that for older people, it's as likely to be an adult child or other close relative, or a care professional.

In Hourglass' 2024 report, *Economic Abuse by Numbers,* it notes that abuse of older people costs the UK over £16 billion annually, with this figure projected to rise to more than £25 billion per year by 2050.

"It's simply no longer acceptable for firms to overlook the subtle signs of coercive control or economic abuse"

Over the past three years to 2024, Hourglass recorded over £53 million in reported financial losses from older victims contacting its 24/7 helpline, but as only 14 per cent of economic abuse cases report financial loss, it states, the true figure is likely far higher.

Control through pensions

Pensions being a significant financial asset for older people means they can often be a target for those committing economic abuse.

As PensionBee VP personal finance, Maike Currie, notes, "pensions remain an underdiscussed part of that *[economic abuse]* picture, despite being one of the most significant assets someone accumulates over a lifetime".

For instance, with DC savings, an abuser may force the victim-survivor to drawdown their pension, or in the case of DB, force them to implement a transfer. The abuser may insist on the pension being redirected into an account they control, or to be named as the beneficiary on an expression of wish form.

In the case of divorce, the abuser may deliberately delay information, refuse to sign forms, or let valuations expire to deplete the victim's legal resources and force them into an unfair settlement.

Portas' research notes that women experiencing economic abuse report partners intercepting their post and changing or cancelling pension contributions. They may also steal their log-in codes and meddle with investment allocations.

The victim-survivor's pension may be spent on household bills, while the abuser's pension is kept for themselves. They may keep information about finances, including pensions, a secret, and exploit the victim-survivor's financial dependency.

Scottish Widows retirement expert, Susan Hope, says that "a pension is often someone's biggest and least understood asset, and things that aren't well understood can feel daunting and complex, making it easier for abusers to exploit, often under the guise of help and support".

The result of this abuse can be financial insecurity, or debt, "which is likely to make it difficult for them to leave an abusive relationship, as well as impacting their mental and physical health", Abrahams states.

Support organisations

- **Surviving Economic Abuse**
Charity dedicated to raising awareness of economic abuse and helping victim-survivors access support and financial safety.
survivingeconomicabuse.org
0808 196 8845
- **Hourglass**
Charity supporting older people experiencing abuse, including economic and financial abuse.
wearehourglass.org
0808 808 8141

Difficulties detecting

Despite the number of ways a victim-survivor's pension pot may be targeted, spotting this abuse can be challenging for third parties – and sometimes, even difficult for the member themself to realise.

Unlike pension scams, which often comes with recognisable red flags such as high-pressure sales tactics or promises of high returns, coercive control involves undue influence exerted by somebody in a trusted relationship. "The challenge for schemes is that the transaction itself may appear legitimate, even though the member's decision-making is being constrained by pressure, intimidation or dependency. This makes it a more subtle and complex safeguarding issue," Aviva head of savings and retirement, Alistair McQueen, says.

Pensions being a long-term savings vehicle naturally means that member engagement is less frequent than other financial products, and so "the consequences of harmful decisions may only emerge over time", Standard Life vulnerability and customer care lead, Angela Scally, says.

Also, financial lives increasingly being managed at the touch of a screen means "schemes have very few 'in-person' touchpoints where they can spot the signs of economic abuse", Hope adds.

The member may not even be aware of aware of the abuse happening to them, Abrahams says, "particularly if a partner or child has offered to help with finances, or has always looked after them".

"If an older person lacks mental capacity and has a Lasting Power of Attorney, they may also be unaware of what decisions are being made about their pension fund, whether these are legitimate or otherwise," she adds.

Pimfa head of regulatory policy and compliance, Alexandra Roberts, also highlights how some 'traditional' relationships will have one partner take control of the finances. It can therefore be difficult to determine which of these are

coercive and which are a perfectly happy division of responsibilities within that relationship. "The question is around the partner's agency," she explains.

Spotting the signs

As economic abuse can be difficult to spot, pension scheme staff should become attuned to the subtle warning signs.

These can include sudden changes to contact/payment/beneficiary details, particularly redirecting to someone else, or someone new taking control of communications.

Requests that are not standard, like urgent withdrawals or multiple withdrawals from a pension in a short period of time, should also be a red flag, especially if the member is unable to explain what they want to do or why.

How the member themself seems should also be considered, for instance if there are signs of cognitive decline, or if they appear anxious, withdrawn or unsure. Staff should also look out for signs that the customer is being told what to say, or is unable to speak freely, for instance by hearing someone in the background telling the member what to say on the phone.

Taking action

If economic abuse of a member is suspected, schemes have a regulatory – and arguably an ethical – responsibility to take action.

The Financial Conduct Authority's (FCA) Consumer Duty regulation expects firms to be alert to the possibility of coercion and financial control to reduce foreseeable harm to their customers.

"It's important for pension providers and all financial firms to be alert to signs of coercion and financial control. We expect them to have the right systems, processes and staff training in place to support customers in vulnerable circumstances," an FCA spokesperson says.

"The FCA's Consumer Duty regulations have fundamentally shifted the landscape," Hope says. "It's simply no longer acceptable for firms to overlook the subtle signs of coercive control or economic abuse. For pension and savings providers, this means our teams must move beyond basic compliance and embrace a proactive duty to safeguard."

This can involve training frontline

Economic abuse: Key facts and figures

- 40% of UK adults may have experienced financial or economic abuse in adulthood.
- In 39% of economic abuse cases, the main perpetrator was a spouse or partner, with 47% of women likely to experience economic abuse from a partner, compared with 33% of men. 4.1 million UK women are estimated to have experienced economic abuse from a partner or ex-partner in 2024-25. 24.5% of women who experienced financial abuse from a partner are aged over 60.
- Abuse of older people is estimated to cost the UK more than £16 billion annually, and is projected to rise above £25 billion a year by 2050.
- Investigations into Power of Attorney misconduct increased by 31.7% over the past year, according to the Office of the Public Guardian.

staff to recognise the signs of coercive control, following safeguarding policies and documenting everything carefully. Support can be provided to the member through practical help such as redirecting comms or signposting them to relevant organisations if they do disclose abuse – which can be a distinct possibility, as more women (23 per cent) will disclose economic abuse to a financial adviser than to the police (13 per cent), Royal London pensions and tax expert, Clare Moffat, notes.

Careful consideration is required when interjecting with concerns about abuse to minimise the risk of putting the member in further danger, as economic abuse often goes hand in hand with other forms of abuse such as physical violence.

It's also important to realise that victims may not want to, or feel that they can, act, Moffat says.

"Some people might not even be aware that they are victims. Asking too many questions or asking for the same information many times might be upsetting and could potentially be dangerous for them," she warns.

"It's incredibly important that this is done safely," Hope says. "Teams must check if it is safe for the member to note down details and not put them at risk of further danger. Creating a safe and non-judgemental space is also key, as customers should have the opportunity to speak independently and slow down decisions where needed. The goal is to actively listen, look out for patterns and make sure the customer's voice is genuinely heard."

Roberts agrees that listening to the individual's opinions is important, as those working in the industry "are not social workers".

"They're not there to rescue clients in these situations, but they still have a Consumer Duty to ensure the best possible outcome.

"Cost-of-living pressures continue to put people under money pressures, making a person's lifetime pension savings an incredibly attractive target for those looking to take advantage"

"You can create friction and blockers to try and slow down any transaction, but ultimately, if the client insists on taking the money out, at a certain point, the client's autonomy also has to come into it," she adds.

In more serious cases, where there is a risk of harm, exploitation or financial abuse, "this may involve escalating concerns through appropriate channels, which can include engaging with external authorities or safeguarding bodies where it is necessary and proportionate to protect the customer", Scally says.

However, Roberts cautions against getting the police involved unless it is a 'life and limb' situation, "because otherwise you may endanger them if you just go off and call the police of your own accord". The general recommendation is to go with the wishes of the victim-survivor, she adds.

A growing problem

Far from fading with future generations, the risk of economic abuse looks set to remain. Concerningly, research released from the Home Office in June revealed that one in five young men – three times the number of older men – do not consider controlling someone's spending to be abuse.

Current societal pressures may also increase the risk of economic abuse.

"Cost-of-living pressures continue to put people under money pressures, making a person's lifetime pension savings an incredibly attractive target for those looking to take advantage," Hope says.

"We are also seeing a noticeable rise in later-life divorces, alongside an ageing population where more individuals require care. This leaves a growing number of people vulnerable to economic abuse from the very partners or family members tasked with supporting them," she adds.

According to the Office of the Public Guardian, it "receives and records more instances of financial abuse than any other form of abuse", with investigations into Power of Attorney misconduct increasing over the past year by 31.7 per cent.

As pension savings represent long-term financial security, abuse can therefore have lasting consequences, even if the abuser is no longer around, such as through the victim-survivor having a reduced retirement income.

Yet while awareness of vulnerable customers is increasing across the financial services sector, knowledge about economic abuse (in the context of pensions) is still developing, McQueen warns.

According to Currie: "The scale of the problem is clear. The response from the pensions industry needs to match it."

Or, as Moffat simply says: "We need to do more."

Written by Laura Blows

Economic abuse and pensions case study

"In January this year, I received £7,000 from a private pension. It would have been more, but when I was able to access my bank accounts after we separated, I found that the direct debit *[for my pension contribution]* had been cancelled and his direct debit for his pension in the joint account, with the same insurer, had been increased. I was not able to pay any more money into the pension from then onwards as I was financially insecure."

Economic abuse survivor, as quoted in Jane Portas' 2021 report, Controlling Your Financial Future