



#### Summary

- Economic and financial abuse issues are more often likely to be reported to banks than police, according to the Financial Conduct Authority, giving the financial services sector a vital role to play in spotting the signs and offering support where they suspect financial abuse is happening.
- Greater pension confidence can also help to build up greater defences against financial abuse, as well as helping victim-survivors take back control of their finances.
- Pension organisations can take steps to put the right support in place, with training available from charities such as Surviving Economic Abuse.

**With victim-survivors of financial abuse more likely to reach out to family, friends or their bank for help as a first step, Sophie Smith takes a look at the vital role the pensions industry can play, and whether the current complexity surrounding pensions could leave savers more vulnerable**

## Tackling financial abuse: The role of the industry

Economic and financial abuse are a stark reality in the UK, affecting all income brackets, sexes and age groups. Estimates can be challenging, but in 2024, a survey on behalf of Surviving Economic Abuse (SEA) found that 4.1 million women (15 per cent) experienced this form of abuse in the past year.

Younger women are also more at risk, as the SEA found that 35 per cent

of victim-survivors are aged between 18 and 24.

Whilst often hidden, the Financial Conduct Authority (FCA) suggests that, given the numbers affected, it's likely most of us will know a friend, family member or colleague who is experiencing financial abuse, even though we may not be aware of it.

According to research from Aviva, most victim-survivors of financial abuse are more likely to reach out to family,

friends or their bank for help as a first step, before they consider reporting it to the police or victim support.

As the FCA rightfully points out, this gives the financial services sector a vital role to play in spotting the signs and offering support where they suspect financial abuse is happening.

This includes pension providers and all organisations associated with the pensions industry. After all, pensions are often one of the biggest assets people

have to their name, making up the second largest proportion of household wealth in Great Britain, at 35 per cent, according to the latest figures from the Office for National Statistics (ONS).

There is already evidence of the role pension providers can play, as Scottish Widows workplace savings specialist, Susan Hope, tells *Pensions Age* that nearly 5,000 Scottish Widows customers have told the provider that they are experiencing, or have experienced, economic abuse.

“We expect the scale of the issue to be far wider than just the number of customers who have told their bank or pension provider,” she says. “That’s why we’re working alongside SEA to always look for better ways to support victim-survivors, and equip our colleagues with the right tools and skills to help those customers, through safeguarding their information, and signposting to specialist support, for example.”

And the importance of addressing issues such as economic and financial abuse are particularly prevalent amid initiatives such as International Women’s Day this month (8 March 2025).

Although it is not only women who are affected by financial abuse, women are more likely to report experiencing financial abuse than men, with figures from the ONS revealing that one in five women in the UK have experienced financial abuse, compared to one in seven men.

### Building confidence to build a defence

This is perhaps unsurprising, given the gender divide that is seen more broadly in financial attitudes, with research from the Money and Pensions Service (Maps) revealing that 45 per cent of UK adults do not feel confident managing their money, rising to 48 per cent of women, compared to 42 per cent of men.

In addition to this, over half of women (54 per cent) say they lack the confidence to make these financial decisions (47 per cent of men).

This confidence falls even further when considering pensions in particular, as the Money and Pensions Service found that women are less likely to have a plan for their money in retirement (60 per cent of women compared to 44 per cent of men) and are less likely to say they understand enough about pensions to be able to make effective decisions about saving for retirement (41 per cent of women compared to 57 per cent of men).

Indeed, Trafalgar House client director, Daniel Taylor, says that “the pensions industry has a stark reality to face: Women are being left behind when it comes to retirement confidence”.

“Our latest research reveals a significant gender gap: While 34.1 per cent of men feel confident that their pension will provide a comfortable retirement, only 18.9 per cent of women share that optimism. Even more concerning, 40.2 per cent of women feel negative about their retirement prospects compared to 31.6 per cent of men,” he adds.

But financial confidence can play a huge role in combating financial abuse, ensuring that people are able

**Financial abuse** - The Care Act 2014 describes ‘financial abuse’ as a type of abuse that includes having money or other property stolen, being defrauded, being put under pressure in relation to money or other property and having money or other property misused. It can happen to anyone of any age, and can include acts such as taking pension payments or other benefits away from someone. Financial abuse is often part of wider economic abuse.

**Economic abuse** - Recognised for the first time in law in England and Wales in the 2021 Domestic Abuse Act, economic abuse often occurs in the context of intimate partner violence, and involves the control of a partner or ex-partner’s money and finances, as well as the things that money can buy.

to take control of their assets and take ownership of their financial situation, as well as empowering victim-survivors of economic and financial abuse to regain control of their finances.

“Financial independence isn’t just about planning for retirement; it’s a vital defence against financial abuse,” Taylor says. “Yet, our data shows women are more uncertain, with 17.8 per cent admitting they simply don’t know if their pension will be enough.”

Taylor warns that this lack of confidence and understanding can create vulnerabilities that can be exploited, arguing that “the industry needs to step up”.

“We must ditch the jargon, simplify communication, and actively engage women earlier in their careers,” he says. “Schools, workplaces, and public campaigns all have a role to play in building financial literacy and confidence across the board.”

Hope agrees, suggesting that the complexity and variety of pension arrangements is a key issue, with couples “banishing annual benefit statements to the ‘too difficult’ box, never to be seen again”.

“However, we can see that online tools and apps, growing open finance capability and personalised ‘just in time’ communications are proving helpful in providing simplified information at a time when it can be digested and more importantly acted upon,” she says.

Hope suggests that the legal profession also has a key role to play here in ensuring that pensions are appropriately considered in divorces, noting that the pensions gender gap is particularly exacerbated at specific life moments, predominantly career breaks, divorce and when making retirement decisions, such as annuity purchase.

### Taking back control?

Divorce in particular is a current weak point, as Hope notes that the gender pensions gap widens further for divorced

women, with 60 per cent of them being on track for poverty in retirement, compared to 42 per cent of women in general.

“Three in five (60 per cent) women also didn’t discuss pension in divorce settlements, leading to an average loss of £77,000 in retirement savings,” she adds.

Indeed, pensions are a challenging and often overlooked issue during divorces at the best of times, and situations involving economic abuse are even more prone to further issues, as this can create an uneven power dynamic, with one partner often still able to exert control over a victim-survivor.

Morrissey also admits that whilst there are a number of options available upon divorce, including a pension sharing order or a pension attachment

(or earmarking order), those looking for a clean break this probably isn’t the best option.

“In the case of financial abuse it could make it easier for the abuser to stay in control and potentially withhold income,” she says.

Taylor agrees that there are vulnerabilities abusive or controlling partners could take advantage of, explaining: “One persistent issue is when one party refuses to engage with the pension-sharing process, leaving the other in limbo for months, if not years, and more seriously, blocking their access to funds and income because the benefits can’t be split.

“This situation creates a power imbalance that can be exploited by a controlling partner. Providers need clearer processes, better legal cooperation, and more authority to intervene in these situations.”

Given this, Taylor argues that “the pensions industry must act”.

“With the FCA’s Consumer Duty putting customer protection front

and centre, we have both a moral and regulatory obligation to support savers, especially those who may be more vulnerable,” he continues. “Financial literacy isn’t just a nice-to-have; it’s a critical defence against exploitation. It’s time for a step-change in how we communicate, educate, and empower people to take control of their pensions and, ultimately, their financial futures.”

### Raising standards to protect savers

The FCA itself encourages firms to be alert to the possibility of coercion and financial control to reduce foreseeable harm, with the Consumer Duty setting higher and clearer standards of consumer protection across financial services.

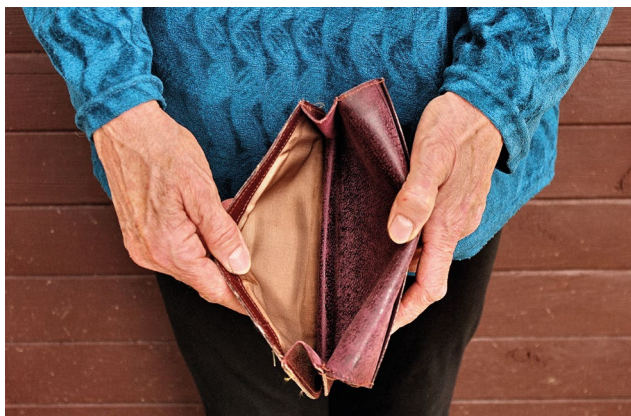
“When a report is made, firms should treat the victim-survivor appropriately, so they do not experience further avoidable harm,” the FCA states. “This could include how firms treat repayment of any debts and how they are recorded.”

“We will continue to work with the Financial Ombudsman Service, government, domestic abuse charities and trade associations, to understand how firms are identifying and managing harm for victim survivors of domestic financial abuse,” it stated. “We will also look at whether there’s any further action needed to help the victim-survivors as they rebuild their lives.”

Future regulatory changes, including reforms being considered as part of the Advice Guidance Boundary Review, could also allow the pensions industry to provide even more support to victim-survivors.

“We welcome government interventions, such as the Advice Guidance Boundary Review, as it could allow new free guidance tools to support people in making holistic savings decisions,” Hope says. “Technology can be a great and cost effective enabler of this, allowing for full advice service to be provided to those with less assets.”

**Written by Sophie Smith**



### Getting the right support in place

Knowing how to identify and help victim-survivors of economic and financial abuse can be difficult, but there is training available for those employers and providers that are truly looking to support their savers and members.

Surviving Economic Abuse (SEA), for instance, offers bespoke training on economic abuse for a wide variety of professionals, from customer support staff at banks and building societies to domestic abuse champions in the police force. This includes a specific financial services training course, which takes just five hours and can be done online. The course helps workers to understand and recognise economic abuse as an issue and, specifically, how economic abuse occurs within the context of financial services. It also aims to help professionals to develop the necessary skills and knowledge to provide an appropriate response to customers experiencing economic abuse, with increased knowledge of effective signposting and where to access resources.

The charity is also currently working with Money Advice Plus to update its course on financial capability, to help survivor-victims to feel more confident in their financial understanding.