

Prevent and reduce economic harm for customers experiencing family violence

Companion resource to the Code of Practice for Financial Services Federation members

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The Financial Services Federation (FSF) code of practice outlines the responsibilities member organisations can adopt to prevent and reduce economic harm for customers experiencing family violence.

This resource is a companion to the code. It gives options and inspiration for meeting the code's responsibilities, rather than binding guidance, and helps financial service providers better understand economic harm from family violence.

As financial service providers, you have an important role in helping to limit and prevent harm through the FSF code of practice, but you are not expected to be experts in family violence. Family violence specialists like Shine and Women's Refuge can support you to recognise the signs of economic abuse, build capability and confidence in your team, and support customers you refer to them with appropriate help.

Context and considerations in this document were developed by Good Shepherd New Zealand in collaboration with the FSF, its members and family violence specialists.

Economic abuse is a form of family violence

Financial and economic abuse is recognised as a form of psychological abuse in the Family Violence Act. It involves sabotaging, exploiting, or restricting access to another person's financial resources, and impeding their economic autonomy.

Behaviours associated with economic harm include restricting money, damaging property, preventing someone from working, manipulating how much child support is owed, forcing someone into debt, or taking out debt in their name without their consent or knowledge. This form of family violence happens to people of all demographics and at all social-economic levels.

Research shows about 15% of women in New Zealand experience financial or economic abuse in an intimate partner relationship over their lifetime. It often happens alongside other forms of abuse. Research suggests it's present for more than 60% of women who complete a risk assessment with Women's Refuge. Women experience it much more than others, but not exclusively.

Research by Good Shepherd illustrates the variety and extent of economic abuse experienced by women, often alongside physical violence, emotional abuse, intentional manipulation, and more.

Financial and economic abuse happens to all demographics and at all social-economic levels. It does not discriminate.

Financial and economic abuse is not always easily visible. Also, many people aren't aware this is a form of violence, which means they're less likely to spot the signs.

Financial and economic abuse can mean some people don't have the financial means to leave violent relationships. Many are forced to choose between safety and poverty.

Even if finances are not used as a means of abuse, family violence creates economic harm. For example, money needed to move to safety or not being able to work due to fear or physical injury. The economic impact of family violence can continue long after the relationship and other forms of abuse have ended.

Visit <https://goodshepherd.org.nz/publications/research-family-violence-economic-abuse/> to learn more about economic abuse and harm from family violence.

Understand economic harm in the context of our work

Consider where economic abuse might show up in products and services. Reflect on what you can and can't do to address harm.

It's important for people offering financial services to understand the complex ways economic abuse can present so harm can be prevented, limited or appropriately responded to in an organisation's services and processes.

Economic abuse shows up in the work of FSF member organisations in various ways, including (but not limited to):

- In an abusive relationship, money can be a tool used by an abuser to control or exploit their partner.
- A person experiencing violence might be unaware that debt is being taken out in their name.
- They might be coerced into debt, saying 'yes' to avoid other forms of abuse.
- They might be trying to flee violence or start anew after leaving an abusive relationship, and need access to credit.
- A person applying for lending might present with a bad credit rating due to coerced and/or fraudulent debt

Examples of this responsibility in practice

- Develop customer journey maps with an economic abuse lens to highlight opportunities for abuse and impacts on your business.
- Talk with frontline staff to discover ways economic abuse has shown up for customers in their work.
- Ask a family violence specialist to highlight areas of risk in communications, processes and policies.
- Raise staff awareness about different forms of economic abuse and the key challenges faced by people experiencing it.
- Model the commercial impact of economic abuse on the business.

Equip our people

Create guidance for staff to support customers experiencing harm, in a way that protects all parties. Build processes for staff to escalate situations when needed.

Supporting customers experiencing economic abuse can be challenging for people working in financial services. Many want to help but are afraid of doing the wrong thing. Working closely with someone experiencing abuse can also be confronting emotionally. Employees experiencing this kind of harm could be triggered when supporting customers.

Employees need support so they can be confident and capable when helping people with complex needs. Employees can be empowered through training to assist customers appropriately within their skill set and job function. Processes for escalation help make sure the right people can provide support at the right time.

Some customers will need access to further support, and employees should connect them with support services that are better able to respond to specific circumstances.

Enabling employees in this way keeps them, their organisation, and customers safe.

Examples of this responsibility in practice

- Provide training so employees understand economic abuse, can recognise the signs of it in customers, and understand the different needs customers might have.
- Organise dedicated team members to support people who have experienced, or are experiencing, economic abuse. Have clear processes for when to consult this team or transfer a customer.
- Create clear guidelines for when to support or refer so employees can be confident in offering help in a way that's safe.
- Have clear procedures and processes to follow if an employee is intimidated or abused by a customer who is under stress from economic abuse, or is an abuser.
- Ensure and promote opportunities for employees to work through related distress, eg self-reflection, manager debriefs and employee assistance programmes.

Seek to prevent services being used in abusive ways

Develop processes that make it harder for services to be misused or exploited to cause or worsen economic harm. Use insights to improve.

Financial service providers have an opportunity to create small barriers to abusive behaviour that have a big impact for people at risk from economic abuse.

Abusers use many tools to coerce and control for their own gain, including (but not limited to):

- Coercing their partner to take on a joint debt through threats of violence.
- Stealing their partner's ID and taking on a joint loan without their knowledge.
- Using transaction lines to send abusive messages.
- Withholding payments on joint liabilities to get their own way.
- Using joint liabilities to discover their victim's address.

Examples of this responsibility in practice

- Ensure both parties of a joint liability are informed of their rights and obligations under the agreement, and genuinely consent to the loan.
- Create a policy for what to do if someone tries to use products and services as a tool for abuse. Publish information about the policy on the company's website and/or send that information to customers with their terms and conditions.
- Create and enforce consequences for abusers, eg where legally possible they can no longer be a customer if abusive behaviour is proved. This might include reporting an abuser to police if it is safe for a customer (eg if they are in a separate location) and they permit it.
- For members offering accounts, monitor transactions for abusive commentary.
- Keep clear records on files where abuse is known to be present.

Make it as easy and safe as possible for customers to tell us about economic abuse

Enable people to disclose information safely. Establish customer service processes to follow when information about abuse is shared.

How a service provider responds to a disclosure of abuse has a huge impact on someone's ability to limit and recover from harm. Creating a safe service environment can encourage customers to share information that has a bearing on their financial situation and safety, and get access to available support.

People experiencing economic abuse might be feeling a range of negative emotions like fear, shame, or anxiety. This can make it hard to share what they are struggling with. Because economic abuse is less well known than other forms of family violence, many people do not recognise they are experiencing it.

Dealing with the harm that results from economic abuse can be incredibly difficult, at a time when someone might not be at their most resilient.

Examples of this responsibility in practice

- Provide information about economic abuse and the company's response to it on external communications so affected customers can see they will be listened to.
- Include space on an application form for the customer to explain the context of bad credit history, since this might be a result of coerced debt or economic abuse.
- Encourage employees to give customers space in a conversation and offer some gentle openings.
- Ask about a person's welfare if economic abuse is suspected, not just their ability to service a loan.
- Accept a verbal disclosure or email as enough where possible. Police reports or protection orders are not always sought by victim-survivors.
- Create policies and talking points for what to do when someone discloses harm. Do not require them to recount details as this can be painful and not relevant to the lending.
- Share a 'safe word' customers can use to indicate they need help, eg on a website or in the bathroom of branches.
- Avoid the need to repeat disclosure. If possible, ensure a customer has one point of contact.

Avoid causing further harm

Respect the context, limitations, and needs of customers experiencing economic harm. Seek to prevent interactions or requests causing further harm where possible.

People who have experienced economic abuse from family violence might be in debt or arrears through coercion and fraud. They might need to keep spending to stay safe. Their experience is more layered than struggling on low income or being unsure how to budget.

Contact about an account in arrears might be the first time someone learns this debt is in their name, or that payments are not being made. People experiencing abuse can end up liable for large debts through no fault of their own, with ruined credit scores that impact their ability to access lending in the future. People fleeing abuse might not have access to important documents.

The way a service provider engages with a customer and their situation has the power to reduce or exacerbate harm.

Examples of this responsibility in practice

- Work with the customer to identify if any other loans are in their name.
- When possible, recognise non-standard proof of identity or address.
- Consider accepting temporary addresses (e.g. friend or family) and maintain strict confidentiality for safety.
- Reduce or forgive coerced or fraudulent debt where possible, and reduce or forgive fees for non-payment and interest to prevent further debt accruing.
- When forgiving debt, note 'through no fault of the customer' on the credit report so future creditors, employers and landlords can make informed decisions.
- Where possible, do not make the abused customer liable for the abuser's debt. In the case of a joint loan, consider forgiving or only making the abused customer liable for half.
- Create credit criteria that takes family violence into account so people can access credit to stay safe and rebuild their lives (within responsible lending requirements).

Provide options and agency

As much as possible, give customers experiencing economic harm the dignity of choice. Present options available, help them understand the possible implications, and let them decide what to do.

People who have experienced abuse are the experts in their own situation. They know what will be best for them. They deserve to decide what course of action to take, within organisational policy and the requirements set by legislation.

This is particularly important because abusive behaviours often take away a person's autonomy and decision making.

Providing workable options and leaving decisions up to the affected customer maintains their dignity and helps keep them safe. There are many trade-offs required to keep safe, which could mean some options that seem sensible in relation to a debt or loan are dangerous in the context of their life.

Examples of this responsibility in practice

- Have a flexible approach when working with someone navigating abuse (within legislative requirements), e.g. give extra time for decision making.
- Provide information about specialist local support services. Offer to connect them, but don't involve others without the customer's permission.
- Offer different ways to manage debt if someone is struggling due to economic abuse, eg a payment holiday or wiping some of the debt.
- Do not contact police without the customer's permission unless there is a risk to their immediate safety.
- Keep a record of the economic abuse to support any legal action by the customer experiencing harm.

Prioritise the safety of customers

Customers experiencing economic abuse may be in a dangerous situation. Consider their context in your response. Refer them to family violence specialists where appropriate.

Family violence situations are complex. Responding requires specialist skillsets.

People seeking help with financial issues from economic abuse might also be in physical danger.

Staff might want to help, but often don't know the right way to go about it. They might take actions that seem helpful but inadvertently risk a person's safety.

Examples of this responsibility in practice

- Support the affected person with financial matters but do not give family violence advice. Leave this to the specialists who are trained to help.
- Do not share contact details with an abuser, even in the case of a joint loan. Make sure the abused customer knows when sharing information is required by law.
- Do not contact police without the customer's permission unless there is a risk to their immediate safety.
- Provide safe browsing and quick-exit options on your website.
- Agree contact protocol with someone experiencing abuse to ensure your communication doesn't expose them to risk.