

African Bank Limited press release

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Fight back against financial abuse

Financial abuse occurs in 98% of abusive relationships. If someone forcibly controls another person's money or other assets, it is financial abuse.

During this 16 Day of Activism, African Bank is urging women and men who suspect they may be in a financially abusive relationship to get help. "It is your right to manage your money and be financially independent," says Mellony Ramalho, African Bank's Group Executive: Sales, Branch Network.

Financial abuse can range from being forced to account for all money being spent to someone taking money without consent. Sadly, financial abuse is something that rarely gets discussed openly since it is often wrapped up in what appears to be an otherwise normal relationship. People generally don't speak up because of the shame attached to having to account for every penny spent or having to ask for money just to purchase the very basic necessities in life.

Generally financial abuse is part of a larger pattern of domestic violence aimed at gaining and retaining control and power in a relationship and creating dependence on the abuser.

Here are several signs that you may be in a financially abusive relationship:

- You're forced to account for all money spent
- Your partner prevents you from owning or using credit cards
- Your partner has sole access to passwords for financial information such as loans, bank statements and credit cards
- You're prevented from getting or keeping a job
- Your partner demands your salary be deposited into his account
- Your partner puts all accounts or bills in your name
- Your partner threatens to force you out of the house
- Your partner is stealing from you or taking your money without your consent

"Financial abuse is a very real issue in South Africa and should be taken seriously. It is not limited to a marriage relationship but occurs with the elderly, parent-to-child relationships, between friends and so on. Elder financial abuse, for example, involves someone targeting an older adult, often a parent or other close relative, in the hope of being allowed access to his or her financial information. The abuser may act as if they are simply helping manage the senior's finances, but instead, start limiting access to funds, start pocketing money and convincing an elderly person to sign legal financial documents," explains Ramalho.

“If someone is denying you access to information about your money, expenses and denying you the chance to save, then you need to break out of the relationship and call on professionals to assist. Don’t be silenced any longer,” she says.

“If you are aware of someone else who could be in a financially abusive relationship try and intercede. Encourage them to get help too.”

Magauta Mphahlele, CEO of National Debt Mediation Association (NDMA), says from a debt management perspective they see financial abuse on a daily basis. “Individuals are forced to incur debt or to be responsible for debt they did not incur,” she says.

The NDMA is registered as an Alternative Dispute Resolution Agent (ADR) with the National Credit Regulator which means it can resolve credit disputes between consumers and credit providers through mediation, conciliation or arbitration.

She adds that any individual who is about to enter a partnership or is in a partnership must see red flags if there is lack of agreement about the following key aspects of a healthy financial relationship:

- Before they take the giant step of joining funds, deciding on a marriage regime, moving in together, applying for loans or signing documents, there is a frank discussion and fair distribution of responsibilities.
- The risks of opening joint bank accounts, joint credit cards, co-signing any documents are discussed and professional advice is sought to resolve conflicts.
- Before they get serious and definitely before they start to share any sort of financial products they have a conversation about money: who owns what, who owes what, what taxes are outstanding and how they are going to sort out their finances in a fair manner.
- They keep each other honest by checking each other’s credit reports and agree on a joint strategy to fix any problems identified. This means there will be fewer surprises down the track and if there are any financial skeletons they can both make a plan to deal with them early on.
- They have regular chats around how they are doing financially and how they are going to achieve and maintain their financial dreams.

“We highly recommend that a joint household budget is worked out and each partner is allowed their own money or allowance to use as they see fit,” she concludes.

Ends

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