

Inquiry; financial services regulatory framework in relation to financial abuse

Statement of (name withheld) in relation to financial abuse

I would like to make a submission to the inquiry to share my personal experience of financial abuse in my marriage and how the systems currently in place do not support women adequately, but rather they perpetuate the abuse faced and contribute to the ongoing suffering and financial insecurity when escaping family violence relationships.

I married my ex-husband in 2018 and I moved to Australia in 2019, he was already living in Australia. We purchased our home in 2019, at this time I was unaware of the system and regulations around purchasing a home and trusted my ex-husband completely. My parents gave me \$35 000 to pay towards the deposit for the house. I didn't know at the time, but later realised that my ex-husband bought the house solely in his name, along with applying for the mortgage only in his name.

Initially, he made the mortgage payments whilst he worked FIFO and I stayed at home due to becoming pregnant, he contributed approximately \$16, 060 in total mortgage payments between November 2019 until August 2021, he stopped all mortgage payments in August 2021 which is when the relationship ended due to family violence.

During the relationship I experienced physical violence, along with emotional and verbal abuse. He controlled me and my life, when our son was born, I had to beg for money to buy nappies. Whilst he was working away he would leave no money for me, I had to go to support services to ask for food vouchers and help for buying baby food and clothes donations.

Once I finally decided to report him to the police, he abandoned me and my son and I had to get a family violence restraining order to protect myself and my son who was only 2 years old at that time and I had no money or job, even though I am educated at Master's level in my home country.

I had to work part time and study, putting my 2 year old In day care in order to survive. I would study during the day and work night shift, eventually calling my mother from overseas to help with childcare, because on a partner visa I was unable to afford the day care fees.

As I was able to remain in the family home, with a restraining order in place preventing my ex-husband from returning to the home, the Family court put an injunction on the house preventing the house from being sold. He also stopped the mortgage payments because I was living in the house and I was ordered by the court to transfer money into my ex-husbands account so that he could make the mortgage payments.

I contacted the bank to request if I could pay the mortgage directly, I was told this was not possible due to the mortgage not being in my name- this was the first time I found out about my name not being on the mortgage. I asked the bank if the mortgage could be transferred into my name, but based on my income I wouldn't be able to get finance approval- there is no recourse available for victims of family violence, even though I was able to demonstrate that I was and could make the repayments.

In the meantime, without my knowledge at the time, my ex-husband took out all the equity in the home, even though the bank was aware of the situation due to my contact with them, along with the injunction on the sale of the property, which did not prevent the taking of equity from the property.

So, my ex-husband not only took my money, but he also took all of the equity from the property, including the initial deposit that was paid by my parents.

I emphasise my concern around the court order that was made for me to make payments into my ex-husband's bank account for the purpose of making mortgage repayments. This was ordered due to the fact that me and my son were living in the house. There was no consideration to the fact that I had experienced family violence or the fact that our son needed a roof over his head.

This was a critical issue that contributed to the financial abuse I have suffered, due to the fact that the court sanctioned me having to pay my ex-husband who was a perpetrator of violence towards me, in direct bank transfer, however did not enforce that my husband pays that money towards the mortgage. The money I paid to my ex-husband for the mortgage, was pocketed by my ex-husband and hidden, all under the watch of the court. The mortgage remained unpaid and without my knowledge for a significant time.

In March 2024 I received an eviction and repossession notice from the Sheriff's department due to mortgage arrears. I was told I had to vacate the property or would be evicted by the sheriff's department. I was unable to seek legal advice in the short time period due to not being able to afford a private lawyer and the community lawyers not having capacity. I struggled to find suitable alternative accommodation due to the housing crisis. The court wouldn't help, even though I explained that I had been making the payment for the mortgage to my ex-husband and he was ordered to pay the loan, however he had been keeping my money and not paying the loan.

Considering that I had faced multiple forms of domestic violence at the hands of my ex-husband, he was now allowed to continue financially abusing me, taking my money all under the watch of the family court, the court and the current financial institutions and systems condoned and allowed my ex-husband to maintain financial control over me and my child, and allowed and condoned him to increase the financial abuse towards me.

Within two weeks, we were evicted, me, my 4 year old son and my elderly parents who are supporting me, we ended up living in a sheep shed at the back of someone's property for a number of weeks until we found a shared house. Currently we all live in one bedroom together in a shared house, my father sleeps in their laundry room. My son still asks why we aren't going home every time we drive past our street during the school run, I don't even have a private or safe space to go to cry so that my son doesn't see me upset and traumatised.

The experience of the last 3 years has impacted my mental health and physical health. I have no time to consider my mental health because I have been running to and from court. My physical health has suffered, my eyesight is affected, I have low blood pressure and body pains in my shoulder, knee which I believe has been caused by the stress and life circumstances from the past 3 years.

There are other serious crimes my ex-husband has committed against me and my family members which are currently under investigation. The emotional, mental and physical toll his abuse has had on me is unsurmountable and is still ongoing. Yet the court and systems in place give me little hope as throughout my experience, I have only continued facing financial and emotional abuse.

My story is a clear example of the obstacles victims of family violence face when trying to leave a violent relationship. There appears to be a lot of "support" available, but in reality this is not true. I had to pay all my lawyers fees because legal aid only offer free initial consultations and small grants of aid that only cover initial court appearances. For anything more than an initial hearing, I had to pay tens of thousands in legal fees, even though the form of family violence that impacted me the most is financial abuse.

I believe that the court needs to do more to support victims of violence in regards to financial matters and the banks and financial institutions should have special considerations for victims of family violence, where there is greater collaboration between the financial institutions and the court to ensure victims of violence do not face further financial control and abuse sanctioned by both the courts and banks.