

# Parental financial assistance for home ownership may increase risk of financial elder abuse

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Parents offering their children a leg-up on the property ladder are at increased risk of financial elder abuse, according to a [new study](#)

published in the *Australian Journal of Social Issues*.

Led by University of Newcastle sociologist, Dr. Julia Cook, the report finds borrowing from the "Bank of Mum and Dad" encourages ageist attitudes that can, when combined with rising [property prices](#) and a lack of safeguards in place for [older people](#) in the banking sector, create the necessary conditions for financial elder abuse.

The report presents findings from interviews with 54 donors and recipients of family [financial assistance](#) with home ownership. It finds:

- The assumption embedded in the Banking Code of Practice that older people will recognize and disclose abuse to a financial institution is not aligned with the realities of financial elder abuse.
- Requirements that lenders impose on recipients of family financial assistance may disadvantage those who provide assistance.
- The vast majority of the donors do not seek financial or [legal advice](#), or put formal agreements in place, and feel uncomfortable doing so.
- Many donors are unclear about the status of, and expectations associated with, the assistance they provide to a family member, as discussing these details feels difficult or awkward.

Despite mortgage brokers, [financial advisors](#), and even politicians encouraging older people to help their children get into the property market, the report finds that consideration of the risk of financial elder abuse is largely absent from the conversation.

**More information:** Julia Cook et al, Intergenerational financial assistance with home ownership: Considering the potential for financial elder abuse, *Australian Journal of Social Issues* (2024). [DOI:](#)

[10.1002/ajs4.319](https://phys.org/news/2024-02-parental-financial-home-ownership-elder.html)

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