

# DOMESTIC ABUSE

Domestic abuse can take many forms, including economic or financial abuse and it can have serious financial consequences.

Domestic abuse is also referred to as (and is inclusive of) domestic violence, family violence or simply 'DV'. It occurs as part of a domestic relationship, such as a marriage or defacto relationship or any other type of intimate relationship. The person who is abusive is called the "perpetrator" and the person who experiences the abuse is called the "victim" (where the relationship is continuing) or the "victim-survivor" (where the relationship has ended).

**Examples of situations where domestic abuse can take the form of economic or financial abuse include:**

- Credit is taken out in a victim/victim survivor's name in circumstances where domestic abuse is present, including where credit is obtained without their knowledge or where the perpetrator forced them to apply for credit that did not benefit them.
- The perpetrator threatens to cease paying a joint loan taken out with the victim/victim survivor, in order to prevent a victim from leaving the relationship or as a way to inflict abuse.

## DOMESTIC ABUSE AND CREDIT REPORTING

Domestic abuse can have a significant impact upon the credit report of the victim/victim-survivor.

The credit reporting system operates to provide accurate, timely and complete information about an individual's creditworthiness. This information gives insights into an individual's credit relationships, whether they make payments on time and how they otherwise manage their credit. In turn, this information will be highly relevant when an individual applies for new credit – and, in that way, may restrict or enable access to new credit for that individual.

In situations of domestic abuse, the form and manifestation of the domestic abuse itself may distort how an individual appears on a credit report. The abuse itself – for instance, the perpetrator coercing the victim into taking out credit for the benefit of the perpetrator – may make the victim look far less creditworthy than had the abuse not occurred.

*These credit accounts may be reported on that person's credit report, and that person's credit history will also reflect whether or not payments are met for these accounts, and also if default information has been entered*



*A history of poor payment behaviour or defaults may negatively impact a victim/ victim-survivor and may make it much more difficult for a victim/ victim-survivor to get credit in their own name*

*The negative impact of abuse on the victim's credit file may, by extension, be a factor which helps to trap the victim in the abusive relationship. That is, they cannot easily leave because they cannot establish financial independence. Furthermore, even where the victim-survivor has left the relationship, they may continue to be impacted by a poor credit history. Addressing these issues, and seeking, where possible, to correct this history, may be highly traumatising.*

## STEPS AVAILABLE TO SOMEONE AFFECTED BY DOMESTIC ABUSE

Through the credit reporting system, there are also options for how and what information is reported about a victim/victim-survivor's credit which may lessen the impact on their credit history. Each of these options will generally require the victim/ victim-survivor to let their credit provider know about the domestic abuse. The victim/ victim-survivor may prefer to obtain a third party's support in order to deal with their credit provider.



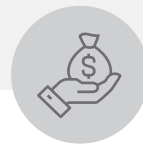
Where victims/ victim-survivors have concerns about their credit – whether it is credit in their name only but forced to be taken out by the perpetrator, or they have joint credit with a perpetrator – they can let their credit provider know about these concerns. Many credit providers have support teams or people who have training and experience in dealing with domestic abuse. What a victim/ victim-survivor tells their credit provider about their experience should be treated as sensitive information.



Where credit is taken out in the name of the victim/ victim-survivor but it is for the benefit of the perpetrator, the victim/ victim-survivor can request to be removed from this credit, and to have the history of this credit removed from their credit report. The first step to making this request will be to either raise a dispute, or if the credit provider has already provided assistance to the victim/ victim-survivor through a specialist team, to contact that team to let them know of this issue.



Where a victim or victim-survivor has been unable to pay credit because of the situation of domestic abuse, and has been default listed, the victim/victim-survivor can request to have the default removed from their credit report.



Where a victim/ victim-survivor is experiencing financial hardship and has a joint loan with the perpetrator or a loan in the name of the victim/ victim-survivor only, the victim/ victim-survivor can seek hardship assistance from their credit provider. The credit provider may also be able to stop any hardship information being reported for this account, and instead no payment history will appear for this account where hardship assistance is in place.



Victims/ victim-survivors should avoid using a credit repair agent (also known as debt management firms) to help them deal with their situation. Credit repair will charge for services which victims/ victim-survivors can access themselves for free. Credit repair may also not put victims/ victim-survivors in touch with domestic abuse support services, and so they may not be aware of the wide-range of free support that is available to them.

Where a victim/ victim-survivor has been unable to seek help while still in the abusive relationship, this does not prevent that victim/ victim-survivor requesting a correction of their credit report once they have left the relationship. Again, the victim/ victim-survivor will need to let their credit provider know about the domestic abuse. It may be preferable for the victim/ victim-survivor to obtain appropriate support first to get assistance to deal with the credit provider.

More information is available on the [CreditSmart.org.au](http://CreditSmart.org.au) website.

Work is underway to further improve how the credit reporting system operated in situations of domestic abuse. We will keep the Creditsmart website updated to reflect any improvements.