
FINANCIAL EXPLOITATION OF THE ELDERLY: IDENTIFYING VULNERABILITIES AND STRENGTHENING PROTECTIVE LEGAL MECHANISMS IN INDIA

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ABSTRACT

India has a large population of elderly people, with more than 140 million individuals aged 60 and older. By 2050, that number is expected to rise to more than 300 million. Financial exploitation has become one of the most common but underreported types of elder abuse in this increasingly ageing population. This conduct erodes the economic security, self-respect, and independence of elderly individuals. This research offers a thorough examination of financial exploitation affecting the elderly in India, exploring the structural weaknesses that facilitate such exploitation, the legal instruments intended to prevent it, the notable deficiencies that continue to exist within these systems, and the reforms needed to strengthen protective measures. Based on Indian legal precedents, national laws, demographic data, and studies on aging, this paper argues that protecting the financial rights of older adults in India requires more than just enacting stricter laws. India is at a demographic crossroads. A coordinated approach is needed, including legal enforcement, judicial education, community awareness, and digital literacy.

Keywords: senior financial abuse, India, Maintenance and Welfare of Parents Act 2007, aged rights, property fraud, digital financial fraud, legal protection, ageing population

1. Introduction

India is at a demographic crossroads. According to the 2011 Census, there were 103 million people aged 60 and up. Current estimates put that number at over 140 million, or almost 10% of the national population. According to the United Nations Population Fund, India will have the second-largest elderly population in the world by 2050, with more than 300 million older persons (UNFPA India, 2017). This change in demographics has big effects on society, the economy, and the law. One of the most important things is to safeguard older folks from being taken advantage of financially. In India, financial exploitation of the elderly, which is defined as the illegal or improper use of an older person's money, property, or assets, is not a rare or infrequent problem. HelpAge India, the National Crime Records Bureau, and independent academic researchers have all found that it is one of the most widespread types of elder abuse in both cities and rural areas. Family members, paid carers, neighbours, workers of financial institutions, and more and more, faceless digital fraudsters are behind it. Women, those with cognitive impairments, people who live alone, and people who need help with everyday tasks are more likely to be victims. The effects of elder financial exploitation are quite bad and keep becoming worse. When an elderly person loses their funds or property, they can become poor, dependent, and homeless at a time in their life when it is almost impossible to get back what they lost. The emotional damage—shame, depression, betrayal, and loss of freedom—is just as bad. Elder financial exploitation in India is still very underreported, poorly punished, and not well dealt with by the current legal systems, even though it is quite serious and widespread. This paper is divided into six main sections. Part 2 looks at the social and demographic environment. Section 3 talks about the main weaknesses that make older people in India easy targets for financial abuse. Section 4 looks at the current legal systems and their problems. Section 5 gives a short overview of important legal tools. Section 6 suggests a plan for reform. This is the end of Section 7.

2. Demographic and Social Context of Ageing in India

India's ageing population has a number of traits that make them more likely to be taken advantage of financially. First, it is mostly rural: about 71% of India's elderly reside in rural areas where it is very hard to get financial services, legal help, and protective institutions (Census of India, 2011). Older persons in rural areas generally have most of their money in land and other types of property that can't be moved, which makes them more likely to fall

victim to property fraud, forced transfers, and changes to succession plans. Second, the feminisation of ageing is a major structural fact. On average, Indian women have a longer life expectancy than men. However, they often face financial difficulties, less education, and greater economic dependence, mainly because of past restrictions on their access to education and jobs. Widowed older women are especially susceptible to exploitation by male relatives seeking to assert control over property in the absence of a legal guardian or a supportive familial network. Despite the advancements in women's inheritance rights brought about by the amended Hindu Succession Act of 2005, its practical application remains uneven across numerous communities, particularly in rural and tribal settings. Furthermore, the erosion of traditional joint family structures has diminished the informal support systems that historically safeguarded older individuals within Indian society. Urbanization, coupled with the migration of adult children for employment opportunities and evolving cultural norms, has resulted in an increasing number of elderly individuals residing independently or within nuclear families, a departure from the multigenerational households that once facilitated informal care and financial oversight. This isolation subsequently elevates the risk of abuse, specifically financial exploitation, and complicates its detection.

Moreover, the digital revolution has created new opportunities for older people to participate in financial systems, but it has also made them more vulnerable to new types of financial crime. Digital banking, UPI transactions, and mobile financial services have become very common, but older people often lack the digital skills needed to use these services safely. This makes them very vulnerable to phishing, one-time password fraud, impersonation scams, and fake investment schemes spread through social media.

3. Finding the Most Important Weaknesses

3.1 Cognitive Deterioration and Reduced Decision-Making Ability

Dementia, moderate cognitive impairment, and delirium are all types of cognitive impairment that make it more likely that someone may take advantage of you financially. According to the Alzheimer's and Related Disorders Society of India (2020), there are more than five million people in India living with dementia. This number is anticipated to more than quadruple by 2050. Older adults are more likely to be influenced by people they trust when their cognitive abilities diminish. This means that people in positions of trust can subtly or overtly change their decisions. Indian law recognizes undue influence as a valid reason to void contracts and wills,

but it's hard to use in practice because it's hard to prove cognitive impairment after the fact and families and courts don't want to deal with these issues.

3.2 Economic Dependence and Exploitation of Carers

A large number of older people in India rely on family members for money to pay for their daily needs, medical bills, and housing. Because of this dependence, there is a structural weakness: the person who is most likely to take advantage of the elder's money is frequently the same person who the older relies on the most. HelpAge India's research has regularly shown that adult children and their spouses are among the most common offenders of elder financial abuse in India (HelpAge India, 2018). In this case, exploitation usually means putting pressure on someone to give up their property, taking their pension or savings, refusing to pay for maintenance while also controlling their assets, and forcing them to sign wills or powers of attorney.

3.3 Being alone and not knowing anything about the law

Social isolation greatly increases the risk of financial exploitation by eliminating the informal supervision offered by social networks and fostering an environment of secrecy that allows abusers to act without consequence. To make matters worse, most older Indians, especially those who live in rural areas and have little formal education, don't know much about their legal rights, the ways they can get help, or the places they can go to get help. Agewell Foundation's 2018 study found that less than 30% of older adults in India knew about the Maintenance and Welfare of Parents and Senior Citizens Act, 2007, which is the main law that protects them.

3.4 Lack of digital skills and fraud made possible by technology

The increasing complexity of digital financial fraud introduces a novel aspect of vulnerability for the elderly in India. Some common scams are KYC (Know Your Customer) update frauds, in which callers pretend to be bank employees; lottery and inheritance scams sent through WhatsApp; fake UPI payment requests; and investment fraud that targets retirees on social media. The Reserve Bank of India and the Ministry of Electronics and Information Technology have sent out warnings, but there isn't much that can be done to stop digital fraudsters, who often work across state and national lines. Evaluating digital communications is especially hard

for older people, especially those whose cognitive abilities are getting worse because of age.

4. Current Legal Frameworks and Their Constraints

4.1 The 2007 Maintenance and Welfare of Parents and Senior Citizens Act

The Maintenance and Welfare of Parents and Senior Citizens Act, 2007 (hereafter the Senior Citizens Act) is the most important law in India that protects older people. The Act says that each district must have a Maintenance Tribunal to hear claims for maintenance from parents and seniors against adult children or other family members. Section 23 is an important part of the law that lets seniors cancel property transfers if they were made under false pretences, coercion, or undue influence, especially if the person who received the property didn't provide the promised care. This clause directly deals with the most common type of property-based financial abuse. However, the Act's practical effectiveness is severely limited by implementation failures. The 2019 Amendment, while increasing the definition of maintenance and extending rights to include grandparents, has not fixed the basic problem of institutional capacity: Maintenance Tribunals remain understaffed, underfunded, and overcrowded across most Indian states. The average time for disposal of a complaint exceeds one year in many districts, a delay that is prohibitive for elderly complainants who may not survive the process. Moreover, understanding of the Act among the population it is supposed to protect remains frighteningly low.

4.2 Indian Penal Code Provisions

Several parts of the Indian Penal Code, 1860 are applicable to elder financial exploitation. Section 420 (cheating), Section 415 (fraudulent inducement), Section 406 (criminal breach of trust), and Section 498 (enticing a married woman) can, in suitable circumstances, be utilised against perpetrators of financial fraud targeting the elderly. However, the criminal justice method is rarely utilized by elder abuse victims in India. Barriers include the reluctance of older adults to initiate criminal proceedings against family members, the social stigma associated with exposing family dysfunction in public forums, limited police sensitivity to elder abuse complaints, and the lengthy duration of criminal trials in the Indian judicial system.

4.3 Transfer of Property and Contract Law Provisions

Under the Indian Contract Act, 1872, contracts entered into under undue influence or coercion

are voidable at the choice of the party wronged. The Transfer of Property Act, 1882 similarly provides remedies for transactions compromised by fraud or undue influence. These provisions give theoretical protection but are realistically inaccessible to many senior victims due to the cost of civil action, the burden of proof required to show undue influence, and the absence of specialized legal aid targeted at elder financial exploitation.

5. Key Legal Instruments: A Comparative Overview

The following table consolidates the primary legislative and regulatory instruments relating to the financial protection of old persons in India, outlining their key provisions and scope. Legal Instrument Year Key Provision for Elderly Financial Protection.

The table above shows that the legal landscape has resources, but it is fragmented, inconsistently applied, and has big gaps, especially when it comes to dealing with digital and technology-enabled financial fraud and giving rural and low-income elderly victims easy-to-use, low-cost solutions.

6. Reform Agenda: Making Legal Protections Stronger

6.1 Making the Senior Citizens Act stronger and broader

The most important thing for lawmakers to do right now is to make the Maintenance and Welfare of Parents and Senior Citizens Act much stronger. Reform should include the mandatory establishment of fully operational, adequately staffed Maintenance Tribunals in every district within a defined timeline; the introduction of time-bound disposal requirements of not more than sixty days for financial exploitation complaints; the expansion of Section 23 to explicitly cover digital transactions and financial instruments in addition to immovable property; and the introduction of ex parte interim relief orders to prevent dissipation of assets during tribunal proceedings. These changes should be added to the 2019 Amendment process, coupled with a need for the Tribunal to report to Parliament every year on how well it is doing.

6.2 Making Elder Financial Abuse a Separate Crime

Currently, Indian criminal law does not have a distinct crime for elder financial exploitation. Instead, it relies on general fraud and breach of trust laws that were not developed with the specific needs of older victims in mind. The establishment of a specific elder financial abuse

offense—similar to the Elder Justice Act in the United States and analogous provisions in Australia and Canada—would fulfil several essential functions: it would demonstrate legislative acknowledgement of the unique severity of financial offences against older individuals; it would facilitate increased penalties for victims who are elderly or cognitively impaired; and it would permit the aggregation of distinct crime data on elder financial exploitation, which is currently largely missing from Indian crime statistics.

6.3 Protections for the banking industry and oversight by the RBI

The Reserve Bank of India needs to make rules that all scheduled banks must follow that require them to put in place financial protections for the elderly. These should include: mandatory financial counselling before account holders over the age of 70 make large transfers; cooling-off periods for transactions above a certain amount; alert systems that go off when an elderly account has unusual transaction patterns; training for frontline banking staff to spot and report signs of financial exploitation; and the appointment of elder financial protection officers at the branch level. As a way to reduce the reliance of elderly account holders on third-party intermediaries who may be potential abusers, the RBI should make expanding its Doorstep Banking initiative for seniors a top priority. This scheme was first implemented in 2021.

6.4 Access to Justice and Legal Aid

The cost and complexity of legal processes, the restricted provision of legal aid aimed at the elderly, and the fact that courts and tribunals are hard to get to for older persons in remote areas all make it very hard for older adults who have been financially exploited to achieve justice. The National Legal Services Authority (NALSA) should set up a special program to defend the finances of older people. This might include sending professional legal aid lawyers to district Maintenance Tribunals and setting up mobile legal aid camps in rural areas with a lot of older people. The program should have a public interest litigation strategy that focuses on systemic problems with protecting the finances of older people. It should also have a dedicated elder rights helpline with qualified counsellors who can give legal advice straight away.

6.5 Being able to use technology and being aware of fraud

Without a comparable investment in digital literacy, no changes to the law can effectively safeguard older Indians from digital financial fraud. The Ministry of Electronics and

Information Technology, along with state governments and civil society groups, should make a national digital safety program just for older adults. This program should be offered at places where older Indians are most likely to be, like community centers, post offices, primary health centers, and religious institutions. The curriculum should include how to spot common fraud patterns, how to make secure digital transactions, how to use reporting tools like the National Cybercrime Reporting Portal, and the rights of older people who are victims of digital fraud.

6.6 Judicial Awareness and Specialised Courts

The effective protection of elderly financial rights requires a judiciary sensitized to the specific dynamics of elder abuse — including the psychological barriers that prevent victims from testifying freely against family members, the evidentiary challenges of establishing cognitive impairment and undue influence, and the urgency that characterizes many elder financial exploitation cases. All District and Sessions Court judges, civil court judges, and police personnel who deal with complaints from older people should have to take mandatory training modules on elder abuse. These modules should be part of national judicial and law enforcement training programs. States with a lot of old people should think about setting up special Elder Courts, similar to Family Courts, with quick procedures and qualified staff to help.

7. Conclusion

The financial exploitation of the elderly in India is a phenomenon that is rising faster than the laws and institutions that are meant to stop it. India is going through a demographic shift that is making it more important than ever to protect the financial rights of older people. There are already more than 140 million elderly people in India, and that number is expected to more than double in the next generation. This is not just a welfare issue; it is an urgent national priority that will have a big impact on family integrity, social cohesion, and the rule of law. India possesses the foundational legislative architecture for elder financial protection, most notably in the Maintenance and Welfare of Parents and Senior Citizens Act, 2007. The gap between what the law wants to happen and what really happens to senior victims of financial exploitation is very large and, given the current state of institutions, impossible for many to close. Tribunals that take years to settle complaints, criminal laws that are rarely used, civil remedies that are too expensive for most people, and a digital world where fraud spreads faster than people become aware of it—these are the conditions that define the lives of financially exploited elderly Indians today.

The reform plan put forward in this report is both ambitious and important. It includes making laws stronger, making some crimes illegal, regulating the banking industry, improving legal aid, teaching people how to use computers, and reforming the courts. None of these things will work on their own; only when they are put into action together will India's elder financial protection framework go from a patchwork of unused laws to a real, effective guarantee of older folks' economic rights and dignity. The Constitution of India guarantees all citizens the right to live with dignity. For the elderly in this country, who built and kept the country going throughout their lives, that affirmation must be backed up by the full power of the law during their most vulnerable years.

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