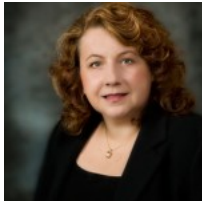




Whom do you trust?

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By Dorothy Hagel

The issue of who should be trusted with money is not limited to estates and power of attorney. One has to be very careful when entrusting others with access to bank accounts or personal information.

Honest people tend to think that everyone else is like them, but unfortunately this is not the case. Consequently good, honest and trusting people often fall victims of unscrupulous actors. This issue is not limited to senior population; people of different walks in their life fall for different type of schemes that are designed solely for the purpose of getting their money.

However, when a venerable senior with limited income falls victim to such a scheme, the result is often particularly disturbing.

There are two main types of schemes that people tend to fall for. The first one is the “personal service” scheme. It generally involves someone walking from door to door around neighbourhood offering grass cutting, snow removal, renovation or other types of services. The “contractor” will sign the client up and collect deposits and then disappear with the money. When the client eventually starts calling, the number is no longer in service. Many seniors found themselves in real trouble this year, trapped in their homes after paying for snow removal services that have never appeared. The “personal service” scheme is fairly easily avoided by collection quotes from a number of companies and then conducting due diligence on businesses before hiring them to do the work and making deposits. Contractors and renovators should be registering

their business with the City. Checking this registration should be the first step when considering hiring someone to do the work.

The second type of scheme, for which warm-hearted and often lonely people fall is the “personal loan” scheme. These schemes could be particularly hurtful because often involve people who are not total strangers. To get the money, the perpetrator will approach the victim with the plea for money (preferably paid in cash) to cover some type of an emergency and promises to pay the funds back. Sometime multiple requests for multiple payments amounting to thousands of dollars are made to the sympathetic victim. When the time for repayment comes, the perpetrator disappears, refuses to admit that any money has ever been received, claims that the money was given as a gift or that it represented a payment for some personal services rendered. The most elaborate story that our office came across was about an individual, who took money for “legal fees” because he needed to pay his divorce lawyer and then insisted that the money was a gift received for “very personal favours” when there was the time to repay the debt.

Personal loans are generally a very bad idea, especially to strangers that are knocking at the door because it is an “emergency”.

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