Understanding the Financial Implications of Human Trafficking on Survivors

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Introduction

For many survivors, leaving a trafficking situation is only the first step toward rebuilding their lives. As they begin to regain independence, they often discover debts in their names—credit cards, payday loans, auto financing, and telecommunications accounts they did not willingly take on. Others lose access to their own finances, making it difficult to pay bills and manage expenses.

Financial challenges can continue long after exploitation ends. A damaged credit history can make everyday necessities, like securing housing, finding employment, or accessing financial services, more difficult. While financial institutions have strong fraud detection practices, coerced debt can be much harder to identify and address.

This report examines the financial footprint of human trafficking, exploring how traffickers use debt as a tool of control and how survivors experience its long-term effects. Through an analysis of 156 survivor credit reports and 17 interviews with survivor advocates and front-line support workers, it identifies patterns of coerced and fraudulent debt and introduces opportunities to refine financial protections for survivors.

Specifically, this report seeks to answer the following research questions:

- What financial patterns emerge in the credit histories of survivors of trafficking?
- How do traffickers use financial coercion to entrap and control survivors?
- What challenges do survivors face when trying to resolve coerced debts, and how might financial protection frameworks better support them?
- What legal, regulatory, and financial sector interventions might help prevent and/or address trafficking-related financial harm?

RECLAIM: A UNIQUE LENS ON SURVIVOR FINANCIAL HARM

One of the most significant challenges in addressing financial harm related to human trafficking has been the lack of available data. While fraud detection and financial abuse are well-documented in other contexts, the specific ways traffickers manipulate financial systems and the long-term financial consequences for survivors have remained largely invisible.

RECLAIM is a program led by Toronto Victim Services that supports survivors of human trafficking in navigating financial harm. RECLAIM is the only program in Canada that directly assists survivors to address coerced and fraudulent debt in collaboration with a growing network of supportive financial institutions and creditors.

By working directly with survivors to review and dispute coerced and fraudulent debts, RECLAIM has made it possible to document, for the first time, the financial footprint of human trafficking. This report draws upon this unique data access to offer new insights into how traffickers exploit financial systems, the financial burdens survivors carry, and how current protections might better support them.

Through this analysis, the report not only brings survivor financial harm into focus but also creates a foundation for more informed, survivor-centered financial protections.

DEBT AS A TOOL OF CONTROL

Many survivors first realize the extent of their financial harm when they attempt to rebuild their independence. Some find credit card accounts they never opened. Others learn their trafficker used their name for loans, car leases, or cell phone plans—debts now tied to their financial history. Even when survivors had accounts in their names, traffickers often controlled them.

Common financial control tactics include:

- **Coerced debt** – Survivors are pressured or forced to apply for credit or financing, while traffickers retain control of the funds.
- **Identity fraud** – Personal information is misused to take out loans or make purchases.
- **Financial surveillance** – Even when accounts are legally in a survivor's name, traffickers monitor transactions, restrict access, and dictate their use.

FINANCIAL BARRIERS TO STABILITY

Financial harm does not end when trafficking stops. Survivors may experience difficulties with:

- **Housing**, as landlords consider credit history in rental applications.
- **Employment**, when workplaces require credit checks.
- **Financial services**, if records reflect unpaid debts or fraud concerns.

Disputing fraudulent or coerced debt can also be complex. Some institutions require police reports or legal action against traffickers, which may not always be possible or safe for survivors. Others do not formally recognize coerced debt, leaving survivors with few pathways to financial recovery.

WHY THIS REPORT MATTERS

Financial recovery is an important part of a survivor's long-term stability. Many organizations and institutions have already taken steps to support survivors facing financial harm. This report builds on that work by offering survivor perspectives and data that can help enhance financial responses. Through collaboration, financial institutions, policymakers, and survivor-focused organizations can support financial recovery efforts and contribute to more effective, survivor-informed solutions.

Methodology

Understanding the financial impact of human trafficking requires quantitative data, survivor-informed insights, and an examination of existing financial practices. This report draws on multiple sources to provide a fuller picture of how debt accumulates and how survivors navigate financial recovery.

DATA SOURCES

Survivor Credit Reports

This report analyzes A review of 156 survivor credit reports collected through RECLAIM. This analysis examines debt types, balances, and payment patterns to better understand the financial challenges survivors face.

- **Scope:** Although the dataset is drawn from a Toronto-based organization, it reflects the experiences of survivors from across Canada, making the findings relevant at a national level.
- **Limitations:** While these credit reports provide valuable insights, they only capture debts recorded by credit bureaus and do not include informal financial exploitation or off-the-books lending. Additionally, as survivors often do not retain full financial records, some debts may be missing from individual reports.

Survivor Narratives

Insights were gathered through 17 interviews with survivor advocates and frontline support workers who assist survivors in navigating financial recovery. These interviews provided firsthand accounts of how debts were incurred, as well as challenges survivors face in disputing fraudulent accounts and rebuilding financial stability.

- To protect privacy, the survivor stories in this report are composites based on recurring themes experienced by multiple survivors. While all details are drawn from real-life

experiences, personal identifiers have been removed, and narratives have been adjusted to maintain anonymity while preserving the integrity of survivor perspectives.

Banking & Fraud Dispute Practices
The report also examines survivor interactions with financial institutions, credit bureaus, and fraud dispute processes, as described in interviews with survivor advocates and support workers.

Landscape Scan of Financial Industry Practices
To complement survivor perspectives, this report also includes a review of existing financial sector policies and practices related to coerced and fraudulent debt in human trafficking cases. This scan drew on:

- Publicly available policies from financial institutions and other creditors, including statements on fraud protection, dispute resolution, and survivor-specific accommodations.
- Interviews with employees from across Canada's Big Five banks, providing internal perspectives on how financial institutions detect, investigate, and address fraud and coerced debt linked to human trafficking.
- An analysis of where current protections align with survivor experiences and where gaps or limitations may exist in identifying and addressing financial coercion.

ANALYTICAL APPROACH

This report takes a practical, survivor-informed approach to examining the financial impact of human trafficking. The analysis focuses on:

- **Types of debt survivors carry:** Credit cards, payday loans, auto loans, telecommunications accounts, and other financial products.
- **Debt accumulation trends:** Mapping how financial obligations build over time, identifying patterns of coerced and fraudulent debt.
- **Long-term financial effects:** Examining the impact on survivors' credit scores, collections activity, and ability to access financial services.
- **Survivor experiences disputing fraudulent debt:** Identifying strengths in existing financial protections and opportunities to enhance responses.

By combining survivor credit data, narrative insights, institutional experiences, and a review of financial industry practices, this report provides a preliminary view of how financial harm unfolds in trafficking situations, and how financial systems might continue to support survivors in their recovery.

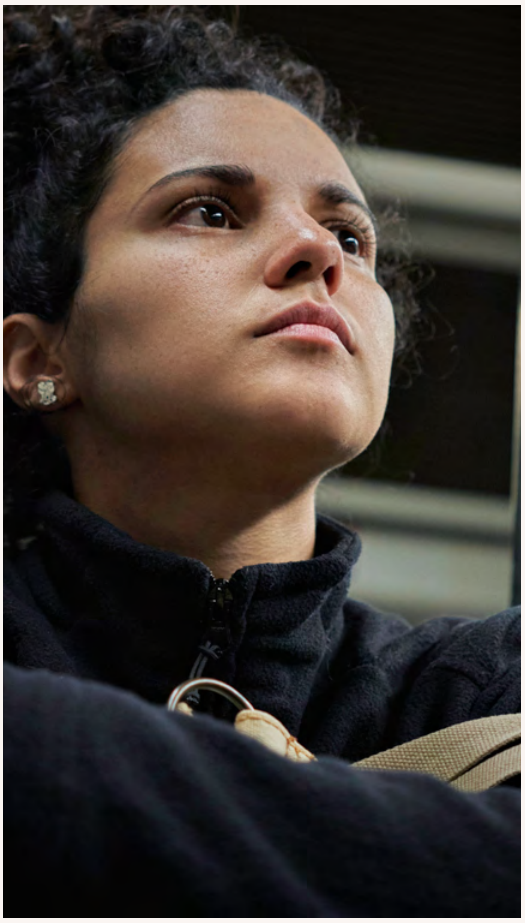
The Survivor Debt Footprint

Survivors of human trafficking experience financial coercion in a variety of ways, reflected in the types, amounts, and frequencies of debts found in their credit reports. The **total documented trafficking-related debt** across all survivors in our dataset (156 survivors' credit reports) was **$2,254,930.59**, spread across **1,247 financial obligations**.

At an individual level, the survivors we reviewed are carrying an **average total debt burden of $14,454.68**, with an average of **eight financial obligations per person**.

Patterns of debt accumulation during trafficking

The financial footprint of trafficking develops gradually, shaped by patterns of coercion, control, and financial entrapment that shift over time. Survivors' credit histories reflect a trajectory of financial coercion over time, showing how traffickers' control escalates and how the effects can persist even after survivors have exited.



EARLY-STAGE COERCION: SMALL REQUESTS THAT ERODE FINANCIAL INDEPENDENCE

When Maya met her trafficker, he made her feel like she finally had someone looking out for her. He was protective, always thinking ahead, always handling things. So when he suggested managing her money, it felt like a natural step—one less thing for her to worry about.

At first, he made small requests. She would take out cash for him at the ATM, or he'd use her card to book a hotel room. Whenever she asked about money, he brushed her off. "I've got it covered," he'd say. And when she pressed for details, his tone would shift. Why didn't she trust him? Why was she making a big deal out of nothing?

Not wanting to start an argument, Maya let it go. Until one day, when she needed cash and went to the ATM. She entered her PIN and watched as the screen blinked: Insufficient funds.

While credit reports capture important patterns of financial coercion and fraud, many of the **earliest forms of financial control, like requests for cash withdrawals, withheld wages, forced financial dependence, are not reflected in formal financial records.** Consequently, by the time credit reports reflect signs of coercion, survivors have often already lost access to and control over their personal finances.

Regarding these early stages, the professionals supporting survivors that we interviewed explained that the **first signs of financial control can often seem minor**. They shared survivors' stories of

traffickers asking them to cover small expenses like a **phone bill, a rideshare, a grocery purchase**, framing these requests as temporary. Cash withdrawals for nominal amounts are also frequent; in other cases, the trafficker might ask to **borrow a debit card or credit card** directly "just for a few days."

These small steps enable the trafficker to test **the access and control they can gain over the survivor's finances**.

Early-stage signs of coercion that appear in the credit report:

Telecommunications accounts
73.1% of the credit reports containing telecommunications accounts showed open telecommunications accounts early in the exploitation process; 16.7% of these survivors had multiple accounts (an average of 2).

Initial credit card debts
41/67% of survivors in our study had credit card debt, with 71.47% of those survivors reflecting credit card debts starting early in the exploitation process.

For both telecommunications accounts and credit card debts, the survivor experiences shared during our interviews revealed that while these types of accounts often appear throughout the trafficking process, the source or transactions involved that comprise these debts change over time.

For example, credit card transactions increase in size and frequency over time, and can reflect a mix of legitimate (e.g., groceries) and fraudulent (e.g., hotel/motel charges) transactions.

Early-stage financial exploitation that does not appear in the credit report:

Traffickers use a wide variety of tactics to gain access to and control over survivors' finances, several of which cannot be captured through existing financial documentation. The most commonly discussed examples shared by social service professionals include:

Withheld wages
- Traffickers often take control of survivor earnings before debts appear.

Cash withdrawals
- Traffickers force survivors to take out cash from their own accounts before fraudulently opening new ones.

Misuse of existing accounts
- Many survivors have legitimate accounts before they are trafficked. These accounts are taken over by traffickers, before or in parallel with being coerced into new financial obligations.
- Existing accounts are implicated in two ways: (1) as the trafficker takes control, these debts become overdue and overdrawn because survivors lose access to their finances, preventing them from paying the amounts owing, and (2) the trafficker coerces or directly incurs new, fraudulent charges using these accounts.

The apparent legitimacy of survivors' existing accounts is a recurring theme that contributes to the difficulties survivors experience disputing fraudulent debt and creates a challenging burden for creditors to discern between legitimate and coerced debts at all stages of trafficking (early, middle, late). Critically, these **debts are incurred under coercion**, rendering fraudulent what might initially **appear to be legitimate** charges.

MID-STAGE FINANCIAL COERCION: ACCELERATING DEBT AND EXPANDING CONTROL

For Serena, financial control didn't happen all at once—it was a slow, calculated erosion.

At first, she didn't question it when he used her card for small things. A hotel room. A ride home. Groceries. He framed it as practical, even caring. "You don't have to stress about money," he told her. "I'll take care of it." It felt like he was looking out for her.

Then came the payday loans.

The first time, he made it seem like a solution to a temporary problem. "We just need a little extra to get through the week," he said, handing her the application. She didn't even see the money—just gave him her information. Then, suddenly, they needed another. And another. He had her go to different places so no one would catch on. When she hesitated, he reminded her of everything he had done for her. "Do you think I'd ask if there was another way?" he said.

After a while, she stopped keeping track.

By the time she realized how much debt had accumulated, the threats had started. He told her she owed him. That the only way to make things right was to do what he said. That she'd never survive without him. And when she finally tried to take back control—tried to check her bank account, tried to say no—he made sure she knew it wasn't hers anymore.

As financial control escalates, the credit reports of **survivors in our dataset reflect an accelerating accumulation of financial obligations**. This is where spikes in credit report activity become visible, with 57.05% of survivors accumulating **multiple debts within short timeframes**. For some survivors, these multiple debts were of the same type, while others accumulated multiple different types of debts together.

Mid-stage signs of coercion that appear in the credit report:

The most common types of debt occurring repeatedly within a short timeframe included:

- **Credit cards:** 20.90% of survivors incurred multiple debts in a 30-day window, and 25.37% did so within a 90-day window.
- **Payday loans:** 20.00% of survivors incurred multiple debts in 30-day and 90-day windows.
- **Telecommunications:** 16.67% of survivors incurred multiple debts in a 30-day window, and 22.73% did so within a 90-day window.

Certain debts also tended to appear together in short timeframes:

- 7.69% of survivors had both credit card and personal loan debts that occurred rapidly within the same 90-day window.
- 7.05% of survivors had telecommunications and 'other' types of debt that co-occurred during the same 90-day window.
- 5.77% of survivors incurred increases in credit card and telecommunications debt within the same 90-day window.

Increasing reliance on high-cost credit:

- **50.75%** of reports showed a trend of increasing **credit card debt** over time.
- **42.42%** of reports showed a trend of increasing **telecommunications debt** over time.
- **37.21%** of reports showed a trend of increasing **personal loan debt** over time.
- **30.00%** of reports showed a trend of increasing **payday loan** debt over time.

Mid-stage financial exploitation that does not appear in the credit report:

How survivors were coerced into taking out loans and other types of debt.

- Fraudulent applications often look legitimate, especially when a trafficker has direct access to all of a survivors' identity information and documentation.

LATER-STAGE FINANCIAL BURDENS: LONG-TERM AND HARD-TO-CLEAR DEBTS

When Vanessa finally escaped, she thought she could start over. She had worked hard to rebuild her life—found a safe place to stay, got a steady job, and tried to move forward. But every time she applied for an apartment or a credit card, her past resurfaced.

She still remembers the first collection call. The voice on the other end of the line asked about a car loan she had never agreed to. She had never even driven the car—he had. But the debt was in her name.

At first, she tried to explain. "That wasn't me. I didn't sign for that." But the agent didn't care. The loan existed. The balance was due. And her credit was ruined.

The calls didn't stop. Neither did the consequences. She had money for rent, but landlords saw her credit report and turned her away. Banks denied her loan applications. Every rejection was a reminder that even though she had left him, the financial damage remained.

It felt like she was still trapped—still paying for something she had never chosen.

Survivors who are trafficked for longer periods of time tend to accumulate **longer-term financial obligations** that can be especially difficult to resolve. By this point, the credit report shows a **complex web of financial burdens** that combine legitimate, fraudulent, and coerced debts. Our dataset revealed that many of these debts can remain unresolved for several years after a survivor has exited.

Later-stage signs of coercion that appear in the credit report:

24.88% of all open accounts have remained **unresolved for at least 5 years** after they were originally opened. This suggests that nearly a quarter of survivors' financial obligations remain unresolved for an extended period, making long-term financial recovery more difficult.

At this stage, certain debts become particularly problematic:

- **Auto loans**—18.59% of survivors in our dataset had auto loans, averaging $12,615.18, and with an average debt age of 4.78 years.
- **Government-related debts**—6.41% of survivors in our dataset had CRA debts, with an average debt age of 2.38 years; 7.69% of survivors had offence-related debts (e.g., traffic violations, court fines, or other penalties) averaging $694.26, and with an average debt age of 3.77 years.
- **Long-standing telecommunications and credit card debt**—25.00% of survivors in our dataset had telecommunications debts that were over 5.59 years old, averaging $955.51; and 21.79% of survivors in our dataset had credit card debts over 6.62 years old, averaging $1,904.16.

Later-stage financial exploitation that does not appear in the credit report:

The financial impact of having bad credit.

- Many survivors experience difficulty securing stable housing and employment, as landlords and some employers conduct credit checks as part of their screening processes.
- Without access to credit, survivors may also face higher costs for essential services, such as requiring large security deposits for rental housing or being denied standard phone and internet plans.

The financial impact of revolving debt.

- Revolving debt, particularly credit card balances that continue to accumulate interest, can become an enduring financial burden.
- Survivors with maxed-out or delinquent credit cards may face compounding interest charges, collection actions, and an inability to access new credit when needed. This cycle can push survivors toward higher-cost financial products such as payday loans, deepening their financial hardship.

Long-standing unresolved debts, including accounts that remain open and unpaid for years, extend the financial footprint of exploitation well beyond a survivor's exit from trafficking. Many of these debts accumulate additional fees, damage credit scores, and remain a barrier to financial independence long after a survivor has regained control over other aspects of their life.

LONG-TERM FINANCIAL ENTANGLEMENT: WHY SOME DEBTS REMAIN UNRESOLVED

When Vanessa finally escaped, she thought she could start over. She had worked hard to rebuild her life—found a safe place to stay, got a steady job, and tried to move forward. But every time she applied for an apartment or a credit card, her past resurfaced.

The first collection call came while she was on a lunch break at work. A voice on the other end of the line asked about an auto loan she had never agreed to. She had never even driven the car—he had. But the debt was in her name.

At first, she tried to explain. "That wasn't me. I didn't sign for that." But the agent didn't care. The loan existed. The balance was due. And her credit was ruined.

The calls didn't stop. Neither did the consequences. She had money for rent, but landlords saw her credit report and turned her away. Banks denied her loan applications. Every rejection was a reminder that even though she had left him, the financial damage remained.

For survivors like Vanessa, these debts are not just numbers on a credit report—they are financial barriers that make it nearly impossible to move forward. The reason so many remain unresolved is not because survivors have not tried to clear them, but because the system does not yet fully recognize the unique nature of coerced debt.

How the financial system treats coerced debt

Currently, many financial institutions treat coerced debt as consumer fraud. Survivors who attempt to dispute debts in their name are often required to provide:

- Police reports or criminal charges against their trafficker—steps that may not be safe, possible, or even relevant to their situation.
- Proof that their identity was stolen, which does not apply when a trafficker forces them to open accounts under their own name.
- A direct admission from the creditor that coercion occurred, which is difficult when financial abuse leaves few paper trails.

For Vanessa, this meant that her auto loan was treated as voluntary because her trafficker had made her sign the paperwork herself. Without a fraud alert or stolen identity claim, the lender considered the loan valid, despite the fact that she had never seen the money, never driven the car, and had no way of paying the balance.

Vanessa's experience is not unique. Many survivors struggle with credit reports that still hold them accountable for debts incurred under extreme control. In our dataset, **24.88% of all open accounts have remained unresolved for at least five years**—a reflection of how difficult it is to dispute trafficking-related debt under the current financial framework.

There are also promising practices emerging within financial institutions that acknowledge these complexities. For example, in collaboration with RECLAIM, some creditors have established dispute pathways that permit survivors to submit sworn statements rather than police reports. Where processes have yet to be established, RECLAIM works directly with survivors and individual creditors to create pathways forward.

Hidden restrictions: Closed-for-cause accounts

Beyond coerced debt, some survivors also encounter **challenges related to their banking history**. When traffickers pressure survivors into suspicious financial activity, such as depositing fraudulent cheques, withdrawing large sums of cash, or opening multiple accounts, banks may flag these transactions as fraudulent and close the survivor's account "for cause."

A **closed-for-cause designation** remains on a survivor's financial records, and even after debts are purged from a credit report, often remains visible to financial institutions. As a result, survivors may face restrictions when trying to open new bank accounts, access investments, or rebuild financial stability. Many survivors only discover these limitations when they are denied access to banking services.

For those affected, there are typically two avenues to dispute a closed-for-cause designation:

- **Standard fraud investigation procedures**, where the bank reviews the closure based on its fraud detection policies. Many banks still classify coerced debt as voluntary, which makes it difficult for survivors to demonstrate that their account activity was the result of financial coercion.
- **Internal bank alerts and teller discretion**, where bank employees may see a warning when a survivor attempts to open an account or access a product/service. Information about the cause of the warning is often hidden from both the employee and the survivor, leading to frustrating, retraumatizing, and difficult to navigate interactions that do not necessarily lead to a resolution.

The ways financial institutions handle account closures can shape a survivor's ability to regain financial stability. Recognizing the impact of these closures and ensuring survivors are not indefinitely penalized for financial activity they did not control can be an important step toward meaningful financial recovery.

How longstanding accounts deepen financial harm

Months after Vanessa thought she had moved on from her debts, she received a call from a collection agency she had never heard of demanding payment for a credit card balance she didn't even know existed. The account had been transferred multiple times, keeping it active and prolonging its impact on her credit rating. Each time it changed hands, the urgency of the calls intensified.

Unsure of her options and afraid of further credit damage, Vanessa filed for bankruptcy under the guidance of an insolvency trustee. Unfortunately, the consequences of this choice were far greater than she realized. Unlike a disputed debt, which could eventually be resolved, there was no way to undo a bankruptcy filing. Vanessa now faced greater barriers to housing, employment, and financial stability.

Many of the debts in our dataset have remained open for nearly six years, a critical threshold in the credit system. After six years, unpaid debts may be purged from a credit report, meaning they no longer appear in standard credit checks. While this might seem like a relief, it often comes with unintended consequences:

- Before debts reach the purge threshold, they are often sold repeatedly to different collection agencies. Each time a debt is transferred, the timeline for resolution can reset. Some collection agencies engage in persistent outreach, with frequent calls and payment demands that can be overwhelming for survivors. For those who have worked hard to rebuild their lives, these unexpected contacts can be deeply retraumatizing, bringing back feelings of fear and lack of control.
- For some survivors, this cycle becomes so relentless that they are forced into insolvency-an extreme measure with permanent consequences.
- Survivors caught in this cycle often have no clear way out. When debts continue resurfacing after years of silence, it can be retraumatizing. Many survivors consider taking on additional debt or returning to sex work to try and resolve what feels like an inescapable financial trap.

This pattern presents an opportunity for greater collaboration and awareness among credit bureaus, collection agencies, and the insolvency sector. Credit bureaus play an important role in determining how and when collections are reported, particularly when debts have been transferred multiple times. Lenders and financial institutions might also explore ways to ensure that coerced debt, once disputed, is handled in a way that supports survivors' financial recovery.

ADDITIONAL PATTERNS AND TRENDS

Beyond the chronological accumulation of financial obligations, several additional patterns emerge when examining how different types of debt interact and how financial coercion manifests across survivors' credit reports.

These patterns highlight the scale and complexity of financial harm, reinforcing how coerced debt is not just about the number of accounts, but about the ways debts overlap, accumulate, and persist over time.

The composition of this financial burden varies widely, but certain patterns emerge. **Credit cards, telecommunications accounts, and payday loans are among the most frequently occurring forms of debt**, each carrying unique implications for survivors. Some survivors hold a mix of smaller, rapidly accumulating debts, while others bear larger, long-term financial obligations that may persist well after they have exited trafficking.

Credit card debt: the most prevalent and largest financial burden

Among all forms of debt, **credit card accounts were the most common and financially burdensome**, comprising a significant proportion of survivors' obligations. The total amount of credit card debt across survivors is substantial, and individual balances vary widely.

In our dataset:

- Survivors held an **average credit card debt of $1,904 per account**, with some carrying balances as high as **$27,651**.
- A notable portion of survivors **(33.97%) had credit card debts exceeding $500**, and **26.92% had credit card debts surpassing $1,000**.

This prevalence highlights the frequency with which **credit cards are leveraged as a coercive financial tool**, either through fraudulent applications in survivors' names or through accounts that were initially legitimate but later controlled by traffickers.

Telecommunications debt: a persistent and coercive financial burden

Telecommunications debt is another major feature of survivor credit reports, occurring in patterns that distinguish it from other forms of financial coercion.

In our dataset:

- Survivors carried an **average telecommunications debt of $955 per account**, but some owe as much as **$5,519** to telecom providers.
- More than a quarter of survivors (**27.56%**) had telecommunications debts that **exceed $500**, while **23.08% have debts surpassing $1,000**.
  - » When compared to **the average Canadian household, which spends approximately $109 per month on telecommunications**, the level of debt survivors accumulate in this category is strikingly high.
- **16.7%** of survivors had multiple telecommunications accounts.

Payday loans: high-interest debt that compounds financial harm

Payday loans are another recurring theme in the financial footprint of survivors, representing a particularly opportunistic form of coerced debt. These short-term, high-interest loans may have been taken out directly by traffickers in the survivor's name or secured under duress.

In our dataset:

- The **average payday loan balance is $854 per account**, with some debts reaching **$7,567**.
- **14.74% of survivors have payday loan debts that exceed $500**, while **7.69% carry payday loan balances over $1,000**.

These numbers suggest that while payday loans may not always represent the largest proportion of survivors' debt, these loans contribute significantly to an ongoing cycle of financial instability. Given the **high interest rates and short repayment windows** of payday loans, even small loans can rapidly escalate into an unmanageable financial burden.

How traffickers secure payday loans in a survivor's name

To obtain a payday loan, lenders typically require proof of income and an active bank account. In many cases, traffickers manage both:

- Survivors may be forced to provide pay stubs from a trafficker-controlled business, such as a massage parlour or another front business, creating the appearance of legitimate employment.
- Bank accounts in the survivor's name may be opened or controlled by the trafficker, ensuring that deposits and withdrawals go unnoticed.

These connections make it difficult for survivors to dispute payday loans later, as the required financial documentation appears valid.

How payday loan repayment structures create financial entrapment

Once approved, payday loan agreements often include terms that make repayment difficult to dispute or reverse:

- **Recurring withdrawals:** Many payday lenders secure permission to withdraw funds repeatedly until the loan is repaid. If a survivor has lost access to their account, these withdrawals may go unnoticed until the account is overdrawn.

- **Standard bank-lender transactions:** Payday lenders provide contracts, void cheques, and direct deposit records to banks as part of their routine processing. While banks follow standard procedures when approving transactions, this process does not always account for cases of coercion, meaning payments may be withdrawn without the survivor's knowledge or consent.
- **Non-sufficient funds (NSF) penalties:** If an account lacks funds, both the bank and payday lender issue NSF fees, compounding financial harm.

Why payday loan debts are difficult to resolve

Survivors often have difficulty disputing payday loan debt due to:

- **The appearance of legitimacy:** Traffickers ensure loans look voluntary, making it harder to prove coercion.
- **Limited fraud detection for coercion:** Lenders and banks process payday loan repayments based on existing agreements, without mechanisms to flag potential coercion.
- **High-pressure collections actions:** Payday loan repayment models rely on immediate fund withdrawals and quick collection cycles, leaving survivors little time to intervene before debts escalate.

Other debt types: long-term financial barriers

Alongside the most common types of debt, survivors in our study carried a **mix of other financial obligations**, including personal loans, student loans, auto loans, and government debts. While these appear less frequently in the dataset, they often carry higher individual balances.

In our dataset:

- **Auto loans** represent one of the **largest and most enduring financial burdens** for survivors, who carried an **average balance of $12,615** with some auto loan debts reaching **$71,916**.
- **National student loans**, while appearing less frequently across survivors, also tended to be comparatively high, with some balances reaching up to **$80,521**.
- **Government-related debts**, such as CRA debts, while less common, also carried high balances (average $10,735.12) and are particularly difficult to clear. Indeed, social service providers interviewed for this study shared that the complicated nature of these debts being tied to identity fraud, along with the absence of standardized processes to support survivors.
  - » In our dataset, **CRA debts comprise 14% of all debts that were unresolved** due to non-response from the creditor.

Credit cards, telecommunications, and payday loan debts tend to co-occur.

Survivors in our dataset who had telecommunications debts were **83.33%** more likely to also have credit card debts, underscoring the observation that traffickers often have survivors open multiple lines of credit in different forms.

- While telecommunications accounts often appear early in the financial footprint, they do not disappear over time. Instead, they persist alongside growing credit card debt, meaning survivors are often left with both short-term, high-frequency debt (telecom) and long-term financial burdens (credit cards) at the same time.
- **15.86%** of telecommunications debt in our dataset, totalling **$22,931.00**, remain open and unresolved.

86.67% of survivors with payday loans also had telecommunications debts.

This pattern is particularly troubling because:

- Payday loans carry extremely high interest rates, which means survivors are quickly trapped in an escalating financial burden.
  - » **42.62**% of payday loan debts in our data remain open and unresolved, totalling **$15,168.04**.
  - » **53.33%** of survivors hold multiple payday loans, with an average payday debt of **$853.99**, underscoring the use of short-term debt cycles for traffickers.
- Telecommunications accounts, once opened, can continue to accumulate costs—even if a survivor is no longer using them.

Survivors with high total debt carry more of every type of financial obligation

Survivors with the largest financial footprints (**$49,576 or more** in total debt - **10.26%** of the dataset) tended to have more of each type of debt.

Among the highest-debt survivors:

- **Credit cards** make up **9.87%** of debt, followed by telecommunications (0.92%).
- These survivors also carry more **payday loans (0.31%), auto loans (16.42%), and other financial obligations (25.49%)**.

Some survivors experience short periods of rapid debt accumulation

While many survivors accumulate debts gradually, some experience sharp spikes in financial obligations within very short periods.

- **46.79%** of survivors in our dataset accumulated at least two new debts within a single 30-day window.
- **23.72%** of survivors accumulated five or more new accounts within the same month.

These **high-volume accumulation periods** suggest that traffickers may:

- **Push** survivors **to apply for multiple financial products at once, possibly to evade detection**.
- Leverage **policies that allow multiple credit checks within a short timeframe**.
- **Maximize** financial **control over a survivor before their creditworthiness declines**.

Certain debts are more likely to remain open or unresolved

Not all debts are resolved at the same rate. Survivors' credit reports reveal that certain types of financial obligations are more likely to remain open or unresolved for extended periods. Among the debts that persist the longest, five stand out for their extended duration:

1. National Student Loans
These debts **remain open** for an **average of 7.11 years**, making them the longest-standing unresolved financial obligations in the dataset. Student loans often come with repayment deferrals, but survivors may struggle to manage these debts even after escaping trafficking.

2. Credit Card Debt
With an **average duration of 5.48 years**, unresolved credit card balances continue to accrue interest, penalties, and collection actions. Many survivors are left with high balances that become increasingly difficult to pay off over time.

3. Telecommunications Debt
Often acquired early in a survivor's financial footprint, telecommunications debts **remain unresolved for an average of 5.11 years**. Since phone and internet plans typically operate on monthly billing cycles, unpaid balances can accumulate indefinitely, contributing to ongoing financial instability.

4. Auto Loans
These debts **remain open** for an **average of 4.81 years**. Since vehicles can be repossessed in cases of non-payment, **survivors may lose access to transportation** while still carrying outstanding balances or fees related to the loan.

5. Personal Loans
With an **average duration of 3.79 years**, unresolved personal loans reflect both formal and informal lending arrangements, often involving **high interest rates**. Survivors burdened with personal loan debt may face additional financial pressure due to aggressive collection tactics or legal consequences associated with non-payment.

These findings highlight how financial exploitation has long-term repercussions, with certain debts continuing to impact survivors for years after they have exited trafficking. Addressing these unresolved obligations requires collaborative solutions that recognize the complexity of coerced debt and its lasting financial harm.

Legitimate debt can still cause harm

As noted throughout this report, not all of the debts survivors carry are fraudulent. Some may begin as legitimate financial obligations, such as student loans, credit card balances, and telecommunications accounts. Over the course of their trafficking experience, however, through threat, manipulation, restricted financial access, and financial coercion by their traffickers, survivors lose access to their finances and the ability to control debts that were previously legitimate.

For example, survivors trafficked in early adulthood may have student loans that pre-date their relationship with their trafficker. While trafficked, they lost access to their finances, missed payments, and saw their credit scores drop. By the time they regained control, interest had accumulated, late fees had been added, and their repayment schedules had already been damaged.

Similarly, some survivors had credit cards they initially opened for personal use before their trafficker gained control over them. Traffickers may have forced them to make purchases, taken over online banking credentials, or maxed out the available credit, leaving survivors with high balances and damaged credit histories.

When survivors regain access to and control over their finances, the cumulative effects of fraudulent, coerced and legitimate debts have sufficiently damaged their credit history to cause long-term consequences that affect their ability to access resources and housing, secure employment, and obtain financial products that would help rebuild their credit.

For example, without access to credit, many survivors face higher costs for everyday necessities, such as:

- Larger security deposits for rental housing.
- Prepaid rather than standard phone and internet plans.
- Higher interest rates on legitimate financial products.

Moreover, the mix of legitimate and coerced or fraudulent debt that characterizes many survivors' credit histories reduces their credibility in the eyes of creditors and financial institutions, who are still coming to understand and differentiate coerced debt from the types of fraudulent debt they are accustomed to (e.g., external identity theft, consumer fraud).

Recommendations & Opportunities for Sector Collaboration

This research provides new insights into how survivors' financial footprints take shape through interactions with banks, creditors, telecommunications providers, payday lenders, and other financial institutions. The patterns identified suggest opportunities for financial stakeholders to build on existing efforts to recognize and respond to trafficking-related financial coercion.

Current fraud detection and risk management systems are designed to protect consumers but might not account for the ways traffickers manipulate survivors into financial entanglement. As a result, some survivor debts, though coerced, can appear legitimate, making it difficult to resolve them through traditional processes.

The following ideas emerge from the credit patterns analyzed in this study, as well as survivor experiences with financial institutions and debt resolution. They are intended to spark discussion and collaboration on ways to strengthen financial protections for survivors while maintaining the integrity of existing fraud prevention efforts.

Financial institutions and creditors

RECOGNIZING TRAFFICKING-RELATED DEBT

Survivor debt insights:

- **Credit card debt** is the **most common** and **largest financial burden** for survivors, with many holding multiple accounts at once.
- **Survivors** who carry **multiple credit card accounts often have additional financial obligations** in telecommunications and payday lending, indicating financial entrapment across multiple sectors.

How this connects to financial institutions:

- Survivors report challenges in disputing coerced debt because traditional **fraud departments require documentation** survivors may not have (e.g., police reports, court orders).
- Bank and creditor **fraud detection mechanisms prioritize external identity theft** while having **difficulty identifying patterns of coercion**, making it difficult to flag trafficking-related financial abuse.

Telecommunications providers

ADDRESSING COERCION IN ACCOUNT OPENINGS

Survivor debt insights:

- **Telecommunications debts** are among the **most frequently recurring** financial obligations, with survivors commonly holding **multiple telecom accounts**.
- **A significant percentage of telecommunications debts remain open and unresolved** even after attempts at dispute resolution.
- **Survivors with multiple telecommunications accounts are significantly more likely to also have payday loans and credit cards**, reinforcing a **pattern of escalating financial coercion**.

How this connects to telecommunications providers:

- **Prepaid phones and SIM cards are widely used by traffickers**, often obtained in the survivor's name, leaving financial institutions unable to distinguish coerced accounts from voluntary ones.
- **Telecommunications providers collaborate with law enforcement on trafficking cases**, though survivor-centered financial dispute processes remain **inconsistent across providers**.

Payday lenders

IDENTIFYING COERCED HIGH-INTEREST BORROWING

Survivor debt insights:

- **Payday loans frequently appear alongside telecommunications debts, reinforcing a pattern of high-frequency, short-term financial control.**
- **A significant portion of payday loan debts remain open and unresolved**, making them one of the most persistent forms of survivor debt.
- **Survivors who carry payday loans often have some of the highest overall debt burdens**, indicating that these debts contribute to long-term financial instability.

How this connects to payday lenders:

- **Payday lenders operate outside of traditional banking regulations**, making it difficult to establish safeguards against trafficking-related coercion.
- **Survivors struggle to dispute payday loans because these debts appear entirely voluntary on paper**, even when they were taken out under threat or deception.
- **High-interest rates compound financial harm**, leading to cycles of re-borrowing that make financial recovery more difficult.

Industries not visible in credit reports

HOSPITALITY, TRANSPORTATION & RENTALS

Some aspects of financial exploitation occur outside of direct credit reporting but still appear in survivors' financial records through transactions.

Survivor debt insights (hidden patterns):

- **Hospitality & short-term rentals:** Survivors frequently report being forced to book hotel rooms in their name—these charges often appear in credit card transaction histories rather than direct credit obligations.
- **Ride-sharing & transportation costs:** Ride-sharing accounts are frequently linked to financial transactions that survivors are later held responsible for, despite not initiating them.

How this connects to financial systems:

- Hotel chains and rental companies focus on identifying trafficking through behavioural indicators, though financial exploitation within these spaces remains largely unaddressed.
- Credit card companies have fraud detection for stolen cards but may not flag trafficking-related coercion in hospitality and transportation expenses.
- Car financing companies rarely recognize trafficking-related financial exploitation, leaving survivors financially responsible for vehicles they never used.

Legislative & policy opportunities

STRENGTHEN FINANCIAL PROTECTIONS FOR SURVIVORS

Financial coercion is not explicitly recognized in most fraud frameworks, making it difficult for survivors to dispute debts incurred under trafficking-related control. Coerced debt is currently treated the same as traditional fraud, meaning that survivors face barriers when trying to remove financial obligations that were never truly theirs.

Financial institutions and regulatory bodies have an opportunity to strengthen financial protections for survivors by implementing targeted reforms, including:

Recognizing coerced debt as distinct from traditional fraud:

- Survivors are often required to provide police reports or identity theft claims to contest coerced debts, despite the fact that traffickers frequently force them to sign legitimate-looking applications. Policy changes could formalize coerced debt as a unique form of financial harm that does not require criminal justice involvement for resolution.

Requiring financial institutions to pause collections on contested coerced debts:

- Banks and creditors could implement automatic pauses on debt collection when survivors submit coercion-related disputes, preventing further financial harm while their claims are reviewed.

Allowing survivor affidavits and verification from support organizations:

- Many survivors cannot safely file police reports. Financial institutions could accept sworn affidavits or verification letters from recognized survivor-support organizations, similar to existing accommodations for domestic violence survivors in some jurisdictions.

Developing survivor-centred training for fraud investigation teams:

- Coerced debt often presents distinct patterns, including multiple accounts opened in rapid succession, links to high-cost credit products, and overlapping telecommunications and payday lending debts. Survivor-centred training could help fraud teams refine red-flag indicators and improve their ability to differentiate coercion from voluntary borrowing.

Encouraging financial institutions to partner with survivor support organizations:

- Some banks have already started to collaborate with survivor-serving organizations to review coerced debt claims (e.g., RECLAIM program). Expanding these partnerships would allow financial institutions to develop best practices, ensuring more survivor-informed, trauma-responsive financial protections.

ADVANCE LEGISLATIVE REFORMS

Mandate protections for coerced debt:

- Ensure federal and provincial legislation formally recognizes coerced debt as financial abuse, providing clear pathways for debt forgiveness and credit repair. Regulations should also require financial institutions to offer survivor-centred dispute mechanisms that do not rely on police reports as sole evidence.

Strengthen financial institution accountability:

- Introduce federal and provincial guidelines requiring banks and creditors to adopt specific

coerced debt policies, including survivor affidavits, pauses on contested debts, and risk-based fraud detection measures.

Address criminalization of survivors:

- Advocate for the expungement of criminal records tied to trafficking-related coercion, removing barriers to housing, employment, and education.

Enforce trauma-informed standards:

- Require all sectors, including financial institutions, to adopt trauma-informed practices, with compliance monitored by an independent oversight body.

Conclusion: Invitations for Action

This report highlights an **emerging area of awareness** about the financial footprint of human trafficking from a survivor's perspective. Financial institutions and other creditors already have strong fraud and risk mitigation measures in place; **collaboration with survivors and organizations supporting survivors can build on these efforts** to recognize trafficking-related financial abuse and support survivor-centered solutions.

QUESTIONS FOR CONSIDERATION & DISCUSSION

Enhancing fraud detection to recognize trafficking-related debt

- How might financial institutions expand fraud detection models to account for patterns of coercion (e.g., multiple accounts opened in short timeframes, telecommunications and payday loans appearing together, clusters of debt accumulation)?
- What role might financial service providers play in identifying red flags of trafficking-related financial abuse without requiring formal trafficking documentation from survivors?
- How might financial institutions collaborate with survivor support organizations to better understand real-world patterns of coerced debt?

Strengthening survivor-centered dispute resolution pathways

- What adjustments might be made to internal fraud review processes to recognize financial coercion more effectively?
- Are there alternative forms of documentation (beyond police reports) that creditors might consider when evaluating coerced debt disputes?
- How might creditors ensure that survivors do not bear the burden of proof alone when attempting to dispute coerced financial obligations?

Addressing telecommunications debt and financial coercion

- How might telecommunications providers better identify patterns of coerced account openings while protecting consumer privacy?
- What steps might be taken to streamline dispute resolution for survivors whose accounts were opened or controlled under duress?
- How might telecom providers work with survivor-serving organizations to develop clearer protocols for handling disputed telecommunications debt?

Reducing the financial burden of high-interest and short-term debt

- What safeguards might payday lenders implement to reduce the risk of traffickers using these loans as a tool of financial control?
- How might financial institutions help survivors break cycles of payday loan debt accumulation without restricting legitimate access to emergency credit?
- Where might there be opportunities for collaboration between financial institutions, payday lenders, and survivor organizations to identify high-risk lending patterns?

Identifying coerced financial transactions in industries not captured by credit reports

- How might hospitality and transportation industries work with financial institutions to recognize trafficking-related transactions in credit card records?
- What role might rental car and ride-sharing companies play in preventing traffickers from using survivor accounts to facilitate movement?
- How might banks and credit card companies develop enhanced transaction monitoring to flag potential signs of coercion in hospitality and transportation charges?

MOVING FORWARD: A SHARED OPPORTUNITY FOR IMPACT

Financial stakeholders are already deeply invested in fraud detection, risk mitigation, and consumer protection. The financial aspect of human trafficking represents a growing area of awareness, where small, targeted adjustments could lead to significant, immediate impacts.

Addressing trafficking-related financial harm is not about overhauling existing systems but rather about enhancing and adapting the efforts already in place. Strengthening cross-sector collaboration between financial institutions, telecommunications providers, payday lenders, and survivor-serving organizations has the potential to improve survivor financial recovery while also increasing financial system integrity.

By exploring new collaborative approaches, stakeholders have a unique opportunity to create meaningful change that directly reduces the long-term financial harm survivors experience and reinforces a financial system that is more responsive, more adaptive, and ultimately more just.

Glossary of Key Terms

Glossary of Key Terms

Account
A financial product or service held in a survivor's name, such as a credit card, payday loan, or telecommunications plan. A single survivor may have multiple accounts linked to different financial obligations.

Collections activity
The process through which creditors attempt to recover unpaid debts. Many survivors face aggressive collections actions for debts they did not willingly incur.

Coerced debt
Debt that a survivor is forced, manipulated, or pressured into taking on, often under threat, deception, or financial control by a trafficker. Unlike fraud committed by external actors, coerced debt appears voluntary on paper, making it harder to dispute.

Consumer fraud
A category of fraud in which an individual's personal information is used without consent to obtain financial products. Many financial institutions currently classify coerced debt under this framework, even though it does not align with typical identity theft.

Credit Bureau
Organizations that collect and maintain consumer credit information, including records of debts, payments, and credit history. Survivors often face challenges in correcting credit reports when coerced debts remain unrecognized.

Credit report
A financial record maintained by credit bureaus that tracks a person's borrowing and repayment history. Survivor credit reports in this study reflect the financial impact of trafficking-related coercion.

Credit Score
A numerical representation of an individual's creditworthiness. Many survivors experience damaged credit scores due to coerced or fraudulent debt, making it difficult to secure housing, employment, or financial services.

Debt accumulation
The process by which financial obligations build up over time. In trafficking situations, this often occurs in stages, beginning with minor financial control and escalating to significant coerced and fraudulent debt.

Dispute resolution
The process of challenging and attempting to remove fraudulent or coerced debt from a credit report. Many survivors face barriers in this process due to financial institutions' requirements for police reports or legal documentation.

Financial coercion
The use of control, pressure, or deception to manipulate someone's financial decisions. In trafficking, this often involves traffickers taking over survivors' bank accounts, forcing them to open new credit lines, or preventing them from accessing their own money.

Financial Institution
Banks, credit card companies, lenders, and other entities that provide financial products and services. These institutions play a critical role in recognizing and addressing trafficking-related financial harm.

Financial obligation
A legally binding financial commitment, such as a loan, credit card balance, or telecommunications bill. This term encompasses both legitimate and coerced debts.

Financial surveillance
The monitoring and restriction of a survivor's financial activity by a trafficker, often used to maintain control and prevent escape.

Fraudulent debt
Debt incurred in a survivor's name without their knowledge or consent, often through identity theft or fraudulent applications by a trafficker.

Legitimate debt
Debt that a survivor initially agreed to take on, such as a student loan or credit card, but that became unmanageable due to trafficking-related financial control.

Payday loan
A short-term, high-interest loan often marketed as emergency financial relief. These loans frequently appear in survivor credit reports, reflecting how traffickers exploit high-cost lending products.

Personal loan
A type of loan issued by banks, credit unions, or alternative lenders, typically used for larger expenses. Survivors in this study often carried personal loans that became unmanageable due to trafficking-related financial control.

Risk-based fraud detection
Fraud prevention mechanisms used by financial institutions to identify potentially fraudulent activity. These mechanisms often fail to detect financial coercion, as coerced debt mimics voluntary borrowing on paper.

Survivor-centered protections
Policies and financial protections designed to acknowledge the unique experiences of survivors, including alternative forms of documentation for debt disputes and trauma-informed financial processes.

Telecommunications debt
Debt incurred through phone and internet service providers. Survivors frequently have multiple telecommunications accounts, reflecting a common form of financial exploitation by traffickers.

Unresolved debt
Debt that remains unpaid or in collections for an extended period, often because survivors are unable to dispute coerced or fraudulent debts successfully. This includes debts that creditors refuse to remove, debts that survivors lack the resources to repay, or accounts that continue accumulating fees and interest.