



2017 Older Americans Benchmarking Report:

Findings from a Survey of Banks



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About the American Bankers Association Foundation

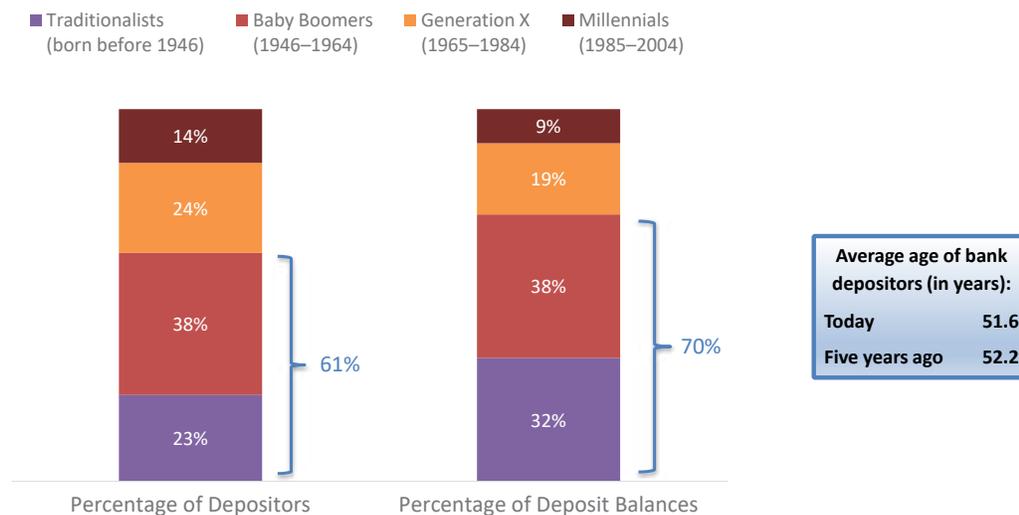
Through its leadership, partnerships, and national programs, ABA's Community Engagement Foundation (dba ABA Foundation), a 501(c)3, helps bankers provide financial education to individuals at every age, elevate issues around affordable housing and community development, and achieve corporate social responsibility objectives to improve the well-being of their customers and their communities.

Executive Summary

By 2025, one in every five Americans will be over age 65. The marketing spotlight may be on Millennials, but seniors hold massive spending power and the majority of bank assets today. They are also at the greatest risk for fraud and financial abuse.

Fraudsters keep coming up with new scams to rob seniors of their hard-earned life savings, but banks are increasingly adopting creative approaches to help protect their older customers. ABA Foundation recently conducted a survey to benchmark how banks are addressing this growing issue. The survey responses highlight banks' growing commitment to combatting elder financial exploitation.

People over 50 make up about 1/3 of the total population but account for 61% of bank depositors and they hold 70% of deposit balances



Although their practices may vary depending on size and location, banks see protecting older customers as integral to good business. Two out of every three bank depositors are over the age of 50, and collectively their accounts make up 70 percent of bank deposit balances. Their lifetime of savings and advanced years can also make seniors prime targets for fraudulent investments and “too-good-to-be-true” scams.

But preventing and stopping this wave of crime against the elderly takes a full community effort with family, caregivers, law enforcement, protective services and banks working together. Banks are taking their role seriously as they move beyond the baseline of regulatory requirements and develop proactive approaches to address this growing problem.

- **Seventy-one percent of all banks require additional, specialized training for frontline staff.** Whether by developing their own programs or adopting trusted resources, the vast majority of banks are making training programs in spotting fraud a top priority. This specialized training gives employees the tools they need to identify fraud and address it.
- **Two-thirds of larger banks are using automated tools to monitor account activity for older customers.** Automated tools and software are changing the landscape for fraud detection, alerting bankers and customers to an issue before either is aware an account has been compromised. Technology is becoming an invaluable tool in combatting fraud as more banks are finding that automated tracking combined with fraud-prevention training equips them to spot unusual behavior and patterns, and address those concerns before it's too late.
- **Approximately half of the banks surveyed host community outreach and education events for their older customers.** A growing number of banks are taking steps to raise awareness in their communities and educate older customers directly on how to protect themselves from fraud. About 50 percent of banks also offer in-branch training to help older customers adapt to online banking tools and technologies that can add another layer of protection to their accounts.



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“Helping older customers bank safely should be a priority for all financial institutions. We support ABA Foundation’s work to raise awareness and help all of us better serve this growing group of consumers.”

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CORPORATE RESPONSIBILITY
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Background

With new scams cropping up all the time, one in five seniors report that they have been victims of some form of financial abuse.¹ The number could be even higher, however, as many are unwilling to come forward out of shame and embarrassment. Research estimates customers lose nearly \$3 billion a year and banks lose about \$1 billion annually in deposit fraud.²

Regulatory agencies, including the FDIC, FTC and the CFPB have sounded the alarm on these crimes in recent years and flagged the issue to raise public awareness. The message is clear: elder exploitation is on the rise, and banks can play a central role in identifying and reporting unusual transactions that may suggest a customer is a victim of fraud and abuse.

ABA Foundation has increased its attention to the issue as well, developing tools and resources to help bolster the work bankers are doing to protect their valued customers. To further the discussion across the banking industry, the foundation conducted the Older Americans Benchmarking Survey. “We wanted to hear directly from bankers about practices they have found successful in combatting fraud,” ABA Foundation Executive Director Corey Carlisle said. Survey questions focused on a spectrum of issues including: employee training, account services, technology, community partnerships, reporting practices, caregiver tools and customer education.

“We hope this survey will be a starting point as we build on our successes, tackle the difficult questions that remain, and work together to address this issue,” said Carlisle. “The foundation is grateful to our dedicated partners in the industry and for their support as we bring more attention to the issue and the work banks are doing to protect older customers.”

The national uptick in crimes regulators have flagged is being felt in communities across the country. Montecito Bank & Trust ramped up its approach to protecting senior customers as their tellers saw a dramatic increase in check fraud in their area. “We went from maybe two cases of check fraud in a year, to two in a month in 2015,” Laurel Sykes, senior vice president and chief risk officer said. Surrounded by a large retirement community along California’s Central Coast, Montecito sees firsthand how easily older customers can fall prey to different types of fraud.

What puts older Americans at risk? Often, it’s the effects of isolation, aging and health. But the advanced elderly and infirm are not the only vulnerable older customers, nor is it just the wealthiest percent of seniors who are targeted. Scammers and abusers take advantage of the friendly and trusting nature that marks older generations. Victims of elder financial abuse are often college-educated and financially literate.



¹ Consumer Financial Protection Bureau, [Advisory to financial institutions on preventing and responding to elder financial exploitation](#)

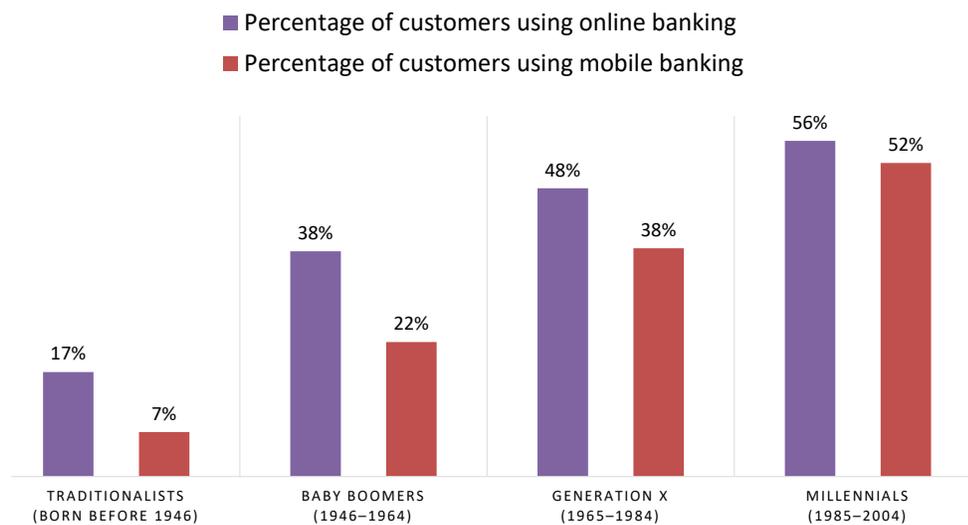
² The Metlife Study of Elder Financial Abuse: Crimes of Occasion; Desperation; Predation against America’s Elders. June 2011. Metlife Mature Market Institute.

“Seniors by and large are a very trusting, friendly population,” Angela DeLeon of People’s United Bank noted. “But you can’t just invite anyone into your home in today’s society.” When it comes to financial safety programs for seniors, People’s United Bank pioneered the way under DeLeon’s leadership. The bank and local law enforcement partnered to empower older members of the community as crimes against seniors began to rise in the late 1990s. DeLeon said the key is arming customers with awareness. “We don’t want our customers crippled by fear,” DeLeon said. “People’s United Bank wants our customers to feel empowered to keep on living their lives with the knowledge and awareness they need to feel safe.”

Fraud can range from check washing, to grandparent scams, to abuse by family members and caregivers. Scams that tug at the heartstrings, like confidence and romance scams, have nearly tripled from 2014 to 2016, the FBI reports.³ “These cases are heartbreaking,” Sykes said. “Not only have victims lost money that cannot be recovered, but they’ve been betrayed by someone they thought loved and cared for them.” She noted it can be not only difficult for victims to recognize what is happening but also to break ties and report it.

When it comes to spotting fraud, banks have a unique advantage. Bankers are at the frontline, positioned to identify any unusual or suspicious behavior early on. Older customers are far more likely to know and be known by their bankers because they still visit the bank regularly. Despite the uptick in mobile and online banking with younger generations, Traditionalists and Baby Boomers value in-person bank transactions with fewer than a quarter of Traditionalists and fewer than half of Baby Boomers using online banking services.

Older Americans are less likely to use online banking or mobile banking



³ 2016 Internet Crime Report, [Federal Bureau of Investigation](#)

Thanks to this trend, bank tellers often know their older customers on a first-name basis and have an opportunity to establish a rapport with them. This makes it sometimes possible for bank employees to spot changes in mood or behavior that may signal a concern, and then address it. The level of trust a bank and its employees build with their senior customers can make all the difference in stopping a crime, and the partnerships a bank builds with local law enforcement and Adult Protective Services (APS) help ensure its customers and community are protected from further risk.

“We understand the importance of protecting all our customers—that’s a number one priority at the bank,” Karen Galbo, executive director of People’s United Community Foundation said. “Unfortunately, older adults are often the age group of choice among scam artists who believe they are more susceptible due to potential physical and mental challenges. Through education and training, our bank employees can play a pivotal role in protecting our more vulnerable customers.”



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KAREN GALBO
EXECUTIVE DIRECTOR
PEOPLE’S UNITED COMMUNITY FOUNDATION

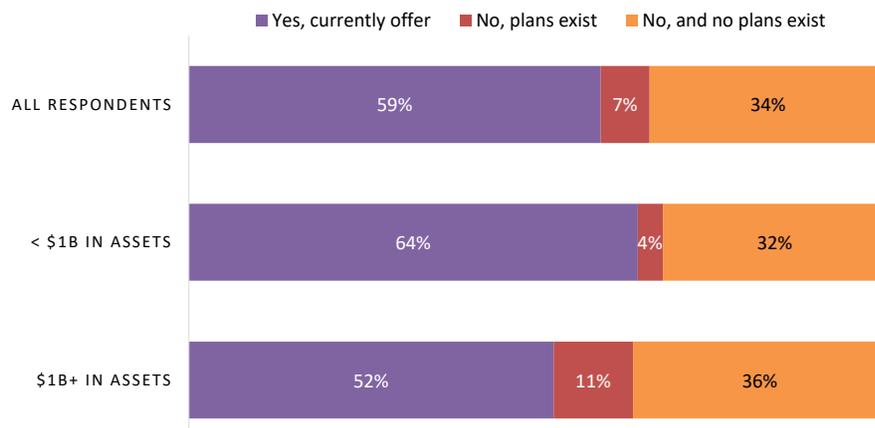
Education: Banks Are Educating and Empowering Older Customers

Age-friendly services and account features

With seniors comprising the majority of bank account holdings, most banks now offer special age-friendly services to their older customers and tools that help smooth the transition to managing one's finances into retirement. These include free or reduced-cost services, such as free checking accounts, discounts on check orders and free interest-bearing accounts. Banks are also helping older customers prepare for reduced mobility and declining capacity in their advanced years. Special loan accommodations⁴ can ease the burden for seniors selling their homes and transitioning to retirement communities or nursing home facilities.

6 in 10 survey respondents offer products with favorable terms for older customers

Does your bank offer any products with favorable terms (as compared to the standard terms) for older customers?

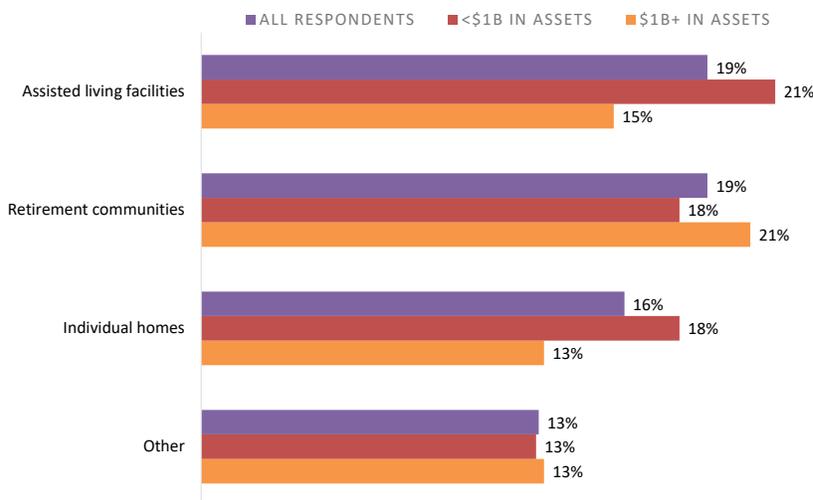


⁴ Under the Equal Credit Opportunity Act, 12 CFR 1002.6(b)(2) does make allowance for special programs that benefit "the elderly," but by regulation, the only age differentiator is 62.

Access to these special services can be just as important as the services themselves. Face-to-face interactions remain a high priority to older customers who are largely averse to online banking. That’s why the majority of banks are going the extra mile to make their branches comfortable for older customers, in addition to meeting Americans with Disabilities Act accessibility requirements. A select number of banks are bringing account services directly to their older customers with small branches in nursing home facilities or by providing special courier services to customers physically unable to visit a branch.

Survey results suggest that approximately 1 in 5 banks offer a courier or messenger service for older customers

Does your bank offer a courier or messenger service for older customers that cannot physically come into the bank? If so, check all types of residences that apply:



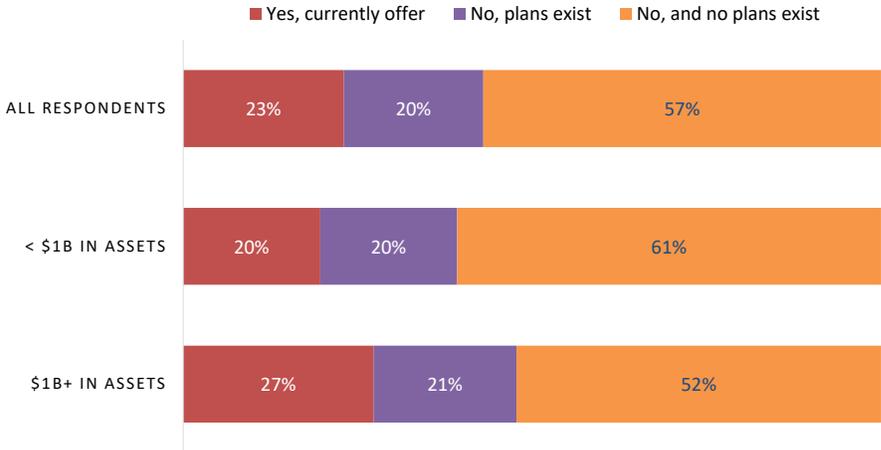
With the abundance of resources and tools available, a bank does not have to start from scratch to develop senior-focused outreach programs and services: making the most of services already in place at the bank can be a perfect starting place. Bankers surveyed use the following program materials to help educate their customers: *Safe Banking for Seniors*, ABA Foundation; *Money Smart for Older Adults*, CFPB and FDIC; *Pass it On*, FTC; *National Elder Financial Exploitation Advisory Board*, APS; and *Skilltracks*, BAI Banking Strategies.

When the Bank of American Fork in Utah ramped up their approach to taking on elder financial abuse, they began by rebranding the tools already in their toolbox. “Our state was seeing an increase in older customers being taken advantage of by their own families,” said Tracey Larson, director of internal communications. “As startling as the numbers were, we knew it had to be just the tip of the iceberg. We wanted to create a system of accountability to protect customers and caregivers.” The bank developed its AccountSmart Tools for Seniors, which add a layer of checks and balances by structuring regular bank services to allow third-party monitoring and designated accounts for bill pay. “We want our customers to know they actually have a lot of options when it comes to managing their accounts,” said Larson. “They don’t just have to hand over the keys to all their assets to a family member or caregiver.”

Banks are also using premier services and social activities to build on their relationships with older customers and to help tear down the walls of isolation, that so often put seniors at risk for financial abuse. One in four banks offer special services beyond the standard account services to older customers. These range from social activities like bingo and movie nights to travel clubs. Montecito Bank & Trust’s recently introduced Mclub program offers travel, dining and cultural experiences for a qualifying level of clients, most of whom are over age 65. According to Sykes, by offering a service that meets the needs and interests of these older clientele, the bank is also able to provide safe travel tips and education on fraud risk to empower clients and help ensure they can confidently relax and enjoy their retirement years.

About 1 in 4 survey respondents offer additional customer services for older customers

Does your bank offer any additional customer services (as compared to standard services) for older customers?

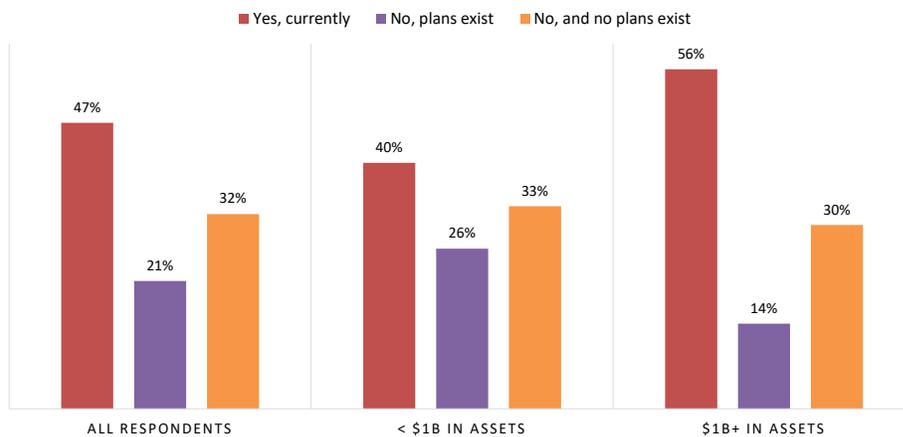


Customer education and outreach events

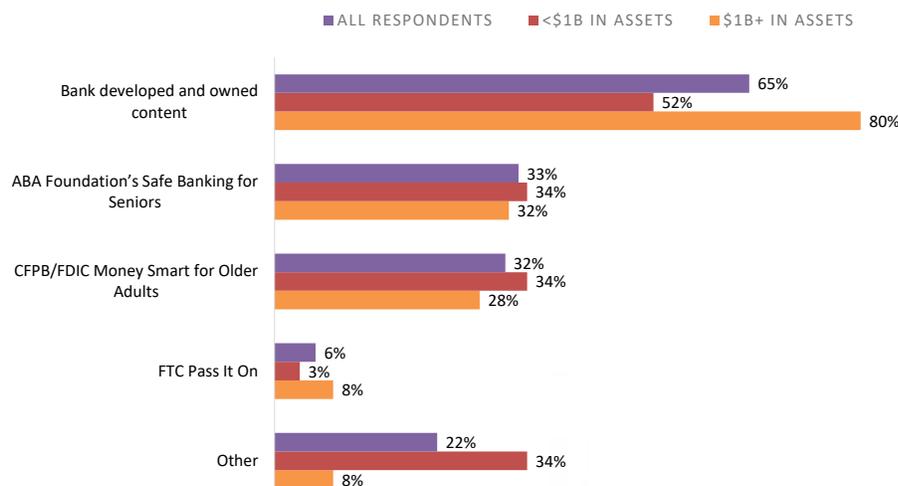
As pillars within the community, banks are naturally positioned to host or facilitate special events and training to help customers spot scams and understand fraud risks. About 50 percent of banks are hosting community education and outreach events for their senior customers. Many banks are developing their own tools and programs for these educational events, and about one-third have implemented ABA Foundation’s Safe Banking for Seniors curriculum. With these bank-hosted seminars and training events, older customers learn how to identify and avoid scams, how to protect their assets from fraud and identity theft and how to select a trusted financial caregiver.

Approximately half of the respondents host community education/ outreach events specific to protecting older customers from fraud

Does your bank host any community education/outreach events specific to older customers, such as how to protect yourself from fraud?



For banks that host community education/outreach events, two-thirds use bank developed and owned content

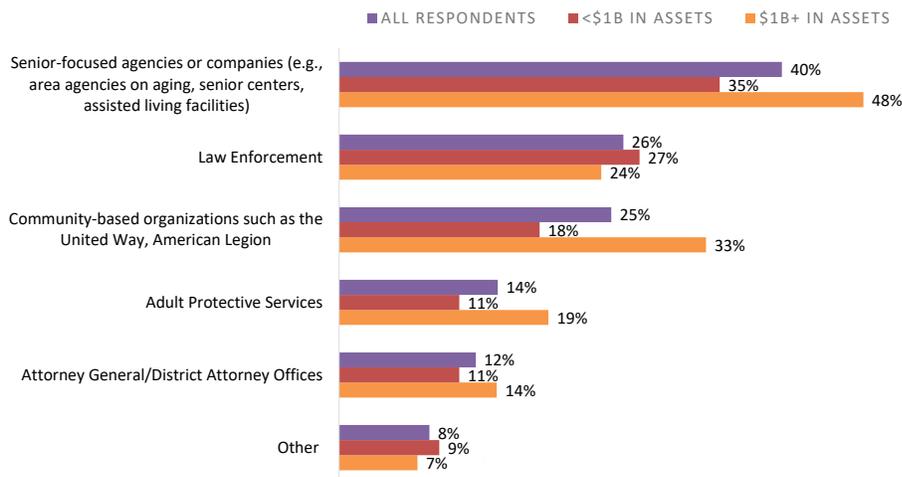


Online programs like Wells Fargo’s Hands-On Banking give seniors the tools they need to watch out for common scams and reduce the risk of becoming victims of fraud and identity theft. The online module can be paired with training sessions at senior centers and retirement homes, and gives customers an opportunity to walk through follow-up activities and questions. “We want this tool to be easily accessible to as many seniors as possible,” said Ron Long, Wells Fargo Advisors Head of Regulatory Affairs and Elder Client Initiatives. “At the end of the day, it’s their money in the bank and we want to enable them to make the choices that are best for them.”

A joint effort between community groups, senior-focused agencies, Adult Protective Services and law enforcement is critical to combatting elder financial abuse and can broaden the scope of outreach events. People’s United was the first bank in the country to develop a program for elderly outreach and safety education. The program started as a collaboration with local law enforcement when Angela DeLeon, a nationally certified crime prevention specialist, was hired by the bank in 1996 to develop its Masters Program, and that focus on community partnerships remains strong 20 years later.

Survey respondents are most likely to partner with senior-focused agencies or non-profits to host community events for older customers

Does your bank partner with the listed organizations to host community education/outreach events specific to older customers? If so, check all that apply:

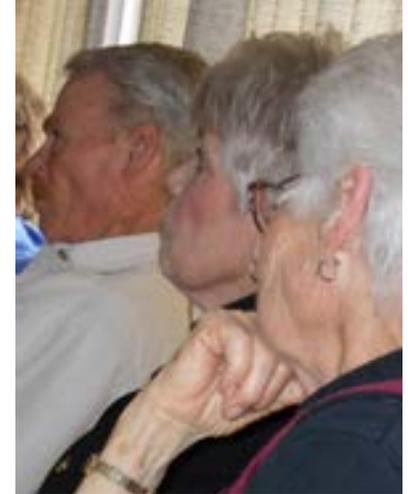


One of the most popular community events organized by People’s United Bank is their Uniform Fashion Show, which brings local law enforcement, emergency responders, service providers and repairmen to the runway at a local venue to help older customers identify the real workers and volunteers from the fakes and scammers. From back-to-school grandparent days to purse-snatching alerts, People’s United is regularly developing new outreach and education events to help protect customers. “Scammers are coming up with new approaches all the time,”



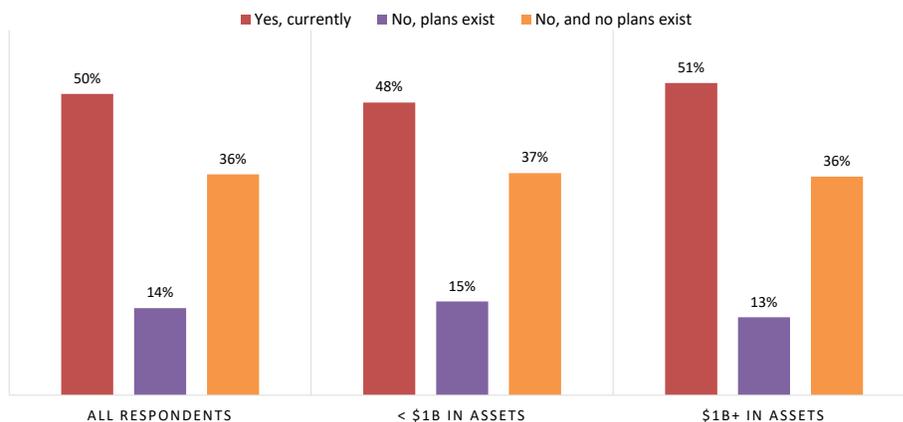
Karen Galbo said. “We need to be vigilant and come up with new and creative ways to reach customers and raise awareness.”

The best way to protect seniors is to give them the tools and resources to identify fraud so they can protect themselves. The number of banks dedicating full-time staff positions to customer education and outreach is on the rise as well, and half of banks host in-branch training for older customers. At Bank of the Rockies in Montana, the need for these programs hit home when two cases of elder financial abuse came to light in their rural community within just a couple weeks of each other. Jennell Huff approached her manager about the need for training staff and customers. “We wanted our team to have the tools and training in place to respond if any of these cases came through our bank doors,” said Huff. The bank adopted Safe Banking for Seniors to train employees and developed its own Conversations about Cons program to educate customers on the basics of fraud: what characterizes elder abuse, who is at risk, and how to prevent it. “As a small community bank, we get to know our customers really well,” Huff said. “These programs are an extension of the relationship of trust we’ve built over time.”



Half of the respondents offer in-branch training for older customers

Does your bank offer in-branch training for older customers looking to learn new banking technologies such as online banking or mobile banking?



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JENNELL HUFF
 CUSTOMER SERVICE REPRESENTATIVE
 BANK OF THE ROCKIES

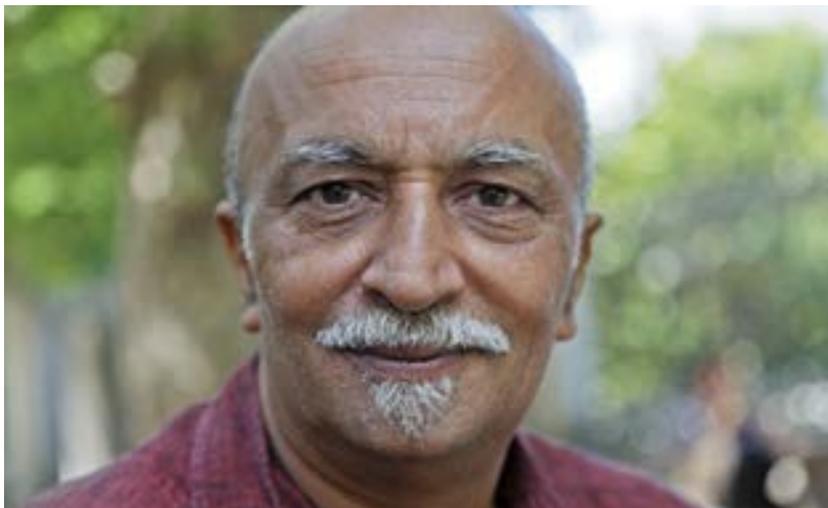
Action: How Banks Are Responding to Fraudulent Activity

Identifying and reporting fraud

Early detection of fraud by bank employees is critical to protecting a customer's assets. Bank employees are uniquely positioned in the fight against elder financial abuse: They can spot suspicious activity on an account or unusual behavior by a customer, sometimes even before the customer's family or caregiver. By observing unusual behavior and reporting it in detail, a banker can save an older customer's savings.

"Our teams are in the best position to identify fraud against all of our customers," Brett Frederick, vice president and director of Enterprise Fraud Risk Management at U.S. Bank said. "We make it a priority to know our customers and their usual banking activity so we can quickly identify things that break a normal pattern: we take that responsibility seriously."

Identifying fraud is not always straightforward and reporting it is a sensitive matter, but the impact of fraudulent activity on a customer and the bank is far more costly and often impossible to recover. When it comes to reporting suspected fraud, state laws vary, sometimes creating confusion for bankers on what exactly they can report without violating a customer's privacy. The CFPB's recent advisory to banks offers clarity and additional guidance here by outlining exceptions to the customer notice requirements under the Gramm-Leach-Bliley Act. According to the CFPB, these exceptions "may permit information sharing with local, state or federal agencies to report suspected elder financial exploitation."⁵



⁵ Recommendations and Report for Financial Institutions on Preventing and Responding to Elder Financial Exploitation, [Consumer Financial Protection Bureau](#)

Wells Fargo made the decision for each of its branches in all 50 states and the District of Columbia to be mandatory reporters of suspected fraud and abuse. “As a national bank, it didn’t make sense for us to pick and choose,” says Ron Long. “We wanted to prevent any confusion for our employees, and made it a priority to place customer protection at the forefront.”

Although there are variations from state-to-state in requirements and expectations for reporting suspected elder financial abuse, some states encourage bankers to reports suspected abuse by providing important legal protections. Across the state of Oregon, banks are finding success taking initiative under the voluntary system of reporting to Adult Protective Services. Banks are among the highest reporters of suspected elder abuse in the state, according to Linda Navarro of the Oregon Bankers Association, whose team led an effort to create robust training programs and retain the voluntary reporting system in their state. “We’ve proven that increasing awareness and engagement through training is far more effective in encouraging proactive reporting of suspect-ed abuse than a prescribed mandatory reporting system,” Navarro said. “This is an egregious crime that can impact anyone, including those we hold dear in our own lives. It is up to all of us to do our part to combat financial exploitation.”



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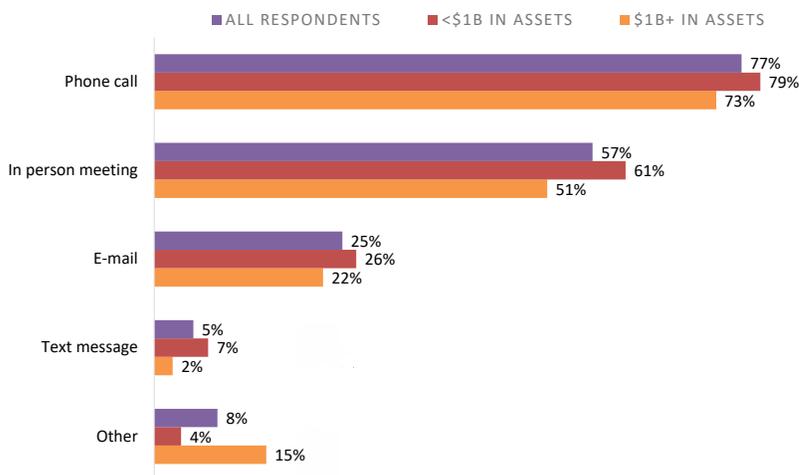
LINDA NAVARRO
PRESIDENT AND CEO
OREGON BANKERS ASSOCIATION

Notifying and assisting customers

Recognizing the sensitivity needed in handling suspicions of fraud and the importance of privacy, the majority of banks schedule an in-person meeting to notify the account holder or designated financial caregiver if they have concerns about unusual transactions. According to Pamela O’Leary of South Shore Bank, these in-person notifications are even more important as many older customers do not receive smartphone and email alerts since they are less likely to be enrolled in online banking. “Our tracking software and direct customer knowledge go hand-in-hand. When we notice something unusual, we initiate the conversation immediately and invite the customer into the bank,” O’Leary said. “That way we can sit down together, look at what’s happening on their account to be sure the customer is aware, and offer any help we can.”

Banks typically engage personally to notify trusted financial caregivers of suspicious activity

What methods of communications does your bank use to notify said trusted financial caregivers of suspected or confirmed suspicious activity? Check all that apply:



Reporting suspected fraud and abuse can be challenging when a customer is frightened, confused or withholds information. But bankers can act as “first responders” when it comes to financial crimes because they can see first-hand the warning signs of suspicious activity. The Bank of American Fork has designated Age-Friendly Champions at each of its branches and the bank’s call center to work with older customers. These employees are specially trained to work with seniors and their family members. “These are team members with a passion for helping and working with older customers, and they’ve been recognized for their spirit of compassion by their managers who recommended them for these roles,” Tracey Larson said.

Since frontline positions can be more social in nature, tellers have the opportunity to ask more questions to help surface any suspicious activity during transactions, according to Laurel Sykes of Montecito Bank & Trust. “It can be very difficult for a customer to recognize or admit when something is awry,” noted Sykes. “So we want our employees to be prepared to take the extra time to help our customers protect themselves.” Montecito also developed fraud flyers for tellers to share with customers whose transactions trigger concern, such as requests for large amounts of cash and wire transfers. Sykes said that they’ve found that giving a customer a short fraud brochure to read, while the teller is processing a request on the other side of the desk, can help alert the customer before it’s too late.

Not only training employees to spot fraud but also giving them the procedures and tools they need to report it, empowers bank staff and boosts morale. O’Leary noted that, “Without the right tools and direction, an employee is going to feel lost. If we put someone out there on the front-line and don’t give them the tools to do their job, then shame on us. We want our employees to feel valued and ready to do the best job they can to serve our clients and provide a great experience with our bank.” Training is important to help bankers know and understand what steps to take and, as important, what not to do.

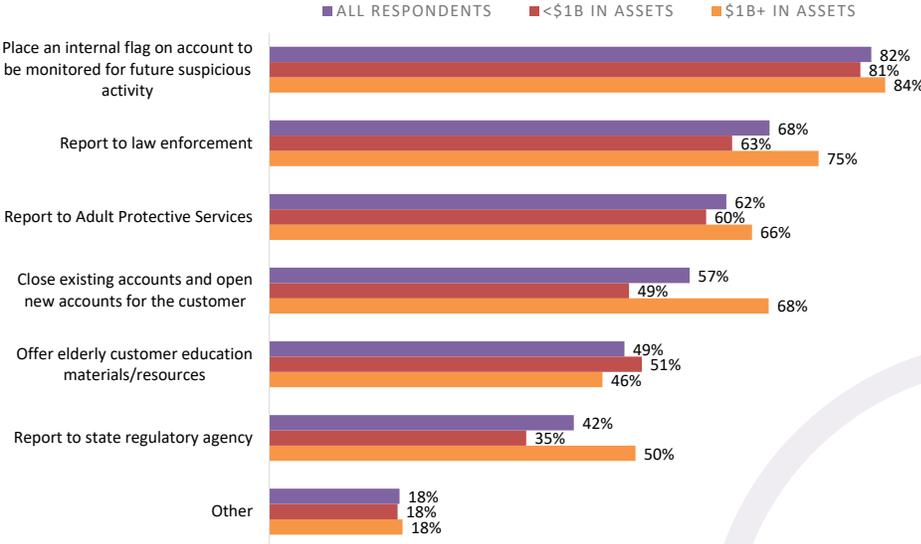


Partnering with law enforcement and Adult Protective Services

Banks cannot fight financial crimes alone, however. Partnering with Adult Protective Services and local law enforcement to protect the elderly and bring justice to financial abusers and scammers is critical to success and to providing older customers with the additional help and support they may need.

When dealing with suspected elder abuse or fraud, 8 in 10 respondents place an internal flag on the account to be monitored for future suspicious activity.

What actions does your bank take when dealing with suspected elder abuse or fraud?
Check all that apply:



“Fighting the scourge of elder abuse takes a concerted effort,” Ron Long of Wells Fargo said. “Protecting older customers isn’t just about what goes on inside the branch.” Wells Fargo Advisors meets with APS agencies all over the country to talk about the work the bank is doing and to learn from APS the challenges they face on the issue. “We’re focused on getting outside the bank and meeting with the folks who are doing the on-the-ground work of combatting elder financial abuse.”

At First Financial Bank in Texas, bank employees are certified by the bank as “Fraud Busters.” First Financial’s President and CEO Scott Dueser put the program in motion after receiving a call from a customer whose mother had been scammed out of her entire life savings. “I realized we needed to do better. We needed to be proactive rather than reactive,” Dueser said. The Fraud Buster program begins with training all bank employees in spotting fraud and notifying law enforcement so they can catch the criminals. “We don’t want to just stop fraudsters at our banks: we want to get them off the street so they can’t scam someone else,” Dueser said.

First Financial is not shy about calling in local law enforcement to make an arrest in the bank if necessary, and Dueser is proud of his employees’ success. The bank publishes its Fraud Buster awards with a brief recounting of how bank employees spotted a scam or caught a fraudster in the act. As the stories go out to all bank staff and on social media, they serve not only to praise the Fraud Busters, but also to educate staff in fraud detection and promote the good work the bank is doing. “Fraud is rampant and just keeps getting worse. We’re going to catch fraudsters no matter the age group they’re targeting,” Dueser said. “When our customers see an arrest in the bank or read about it on social media, they know we’re protecting them. It makes good business sense to us. People want to bank in a place that cares for all their customers.”



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SCOTT DUESER
PRESIDENT AND CEO
FIRST FINANCIAL BANK

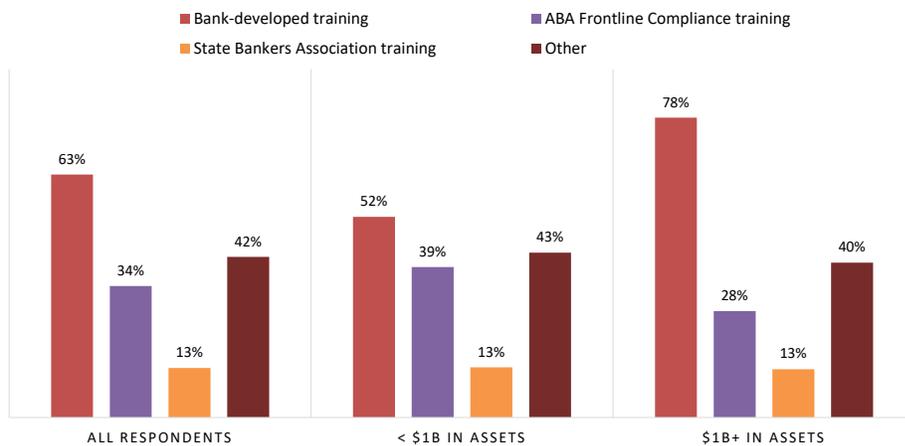
Prevention: Banks Can Provide Training and Education to Identify Risks and Prevent Fraud

Role of technology and training

Training employees in spotting financial exploitation has become a top priority for many banks. Nearly 80 percent of larger banks have developed their own specialized training programs, while smaller banks are more evenly split between creating their own program and using an outside program. Popular resources include ABA's Frontline Compliance Training, programs from state banking associations, courses from Bank Administration Institute (BAI) and Bankers Edge, and government agency resources from the FDIC, FTC, and CFPB.

Of the respondents that offer training programs, the majority (63%) use bank-developed training

If "Yes," select all training resources used by your bank:

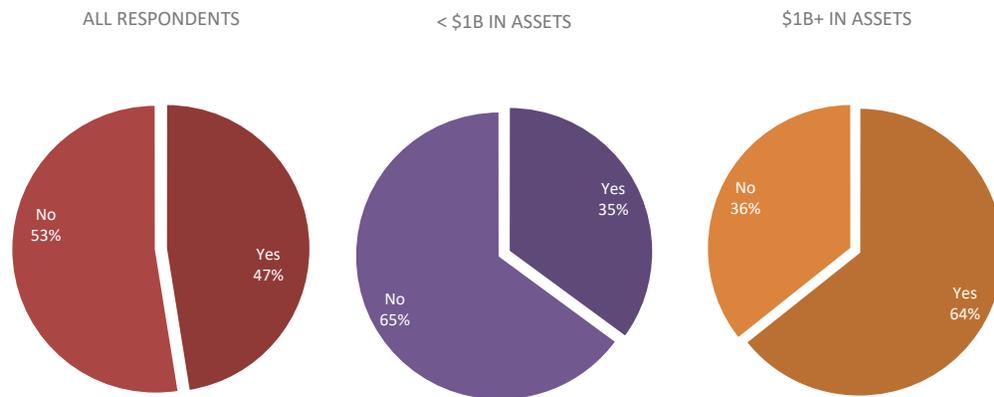


“We’re going to train everybody, whether you’re customer facing or not to recognize potential elder financial abuse,” Ron Long said. Wells Fargo employees are trained annually in identifying the red flags of fraud. “The criminals are sharpening their game every day so it’s critical that bankers stay up-to-date on the latest scams and freshen up on identifying suspicious activity.”

Automated tools are also making it easier for banks to get ahead of crimes against their customers. Larger banks are leading the way in implementing the latest technology with two-thirds using automated tools to identify patterns of behavior and create alerts when anything looks amiss, while just 35 percent of smaller banks have adopted these tools. Technology aids the identification of spotting many types of fraud quickly and early especially with debit card transactions and online banking. Tracking software can identify a shift in pattern and alert the bank and the customer before either is aware the account is at risk.

Larger banks are more likely to use automated tools to monitor account activities of older customers

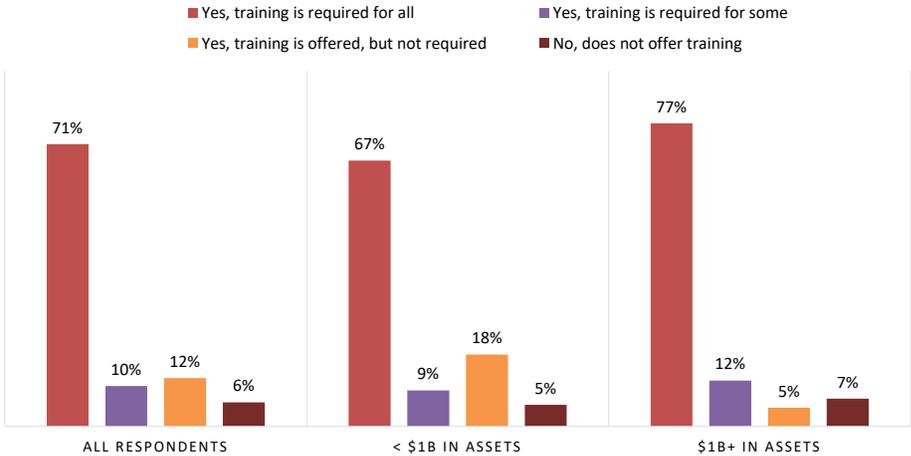
To prevent potential abuse or fraud, does your bank use any automated tools to monitor account activities of your older customers?



While technology has become an important tool in the arsenal to combat fraud, the personal relationships that bankers build with their customers cannot be replaced. The majority of banks require specialized training for their frontline employees and customer service representatives, and larger banks are more likely to require additional training for all their employees in spotting and responding to fraud.

Specialized training is required for all frontline staff or customer service representatives at 7 in 10 surveyed banks

Does your bank provide training to frontline staff or customer service reps on how to detect and report elder financial abuse?



Training is required for all other bank personnel at 6 in 10 banks

Does your bank provide training to other bank personnel on how to detect and report elder financial abuse?



Often technology and training go hand-in-hand, with banks tracking variations or unusual patterns, and using this information to train frontline employees to spot signs of suspicious activity or unusual behavior that may indicate a customer is at risk. “This helps us understand our customers and their needs, and allows us to learn their banking style and activities,” Tom Stitely vice president and regional area manager for Ameris said. “We develop a rapport with our customers, enabling us to work with them to help spot and identify unauthorized activity.” Ongoing training on regulations, fraud and security procedures in addition to their annual online employee training then prepares Ameris employees to respond quickly when they spot anything suspicious or concerning. “The professionals who are best positioned to consult with our elderly community on fraud and scams are the bankers they know and trust,” said Stitely.

For community banks like Montecito, employees get additional training to recognize scams and fraud prevalent in their local area. In addition to their online employee training, Laurel Sykes’ team keeps a “fraud bag” of collected samples of new scams they see cropping up during the year. “If our employees can identify these red flags right away, they’re in a position where they could stop the crime before it happens.”

Some banks are taking their training programs into their communities to help local law enforcement. People’s United, built on their long-standing partnership with local law enforcement and developed a sensitivity training program for police officers and bank employees to better understand the challenges affecting the elderly. “We continue to collaborate with local law enforcement and other community partners on a number of outreach initiatives,” Angela DeLeon said. “It’s important that we work together in protecting our customers and residents throughout our communities from fraud and scams.”

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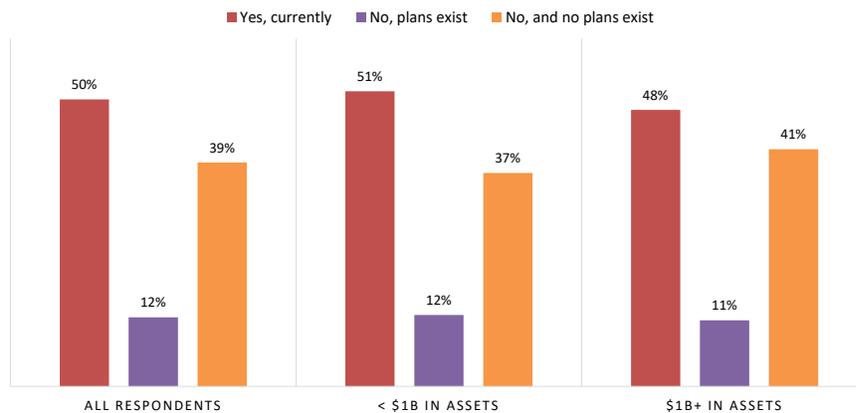
ANGELA DELEON
SENIOR COMMUNITY RELATIONS SPECIALIST
PEOPLE’S UNITED BANK

Working with caregivers

Another key partnership in building a safe community is with caregivers whom often hold responsibility for a seniors financial decisions. Banks are honing their practices of providing tools and guidance for older customers as seniors invite their trusted caregivers to assist with managing their finances. The menu of account options for seniors and their caregivers has increased, with banks offering view-only accounts, secondary accounts for bill pay, and limited transfer access for caregivers.

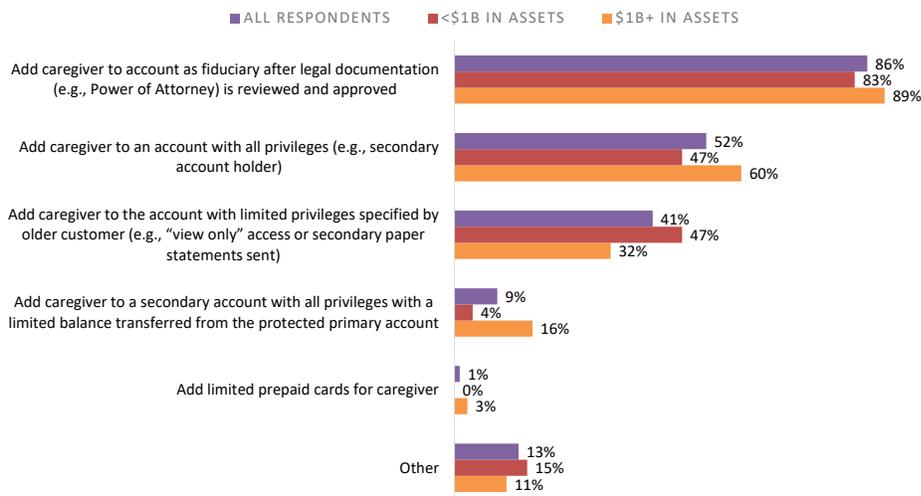
Half of respondents have procedures in place to assist account holders and their trusted financial caregivers

Does your bank have procedures in place to offer account holders the opportunity to consent to disclosure of account information to trusted financial caregivers?



The most common option offered is to add the caregiver to an account as a fiduciary

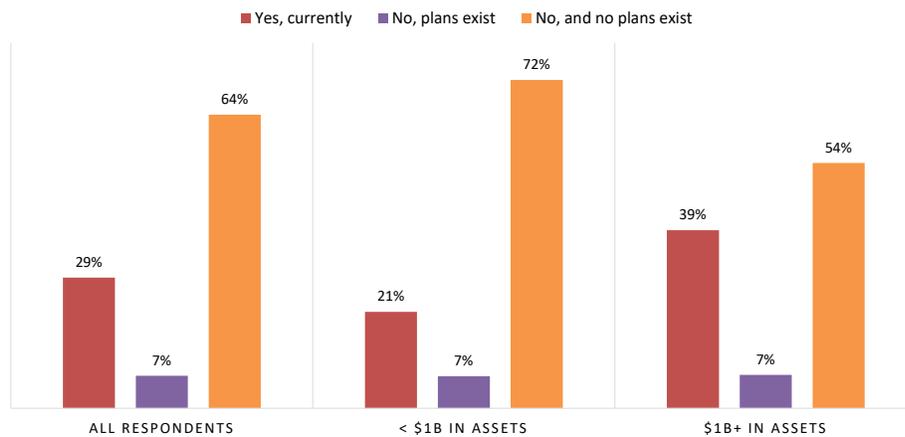
What options does your bank offer to add financial caregivers to an older customer’s account at the older customer’s request? Check all that apply:



When an older customer grants power of attorney to a caregiver or family member this can add a layer of complexity for banks working to protect their customer's interests. Setting protocols and defining parameters on account use are important steps for banks to take in navigating this territory. About one-third of banks have developed their own forms for authorizing power of attorney to financial caregivers.

About 3 in 10 respondents have developed their own forms for authorizing power of attorney to financial caregivers

To authorize power of attorney beyond that of private attorneys, e.g., to financial caregivers, has your bank developed its own specific forms to be completed by your customers?

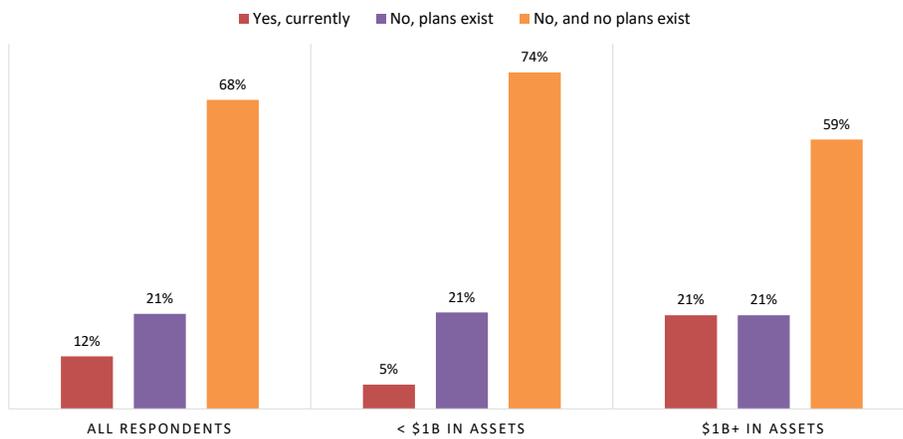


An established system of checks and balances adds layers of protection for the customer and the caregiver, according to Tracey Larson at Bank of American Fork. Larson recommends older customers open a secondary account with a low balance for caregivers to use in managing bills. She said it's important to help customers understand their options with caregivers and how they can creatively use the tools the bank has in place to make the transition safe and seamless. "We're just taking regular banking services and helping families understand how they can use those to reduce risk." The bank also provides account monitoring access for approved, trusted caregivers to add another layer of security for customers.

Recognizing the growing role of financial caregivers with a population that continues to boom into retirement, the majority of banks host outreach events for caregivers and provide information to help them in caring for their family members. Most often the focus is on fraud awareness and money management.

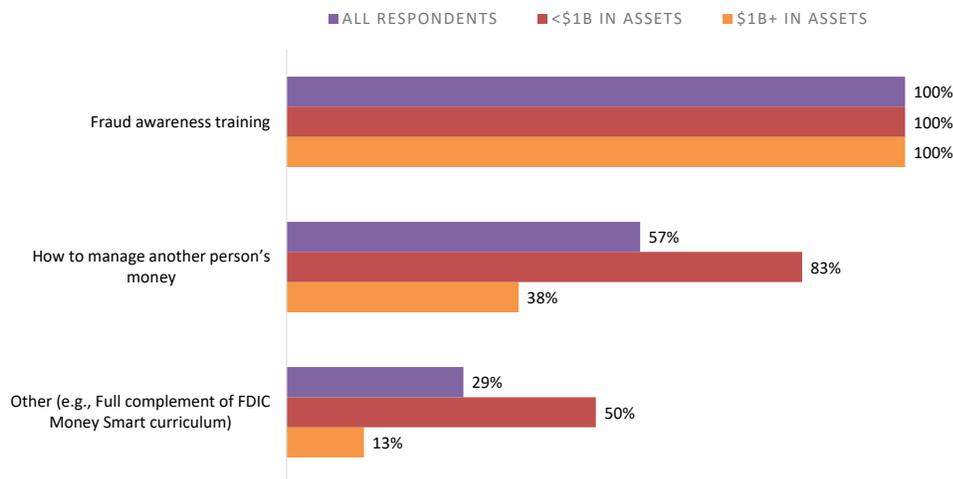
Larger banks are more likely to host community education/outreach events for financial caregivers

Does your bank host any community education/outreach events specific to financial caregivers?



The most common topic offered to financial caregivers is fraud awareness training

If “Yes,” check the training topics offered by your bank:



Another helpful step is to develop brochures for seniors and their caregivers. At Wells Fargo, their Guide to Financial Protection for Older Investors is geared toward educating caregivers as well as investors. The brochure discusses financial investment considerations for older customers, outlines risks for exploitation, describes a variety of scams and investment schemes, and provides recommendations on protecting against fraud and abuse. “We want this information in the hands of the family members of older customers so they can be aware of what their parents and grandparents might be challenged by or subjected to,” said Long.

“Even though we’re targeting seniors with our fraud training, we’re also focusing on their families,” Jennell Huff at Bank of the Rockies said. Huff said one of their goals with community training sessions is not only to educate customers about the risks but also to get them to open up about their experiences with each other to create a culture of awareness in the community. “Education is the key to preventing fraud and abuse, and that education needs to extend beyond the bank to the public in general because it is an issue that can touch anybody.”

By raising the level of awareness for customers of all ages, banks can help stop crime against their customers, thus fulfilling the bank’s primary duty of protecting the assets with which customers have entrusted them.



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JENNELL HUFF
CUSTOMER SERVICE REPRESENTATIVE
BANK OF THE ROCKIES

Popular Scams Targeting Older Americans

- **Grandparent and Imposter Scams**

The scammer will call or email the victim pretending to be a close friend or relative in desperate need of financial help and request a wire transfer from the victim's account.

- **Romance Scams**

The scammer will build a fake relationship through an online dating site, and then call on the victim to send funds or share financial information to help them out of a financial bind.

- **IRS Threats**

A victim will receive a threatening call from a fake IRS "agent" using scare tactics, such as a bogus tax bill, to collect confidential information.

- **Medicare/Medicaid Scams**

A fraudster will call offering supplemental coverage, claims support, or new policy cards as a ploy to steal personal and financial information.

- **Phone Scams**

Scammers will pose as tech support or customer service representatives in an attempt to sell a fake product or service or to collect private account information.

- **Email and Text Message Scams**

A victim will receive an "account update" request from what appears to be a legitimate institution, but a link will direct them to a dummy website designed to collect sensitive information.

- **Lottery and Sweepstakes Scams**

After receiving a notice of "winnings," a victim is asked to send payment for processing fees or to provide account information to transfer the phony prize money.

- **Fake Fundraising and Phony Philanthropy**

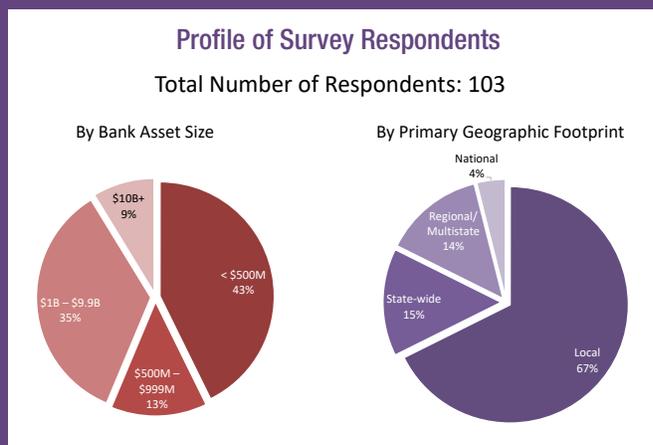
Con artists will pose as representatives of a charity organization to play on victims' goodwill.

Key Takeaways for Financial Institutions

- **Banks play a critical role at the frontline of identifying and reporting fraud against older customers.**
- **Partnerships with local law enforcement and Adult Protective Services are essential in helping to train bank employees, catching criminal activity, and getting older customers additional help and support.**
- **Technology can enhance a bank’s ability to identify risks and fraudulent activity quickly.**
- **Education and awareness are important for all age groups to stem the tide of financial exploitation, but especially with seniors.**
- **Regular training is key to giving bank employees the tools they need to spot fraud.**
- **Attention should also be given to educating caregivers and providing tools to aid in their support of older customers.**
- **Banks can provide services and tools that ease the burden for older customers as they manage their finances and transition to retirement.**
- **Banks need to regularly evaluate and assess their approaches to combatting elder financial exploitation to stay ahead of the latest scams and fraud risks.**

Methodology

The ABA’s Community Engagement Foundation surveyed 103 local, state, regional, and national banks with asset ranging from less than \$500 million to more than \$10 billion. This sampling is intended to provide a cross section of the industry and an assessment of industry-wide practices as relates to serving older customers.



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