

Financial institutions can combat elder financial abuse

Elder financial exploitation robs victims of their resources, dignity and quality of life—and they may never recover. Banks and credit unions are uniquely positioned to detect it and to take action.

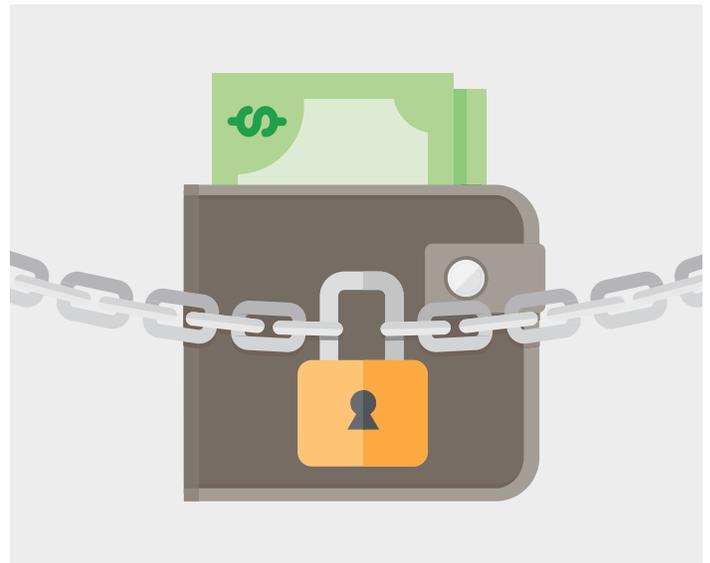
The Consumer Financial Protection Bureau’s Office of Financial Protection for Older Americans has identified best practices to assist banks and credit unions with their efforts to prevent elder financial abuse and intervene effectively when it occurs. The CFPB issued an Advisory and a Report¹ including these recommendations:

Train management and staff

Train personnel regularly and frequently, and tailor training to specific staff roles. Training should cover warning signs that may signal financial exploitation (behavioral and transactional), and action steps to prevent exploitation and respond to suspicious events.

Use technology to monitor for signs of abuse

Because indicators of elder fraud risk may differ from conventionally accepted patterns of suspicious activity, financial institutions using



predictive analytics should review their filtering criteria against individual account holders’ patterns and explore additional risk factors that may be associated with elder financial exploitation.

Report all cases of suspected exploitation to authorities

Make timely reports whenever financial institutions spot suspicious activity, regardless of whether reporting is mandatory or voluntary under state or federal law. Reporting does not, in general, violate the privacy provisions of the Gramm-Leach-Bliley Act.

¹ The Advisory and Report are not intended to interpret federal consumer financial law or any other statute or rule. They are not designed to implement or prescribe any law or Bureau policy. They are not binding on the Bureau or on financial institutions.

File Suspicious Activity Reports (SARs)

The Financial Crimes Enforcement Network (FinCEN) issued an Advisory in 2011 noting that SARs are a valuable reporting avenue for these cases. FinCEN now designates “elder financial exploitation” as a category of suspicious activity and provides a checkbox for it on the electronic SAR form.

Expedite documentation requests

Respond quickly to requests from Adult Protective Services (APS), law enforcement and other government entities investigating reports of financial exploitation. Provide documents at no charge.

Comply with the Electronic Fund Transfer Act and Regulation E

Extend time limits for consumer notification of an unauthorized transaction under extenuating circumstances such as hospitalization. Do not impose greater consumer liability than Regulation E allows, even when an older consumer may appear to be negligent by, e.g., noting a PIN on or near a debit card.

Enable consent to information sharing with trusted third parties

Establish procedures so consumers can provide advance consent to sharing account information with a designated trusted third party when the financial institution reasonably believes that the consumer may be at risk of financial abuse.

Offer age-friendly services

Provide consumers with information about planning for incapacity. Honor powers of attorney unless

there is a basis in state law to refuse them. Offer opt-in account features such as cash withdrawal limits, alerts for specified account activity, and view-only access for authorized third parties. Where appropriate, offer convenience accounts as good alternatives to traditional joint bank accounts.

Collaborate to protect older adults

Develop relationships with law enforcement and APS personnel to facilitate timely response to reports. Work with an array of agencies and service organizations to offer educational programs and distribute materials. Participate in multidisciplinary network initiatives.

A copy of the advisory is available at:

consumerfinance.gov/fi_advisory_elderabuse

A copy of the report is available at:

consumerfinance.gov/fi_report_elderabuse

Contact the CFPB



Email the Office of Financial Protection for Older Americans
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