

Choosing a trusted contact person can help you protect your money

Banks and credit unions sometimes become concerned that an account holder is experiencing fraud, a health crisis, or another emergency that affects their financial affairs.

In one emerging practice, banks and credit unions may allow you to choose one or more trusted contacts, like an adult child or close friend, who your bank or credit union can reach out to for extra help in emergency situations. You can add a trusted contact person to your brokerage accounts, too. This is a way that your financial professionals can help protect your financial well-being.

Let's take a look at how this might work, and how choosing a trusted contact could help you safeguard your finances.

Imagine you have a friend named Lara. Lara listed her adult daughter as a trusted contact with her credit



union. Lara provided her formal consent for the credit union to contact her daughter if the credit union has trouble reaching Lara or believes she is experiencing financial exploitation.

Today, the credit union notices a large withdrawal from Lara's account. Lara does not usually make large withdrawals, so the credit union suspects the transaction may be fraudulent. The credit union calls Lara and sends her an email alert, but Lara doesn't respond.



A credit union staff member then reaches out to Lara's daughter, the trusted contact, about their concerns. Lara's daughter informs the staff member that Lara has had a recent health crisis and is not able to use her cell phone.

Once she knows about the situation, Lara's daughter might help Lara by:

- Stopping by to see Lara in person to ask Lara if she knows about the withdrawal and to encourage Lara to contact her credit union to address the situation
- Coming into a local branch in person with Lara, so Lara can confirm that the withdrawal was fraudulent and talk to staff about next steps
- Helping Lara find out whether anyone else has accessed Lara's financial information (*Note: the daughter would not be able to access any information without Lara's consent*)

- Helping Lara stop that access
- Helping file a report with the police or other authorities
- Working with Lara to make a plan for how to prevent future problems and how to respond if something like this happens again

Because Lara provided advance consent to allow her credit union to alert her trusted contact, the credit union can help Lara get some extra support to report the suspicious activity and protect her money.

It's important to be sure you fully understand any financial decisions you make. Think about what it means to choose a trusted contact.

- The main benefit of choosing a trusted contact is that if an emergency happens, you have already identified someone who you want your bank or credit union to contact to help protect you.
- Think about people you know who would be a good fit for this job. You should choose someone you trust who is reliable and has your best interests at heart. You can choose a family member, friend, attorney, or someone else.



It can be helpful to choose more than one trusted contact, so that if the first person is not available, your bank or credit union can reach out to others on the list.

- Ask your bank or credit union to walk you through their trusted contact policy, to make sure you understand what it says.
 - Make sure you understand when your bank or credit union can alert your trusted contact. For example, your bank or credit union may alert your trusted contact when they are unable to reach you or when they suspect possible financial exploitation.
 - Ask your bank or credit union what information they would share with your trusted contact in different situations. If you are not comfortable with something, ask if you can change or limit what a staff member can share.
- Ask your bank or credit union what they would do if they suspected your trusted contact was trying to take advantage of you.

Consider choosing multiple trusted contacts, in case the first person is involved in a suspicious situation. For example, if Lara had chosen her nephew as a second trusted contact and Lara's daughter was suspected of trying to steal her money, the credit union could contact Lara's nephew for help.
 - You can typically remove your trusted contact or switch to a new trusted contact. If you change your mind, you can tell your bank or credit union they no longer have your permission to contact that person. You will likely need to sign a written document acknowledging the change. Contact your bank or credit union right away if you want to change something.
 - If you have concerns about privacy, family dynamics, maintaining your financial independence, or something else, talk to your bank or credit union up front about your concerns.

Remember—it may be advisable to name a trusted contact who does not also currently have control over your finances, ownership interests in your accounts, or authorizations to access, transact on, or withdraw money from your accounts.

For more resources, visit consumerfinance.gov/olderamericans.

Protect your money and your independence

Enabling your bank or credit union to alert your trusted contact during a suspicious situation is one tool you can use to help prevent financial exploitation. This can help you protect yourself without giving up control over your finances.

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