COVID-19 Scams and Planning Tips

A supplement to Money Smart for Older Adults

June 2021
Older adults may have unique financial challenges during the coronavirus pandemic. These challenges can include being targeted by scammers and experiencing separation from family and financial caregivers who help them to manage their money. Others may be facing tough choices before and during retirement. This resource can help you avoid scams and plan for the future.

Part I: COVID-19 scams

Scammers take advantage of people during times of stress, fear, and uncertainty. Be aware of scams related to COVID-19. Help spread the word and keep those you care about from falling for a scam, regardless of their age or health status.

Here are some examples of scams.

- **Coronavirus Healthcare Scams**—Be on the lookout for fake vaccines, test kit offers, or air filter systems.

- **Errand Helper Scams**—Scammers offer help with errands, then run off with the money. Older adults should try to find a trusted friend or neighbor. Caregivers should check in by phone or video chat and ask questions.

- **“Person in Need” Scams**—Scammers can pose as a grandchild, relative or friend who claims to be ill, stranded in another state or country, or otherwise in trouble, and asks you to send money. Don’t send money unless you are sure the real person contacted you.

- **Scams Targeting Social Security Benefits**—Scammers may mislead people into believing they need to provide personal information or pay by gift card, wire transfer, internet currency, or by mailing cash to maintain regular benefit payments. Any communication that says the Social Security Administration (SSA) will suspend or decrease your benefits due to COVID-19 is a scam, whether you receive it by letter, text, email, or phone call.

- **Coronavirus Charity Scams**—Never pay by cash, gift card or money transfer. Visit the organization’s website directly. Be wary of charities calling you for donations.

- **COVID-19 Government Imposter Scams**—Many of us are paying close attention to the guidance from federal, state, and local governments during this COVID-19 health emergency. Unfortunately, scammers are also paying attention. Some are even pretending to be affiliated with the government just to scam you out of money.

- **Unemployment Benefit Scams**—Scammers may try to use your personal information to claim unemployment benefits. Some people have reported receiving prepaid cards in the mail with unemployment benefits that they didn’t apply for. Others have reported suspicious transactions and deposits in their bank accounts involving unemployment benefits. Once you receive the funds, a scammer may contact you, pretend to be from the government, and tell you the benefits were deposited by mistake. They will then ask you to send them the money.

If you spot a scam, report it to the Federal Trade Commission (FTC) at reportfraud.ftc.gov. Keep reading for suggestions on how to get started with planning for the future.
Part II: Planning for the Future

It’s common for couples to share their financial lives but not the responsibility for managing household finances. But if responsibilities unexpectedly shift due to a sudden illness or loss of a spouse, getting up to speed quickly could be challenging for the person least familiar with handling the family finances. Without the help of the person who has always handled the money, the one left in charge will face major headaches. Do you and those you care about have plans in place should one of you become unable to manage your finances? Here are some suggestions to help navigate your planning.

Get started

Schedule time for you and your spouse to go over your financial picture. Start by taking an inventory of your family finances: income, expenses, debt, and investments, if any. It’s good to get in the habit of sharing this every so often as your financial picture changes or to keep it fresh in your mind.

Maintain a list of account information and store it in a secure location. Make sure you both have access to online accounts. Create a list that includes account numbers, usernames, security questions, and passwords. There are many options available for securely saving the list digitally or printing it and storing it in a locked fireproof box. Remember to tell your spouse how to access the file and update it when necessary.

Have a plan. Plan for what will happen and who will manage your finances if one or both of you become ill or die unexpectedly. Consider creating a durable power of attorney so you will have someone in place to pay your bills or make financial decisions if you can no longer do it on your own.

Once you’re aware of the gaps in your or your spouse’s knowledge, you can work together to get on the same page. Losing your spouse is challenging on its own, and that stress multiplies if you find you are in the dark about your family finances. It’s worth taking time now to make sure you both will be equally prepared for the future.

Begin online banking with a few steps

If you’ve been on the fence about doing your banking online or through a mobile app, now is a good time to get started as financial institutions change their branch hours during the COVID-19 pandemic. Online and mobile banking allow you to handle your finances from the comfort of home.

As long as you have a computer or smartphone with access to the internet and an account with a bank or credit union account eligible for internet banking, it’s easy to get started.

1. Gather your account numbers. Your account numbers should be on your paper statement. Your account number will also be on the bottom of your checks or deposit slips. They are needed to enroll your account.

2. Find your bank or credit union’s website. Look on one of your paper statements or on the back of your debit or credit card to find the website, rather than doing an online search or clicking on links in an email or text. If you visit your bank’s website from your smartphone, you may be prompted to download the bank or credit union’s mobile app that you can use from your phone.

3. Register for access to your bank or credit union’s online banking platform. The first time you visit, you’ll follow the prompts to create an online account. You will answer questions to prove it’s really you, choose a username and password, and set up security features and preferences. Create strong passwords and do not use the same password for all accounts. Don’t use information such as addresses and birthdays in your passwords.

4. Log in and take a tutorial if it’s offered by your bank or credit union to learn your way around the platform.
Additional resources:

From the CFPB
- Resources to help you avoid scams, visit consumerfinance.gov/coronavirus/avoiding-scams/
- Managing your finances during the pandemic consumerfinance.gov/coronavirus
- Housing, including mortgage forbearance and protections for renters, visit consumerfinance.gov/housing
- Planning for financial decisions as you age, visit consumerfinance.gov/about-us/blog/planning-for-financial-decisions-as-you-age/
- Managing someone else’s money, visit consumerfinance.gov/msem

From the FDIC
Visit the FDIC’s website at fdic.gov/education for more information and resources on banking-related issues. For example, the FDIC’s Money Smart financial education program can help people of all ages enhance their financial skills and create positive banking relationships. Also, the FDIC is responsible for:
- Investigating all types of consumer complaints about FDIC-supervised institutions
- Responding to consumer inquiries about consumer laws and regulations and banking practices
- COVID-19 resources from the FDIC fdic.gov/coronavirus
- Resources to help people open an account at an FDIC-insured bank fdic.gov/getbanked

You can also call the FDIC for information and assistance at 877-ASK-FDIC (877-275-3342).

FTC resources
The Federal Trade Commission (FTC) set up a new toll-free telephone number (877-355-0213) for tips on how to avoid COVID vaccine scams.

If you call the Helpline, you will hear these tips in English or Spanish:
1. You can’t pay to put your name on a list to get the vaccine. That’s a scam.
2. You can’t pay to get early access to the vaccine. That’s a scam.
3. Nobody legitimate will call, text, or email about the vaccine and ask for your Social Security, bank account, or credit card number. That’s a scam.

What’s a money mule scam? visit consumer.ftc.gov/blog/2020/03/whats-money-mule-scam