

2019 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

Often referred to as the “age wave,” the United States is in the midst of a demographic transition as 10,000 Baby Boomers¹ turn 65 every day until 2030—at which point 20% of the nation will be “retirement age.”² This shift has affected industries across the nation, and the financial services industry is no exception.

Older Americans, primarily those born before 1964, hold 70% of deposit balances in the US. This fact has enticed scam artists seeking to exploit individuals to target seniors, their identities and their financial assets. Seniors lose billions of dollars to exploitation each year. Losses from such abuse are significant and take an emotional toll on top of the financial impact. Victims often become depressed, and experience intense feelings of shame as well as fear. Many lose their savings while others may also lose their homes, harming one of America’s most at-risk populations.

Recognizing the challenges facing America’s elderly population, banks are actively working to protect seniors and combat elder financial exploitation.³ Banks view safeguarding older customers as not only an ethical imperative, but integral to good business.

This report presents findings from ABA Foundation’s 2019 Older Americans Benchmarking Survey, which was designed to capture data on how banks educate older Americans, respond to fraudulent activity and train their staff to protect older customers. Results are based on a sample size of 130 banks of varied asset classes, representing more than 90% of the U.S. banking population. Please note that the percentages in charts and tables on the following pages may not always sum up to 100% due to rounding or multiple answers provided by the respondents.

Key findings include:

- Elder financial exploitation prevention training is now largely standard, being offered for frontline staff and customer service representatives at all banks surveyed and required for customer-facing staff at 9 in 10 banks of all sizes, up from 7 in 10 in 2017.
- Banks are increasingly reporting elder financial exploitation to Adult Protective Services (APS). Eighty-one percent of banks surveyed listed reporting to APS as one of their key actions in dealing with suspected elder fraud, up from 62% in 2017.
- With the constant barrage of fraudulent activities and a growing number of

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 1 Baby Boomers are the generation of Americans born between the years 1946 and 1964.

2 “Older People Projected to Outnumber Children for the First Time in U.S. History” U.S. Census Bureau, www.census.gov/newsroom/press-releases/2018/cb18-41-population-projections.html

3 Elder financial exploitation is the illegal or improper use of an older person’s funds, property or assets.



at-risk customers, banks are finding that protecting their older customers requires dedicated staff beyond frontline customer service. Sixty-two percent of banks surveyed now have a designated employee in charge of elder financial abuse and fraud prevention.

- Banks are increasingly embracing their roles as leaders in customer education and outreach to help protect seniors from fraud. Fifty-six percent of all survey respondents host community outreach and education events for older customers, up from 47% in 2017.

“Building on the success of our inaugural benchmarking survey in 2017, we hope this update will enlighten and provide additional recommendations for financial institutions looking to augment their efforts to protect older customers from fraud,” said ABA Foundation Executive Director Corey Carlisle. “We are tremendously grateful to all survey participants, our funders and the community of practitioners that have helped inform our work in protecting this vulnerable customer population.

Background

The senior population is growing, and, in the next decade, they will outnumber children for the first time in the nation’s history.⁴ Thanks to steady lifetime careers and careful planning, they also tend to be the wealthiest demographic, with banks reporting that Baby Boomers and the generation preceding them hold 70% of deposit balances.

As the senior population increases each year, banks are responding to the

Percentage of deposit balances by generation

■ Traditionalists (born before 1946) ■ Baby Boomers (1946–1964) ■ Generation X (1965–1984) ■ Millennials (1985–2004) ■ Generation Z (2005+)



Traditionalists and Baby Boomers together account for 70% of bank deposit balances.

“Building on the success of our inaugural benchmarking survey in 2017, we hope this update will enlighten and provide additional recommendations for financial institutions looking to augment their efforts to protect older customers from fraud.”

**COREY CARLISLE,
EXECUTIVE DIRECTOR,
ABA FOUNDATION**

4 “Older People Projected to Outnumber Children for First Time in U.S. History” U.S. Census Bureau, www.census.gov/newsroom/press-releases/2018/cb18-41-population-projections.html

growing need to educate customers, empower staff and adopt the latest tools to prevent and stop fraud targeting older customers and their wealth. The problem of elder financial exploitation has received greater attention in recent years, and this attention from banks of all sizes, regulatory agencies and senior-focused organizations has raised the level of discourse and led to strong partnerships between the industry and local communities to address the problem.

“Banks should be working closely with industry trade groups, non-profit organizations and community groups to proactively reach out to older Americans to help them maximize their financial health, as well as navigate digital financial services and stay safe online,” said Darius Kingsley, head of business practices for JPMorgan Chase Consumer Banking.

“As bankers, we are united in the fight against the bad guys, the fraudsters who are out to steal from our customers,” Brett Frederick, director of enterprise fraud risk management at US Bank, said. “Ultimately, it is about doing what we can to help and to sharpen our tools to prevent elder fraud from occurring, while at the same time providing a more tailored customer service.”

According to the 2019 Consumer Financial Protection Bureau report on elder financial exploitation, actual losses and fraudulent attempts against older customers totaled \$6 billion from 2013 to 2017.⁵ Older Americans are more likely to report financial losses from tech support, prize, sweepstakes, lottery, and family/friend impersonation scams.⁶ Researchers also have found that aging can affect the brain’s ability to quickly discern suspicious activity, regardless of a person’s education or professional background, leaving all customers more susceptible to fraud in their advanced years.⁷ According to the CFPB, adults ages 70 – 79 experienced the greatest financial hit from fraudulent activity, suffering an average loss of \$45,300 in 2017.

“Elder fraud is unfortunately a growth business,” Kieth Cockrell, specialty client services executive for Bank of America, said. “It’s up to each of us to do all we can to stay ahead and stop fraudsters in their tracks.”

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**DARIUS KINGSLEY,
HEAD OF BUSINESS
PRACTICES,
JPMORGAN CHASE
CONSUMER BANKING**



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5 “Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends,” Consumer Financial Protection Bureau, files.consumerfinance.gov/f/documents/cfpb_suspicious-activity-reports-elder-financial-exploitation_report.pdf

6 “Protecting Older Consumers,” Federal Trade Commission, www.ftc.gov/system/files/documents/reports/protecting-older-consumers-2018-2019-report-federal-trade-commission/p144401_protecting_older_consumers_2019_1.pdf

7 “Age of fraud: Are seniors more vulnerable to financial scams?” David Brancaccio, Marketplace, www.marketplace.org/2019/05/16/brains-losses-aging-fraud-financial-scams-seniors/

The good news is that banks, government agencies, law enforcement, Adult Protective Services and other organizations are doing more to thwart scammers and arm customers and bank employees with the tools they need to spot and stop fraud. With more information available and new protections in place, banks are sharpening their resources and stepping up their prevention efforts and reporting procedures.

“Recent legislation and rules from regulators and Congress are helping financial institutions in the fight against elder abuse,” said Ron Long, director of elder client initiatives at Wells Fargo.

The CFPB recently reported that the number of Suspicious Activity Reports indicating elder financial exploitation quadrupled from 2013 to 2017. These figures demonstrate that banks are on high alert to identify, report and stop elder financial exploitation, and that trend can be expected to increase following the enactment of the Senior Safe Act of 2018.⁸

Banks of all sizes are expanding and improving their procedures and tools with an eye on making the most of resources available. They are also tapping into relationships across their communities as they seek to protect older customers from an unrelenting army of scammers.

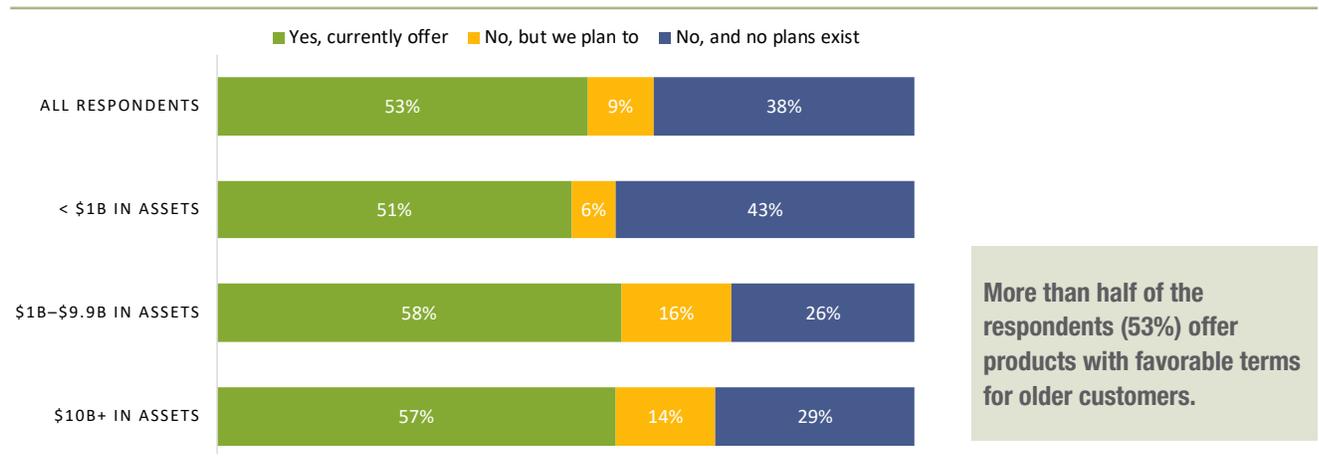


8 Through the new law, Congress addressed outstanding liability concerns in states which still lacked clear reporting statutes by providing financial institutions nationwide with protection for reporting suspected fraud to APS and law enforcement, under bank privacy laws. www.bressler.com/the-senior-safe-act-becomes-law

EDUCATION: Bank Services and Programs for Older Americans

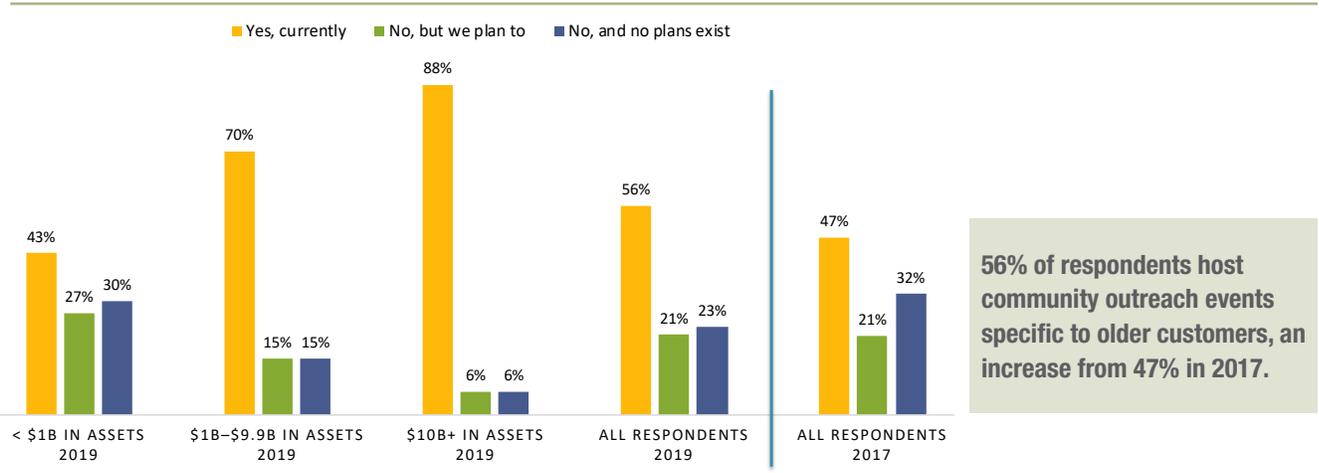
Connecting personally with older customers and building on a relationship of trust remains paramount to successfully addressing fraud and financial abuse with seniors. To meet those needs, banks continue to adapt their products for older customers. A majority of respondents indicated that they offer seniors accounts that have low or no minimum balance requirements, reduced monthly maintenance fees, free checks, free money orders and/or discounted safe deposit boxes.

Does your bank offer products with favorable terms for older customers? (percentage of banks)



Additionally, banks are increasingly embracing their roles as leaders in customer education and outreach to help protect seniors from fraud.

Does your bank host any community events for older customers? (percentage of banks)

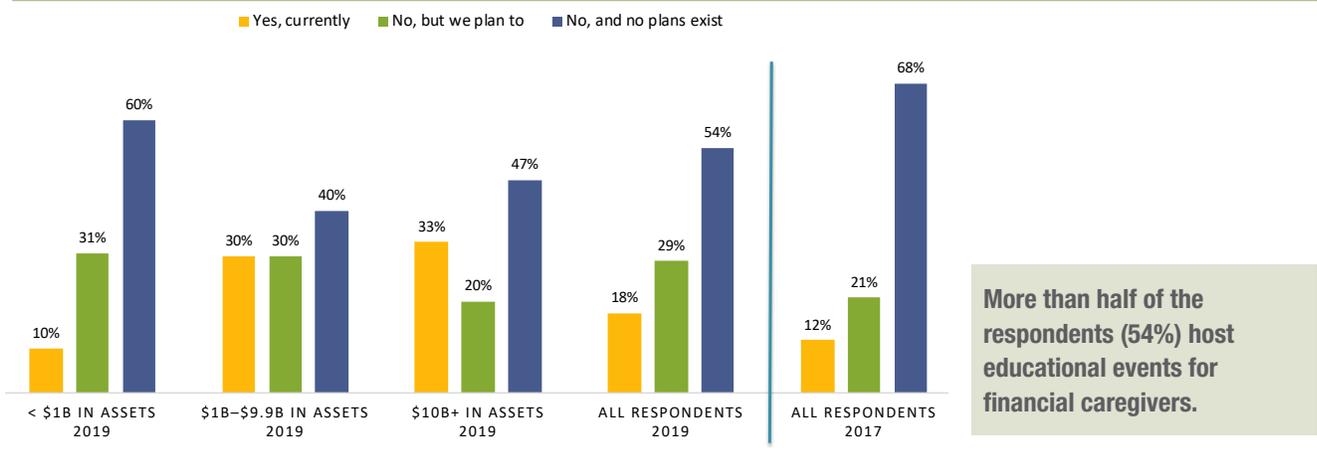


Banks have been taking advantage of the abundance of resources now available on elder fraud awareness and prevention. “There’s so much information available that it can be overwhelming, even for bank staff,” Janean Cole, risk manager at Dacotah Bank noted.

“Our goal was to streamline that information and make it accessible to older customers and our broader community,” Cole said. Dacotah Bank—which has branches throughout North and South Dakota and Western Minnesota—created fraud packets that include short brochures to educate older customers on how to identify and respond to fraud and identity theft, as well as “scam cards” that cover common scam scenarios and contain information on how to report scams. Cole says these packets have become popular not only with customers, but with senior-focused groups and other businesses across their community. “People are eager for handy resources, and they want to be empowered to take action,” Cole said.

Educational resources and events are not limited to seniors. Banks are broadening the reach of their educational resources and events to caregivers, too. Survey results show a slight six percent increase in community outreach events targeted at caregivers, with fraud prevention leading the way as the most popular topic followed by sessions on managing another person’s money.

Does your bank host any community outreach events specifically for financial caregivers? (percentage of banks)

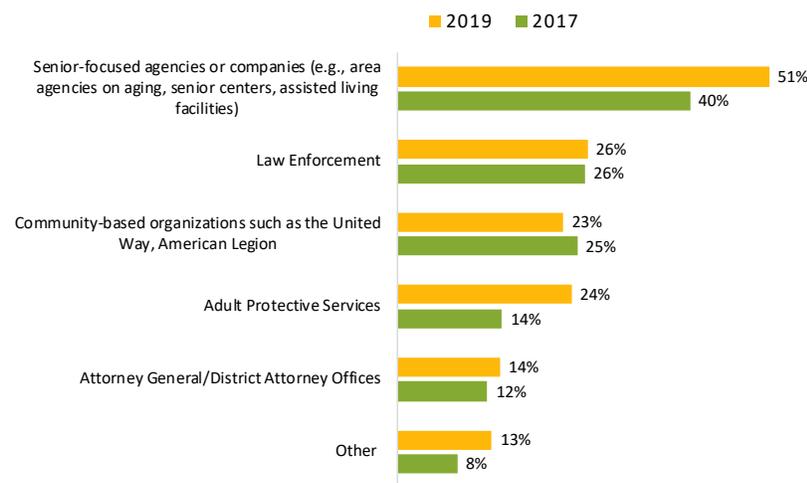


“Financial literacy isn’t terminal,” said Jennell Huff at Bank of the Rockies in Central Montana, who emphasized the importance of educating the bank’s older customers on the warning signs of fraud. “Financial education doesn’t stop when you graduate from high school or college. It must be ongoing because of the constant changes in technology and society.” At Bank of the Rockies, educating older customers on fraud risk begins with breaking down information into digestible bites and connecting with customers to disseminate the information as widely as possible.

“We take every opportunity, every invitation to engage with older members in our community to increase awareness on the risk of fraud and financial abuse,” Huff said. While the bank can only reach customers willing to learn and engage, these interactions can have a ripple effect. “We’re engaging and activating seniors and caregivers who will go out and share this information with their friends, family and neighbors. Financial literacy doesn’t stop at the bank; it begins here.”

While banks may be ground zero in the fight against elder financial exploitation, protecting older Americans from fraud and financial abuse and educating them on risks, takes a broader community effort. Fortunately, banks are finding allies in local senior organizations and APS. Of banks surveyed, nearly a quarter report that they have an ongoing partnership with APS, compared to 14% in 2017, and more than half work with senior agencies or companies to engage with seniors in their communities. Thirteen percent also collaborate with other entities such as legal firms and local coalitions.

With which organizations does your bank partner to host community education events for older adults? (percentage of banks)



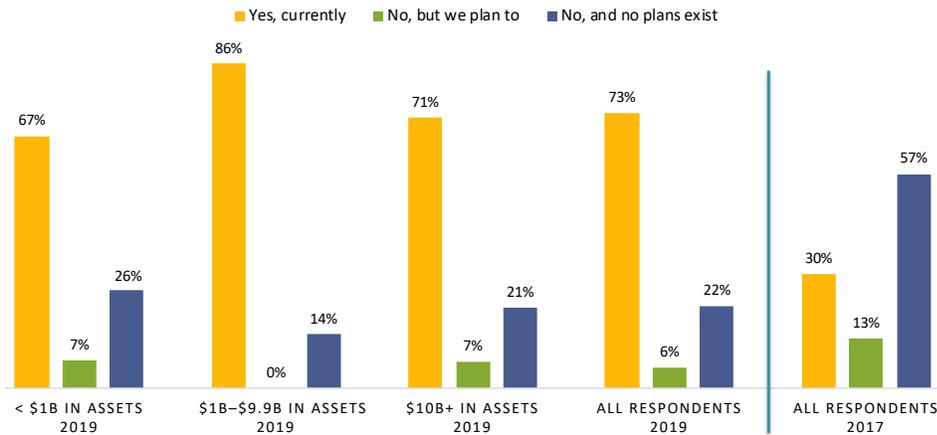
More banks reported partnering with senior-focused agencies and APS than in 2017.

Old National Bank, Evansville, Ind., got the word out during Fraud Awareness Week by working with its local public television station. Bank associates, along with key community leaders, served as subject matter experts for a special documentary the station produced on keeping seniors safe from financial abuse.

“This program gave a broader voice to the issue and helped us reach the community, both to help educate them on the issue and to offer ourselves as a resource,” Old National’s operational risk director Sherry Schneider said.

As a result of the growing importance of protecting senior customers, more banks are finding that keeping up with the demand for customer engagement and education requires full-time dedicated staff positions. The number of bank respondents who reported designating a staff position to manage their older customer education programs has more than doubled in the last two years from 30% in 2017 to 73% in 2019.

Does your bank have dedicated staff for older customer education programs? (percentage of banks)



Seven in 10 respondents reported having dedicated staff manage their older customer education programs, up from 3 in 10 in 2017.

For example, at Bank of the Rockies, Huff said they have adopted the practice of assigning staff members as “Senior Champions.” Within each branch, employees who volunteer, or are nominated by the branch manager, to take on this role receive specialized training to become the point person on elder customer services and fraud education. This approach was especially important for Bank of the Rockies due to the rural geography of their Montana communities, where people regularly travel up to 60 miles just to run errands. “Having someone stationed at each branch with a specialized focus on this area helped us readily bring educational resources straight to our customers.”

At US Bank, education and engagement begins the moment a senior enters a branch: the bank uses its lobby as a resource center to help educate older customers and caregivers while they wait or during a transaction. White boards introduce topics, such as the latest scams targeting seniors, to generate conversations at the branch level. “We want to reach them at an emotional level to urge them to want to learn more and take action,” Frederick said. “When customers choose to engage on the topic, they are more likely to remember what they’ve learned and share that information with their friends and family.”

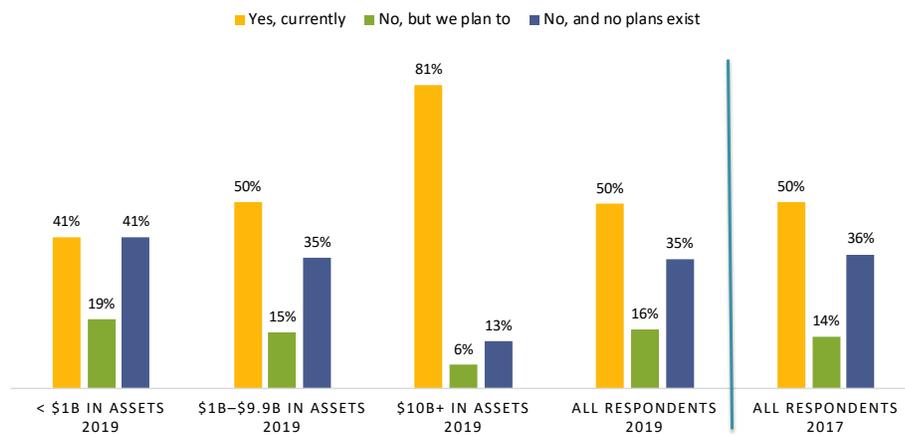
In addition to the elder financial exploitation prevention strategies, banks are also educating older adults on accessing online tools. Banks are specifically working to take back the digital territory that would-be scammers have made their playing field and using these platforms to engage seniors. Survey results show a trend among larger banks of offering in-branch training for older customers who are looking to take advantage of online banking tools. Half of all survey respondents and 8 in 10 of banks with assets of \$10 billion or more offer in-branch bank technology training.

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**BRETT FREDRICK,
DIRECTOR OF
ENTERPRISE FRAUD
RISK MANAGEMENT,
US BANK**

Does your bank offer in-branch training for older customers on new banking technologies, such as online or mobile banking? (percentage of banks)



Fifty percent of banks—including 81% of those with \$10B+ in assets—offer in-branch training for older customers

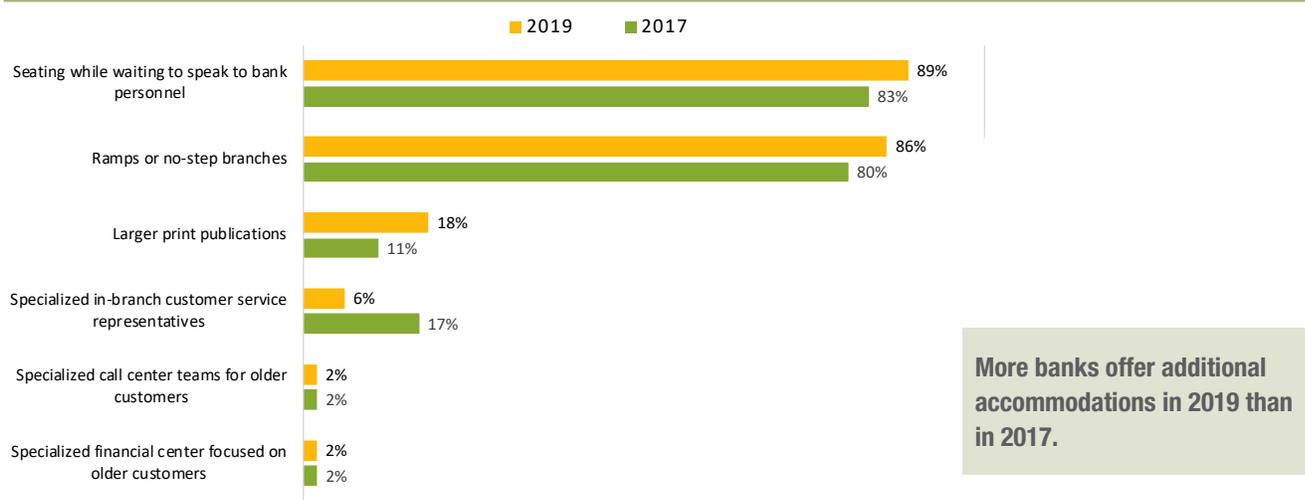
“We always want to be thinking about what’s next and be ready to reach out to our customers wherever they may be,” Frederick said. To that end, US Bank is creating real-time surveys, where customers can walk through scenarios and questions related to fraud and then receive real-time feedback and information guiding them to further resources. Frederick anticipates this will not be limited to seniors but can become an effective way for the bank to engage with customers of all ages about the warning signs of fraud and abuse and, in turn, empower everyone to respond.

“To a great degree, the bank is now using the same channels the fraudsters use to communicate, and we’re finding it has a tremendous impact on getting information to our older customers,” Josh Brown, director of security at Fauquier Bank said. He regularly writes blog posts for the bank on topics relating to fraud and identity theft, which the bank shares across its social media channels. With older customers becoming more active on social media, platforms like Facebook provide another outlet for customers to connect with their bank, according to Brown. “I am always surprised when I hear directly from customers that they’re reading our blog, but it shouldn’t be surprising. People are hungry for information. We need to make the most of every channel we can to meet that need.”

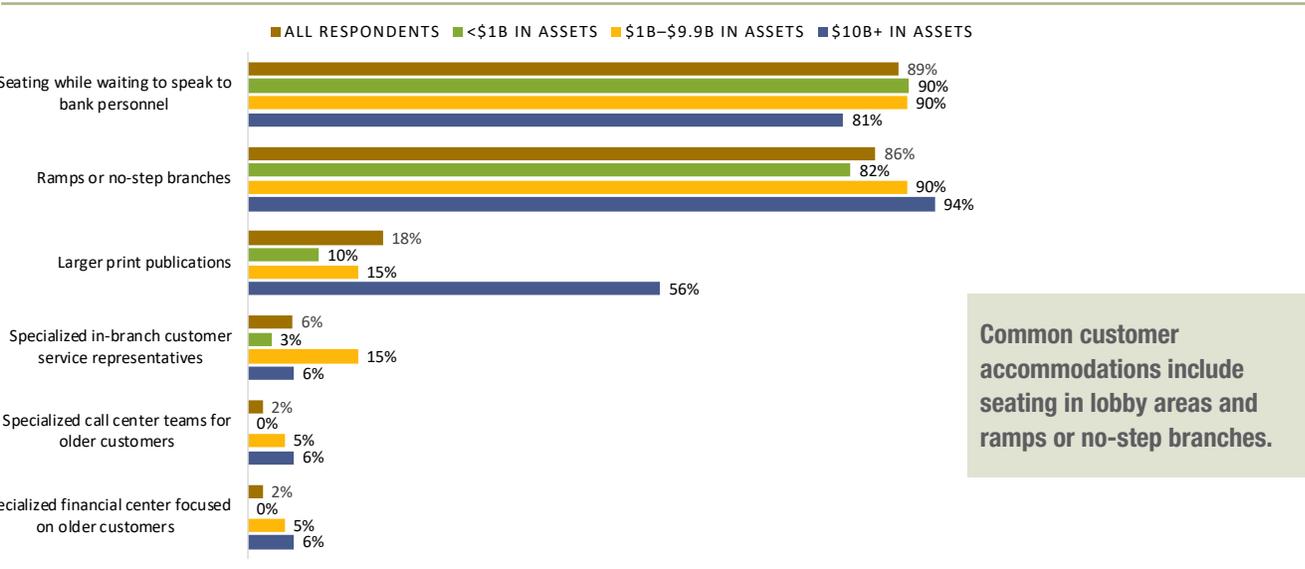
While digital tools are important, banks have also focused on improving overall branch experiences for older adults. To make the in-person banking experience convenient and valuable to older customers, banks have been enhancing accessibility and engagement to ensure branch visits are comfortable and educational. Compared to 2017, senior-focused customer services increased by more than 10% with more banks offering lobby area seating, accessible branches and large-print publications.



**Does your bank offer additional accommodations for older customers?
(percentage of banks by year)**



**Does your bank offer additional accommodations for older customers?
(percentage of banks by asset size)**

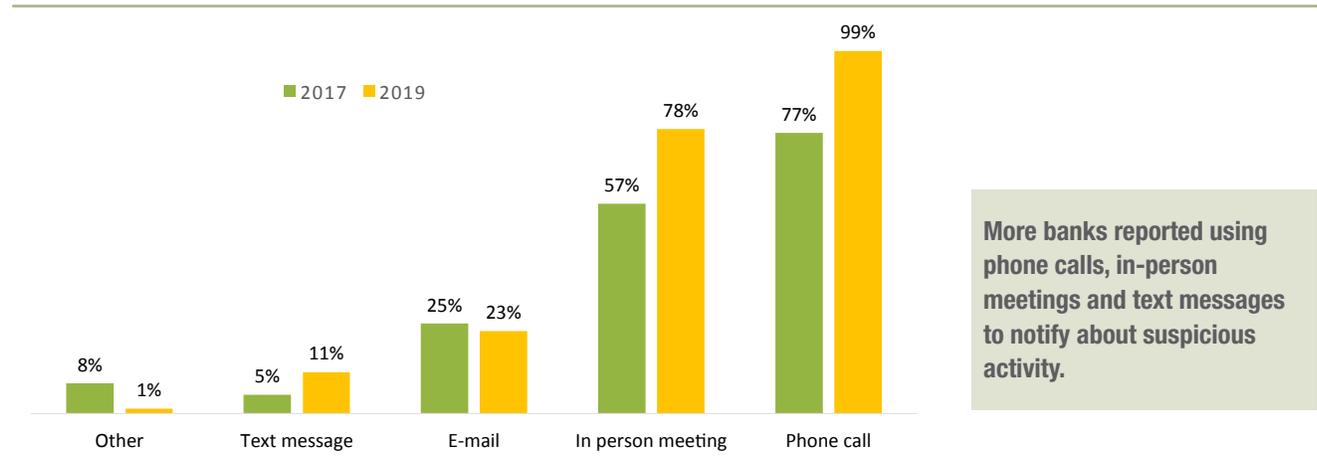


ACTION: How Are Banks Responding to Fraudulent Activity?

“I haven’t met a customer yet who expected to be a victim of fraud,” Cockrell of Bank of America noted.

The majority of banks find direct outreach to customers essential in preventing or stopping fraud. In fact, 99% make phone calls in case of suspicious activity and nearly 80% conduct in-person meetings—an increase in both practices since 2017.

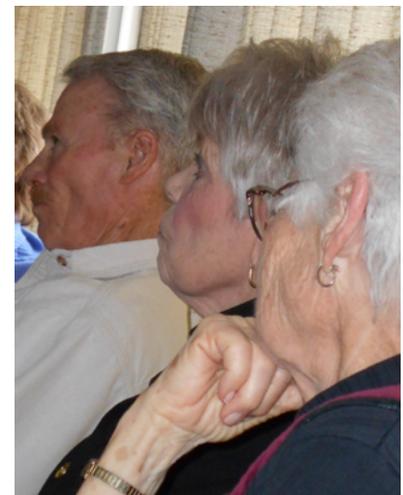
What methods of communications does your bank use to notify customers of suspicious activity? (percentage of banks)



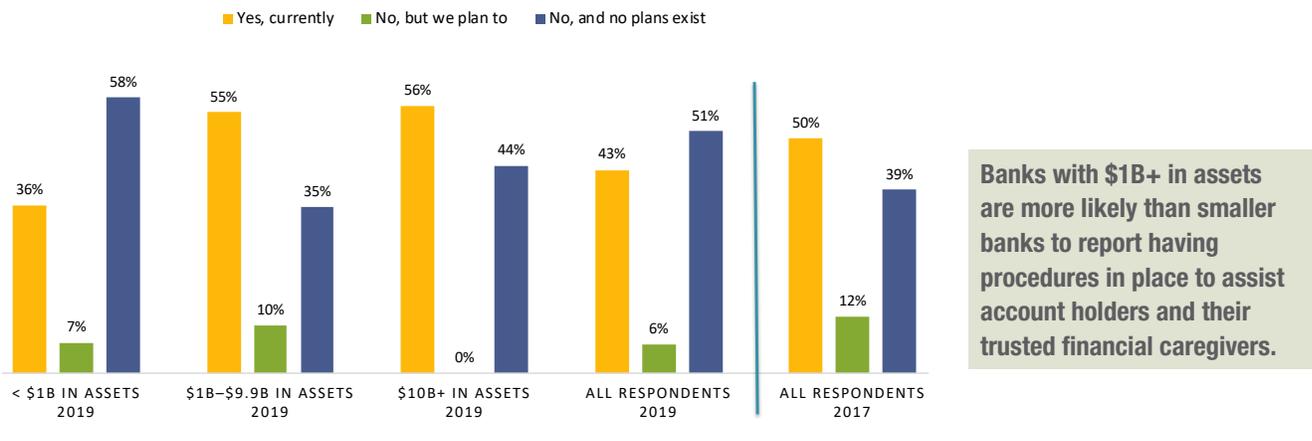
At Bank of America, Cockrell said it is standard procedure to reach out to their older clients when there is a change in service to ensure the transaction is valid and that the client is aware. His team has also developed conversation guides for wire services specifically to provide an extra layer of support to older clients and their caregivers. The guides highlight the most common scams and facilitate conversations with older clients, empowering customer-service employees to be proactive when they spot suspicious activity and provide further assistance as needed.

Bank procedures and customer education work hand-in-hand, according to Long of Wells Fargo. “Our goal is to establish procedures that help older customers to slow down, take a step back and reach out to someone they trust.” These conversations build awareness that expands to the next generation. “We can literally fight back against a number of these elder scams simply by talking about the issue.”

While a growing number of banks are following the CFPB’s recommendation to add trusted contact information to accounts, banks with at least \$1 billion in assets are more likely to have procedures in place to offer account holders the ability to disclose account information to 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? (percentage of banks)



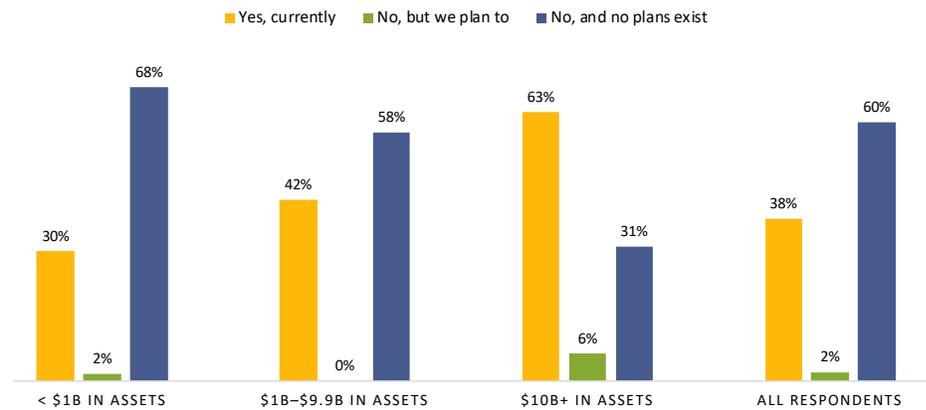
In 2018, a rule adopted by the Financial Industry Regulatory Authority (FINRA), Rule 4512, requires investment brokers to ask customers for trusted contact information. This made the practice a natural fit for larger banks with brokerage firms subject to the FINRA rule. When customers open an investment account or update information on an existing account, the firm must make “reasonable efforts to obtain the name and contact information for a designated trusted contact person” for the account, to serve as a resource “in administering the customer’s account, protecting assets and responding to possible financial exploitation.”⁹

Larger financial institutions, like Bank of America and Wells Fargo Advisors, began making this a practice on the banking side as well, providing all customers the opportunity to add emergency or trusted contact information to their accounts. “Scams can happen at any age, and we have found that many of these tools are beneficial, not only to our older customers, but to all our clients,” said Cockrell. While customers are not required to provide this information, the request gives the institution the opportunity to advise clients on the importance of trusted contact information. According to Long, customers are far more likely to provide this information when there’s the weight of a regulation behind the request.

The most common method for disclosing accounting information to trusted caregivers continues to be through the use of an established Power of Attorney, and an increasing number of banks are developing their own forms for Power of Attorney, growing from 29% of banks in 2017 to 38% in 2019.

9 FINRA Rule 4512, www.finra.org/rules-guidance/rulebooks/finra-rules/4512

Has your bank developed its own specific forms for customers to complete to authorize Power of Attorney? (percentage of banks)



About 4 in 10 respondents, including 6 in 10 large banks with \$10B+ in assets, have developed their own forms for authorizing Power of Attorney to financial caregivers.

Brown at Fauquier Bank noted that while more customers have been establishing Power of Attorney documents, not all are well written—one of the reasons that some banks prefer to use their own forms.¹⁰ “People have gotten good at Googling rather than working with lawyers,” Brown cautioned. Fauquier has a careful process for reviewing Power of Attorney documents for their customers, looking for the customers’ best interest by identifying obvious problems and red flags to run up to the bank’s attorneys as needed.

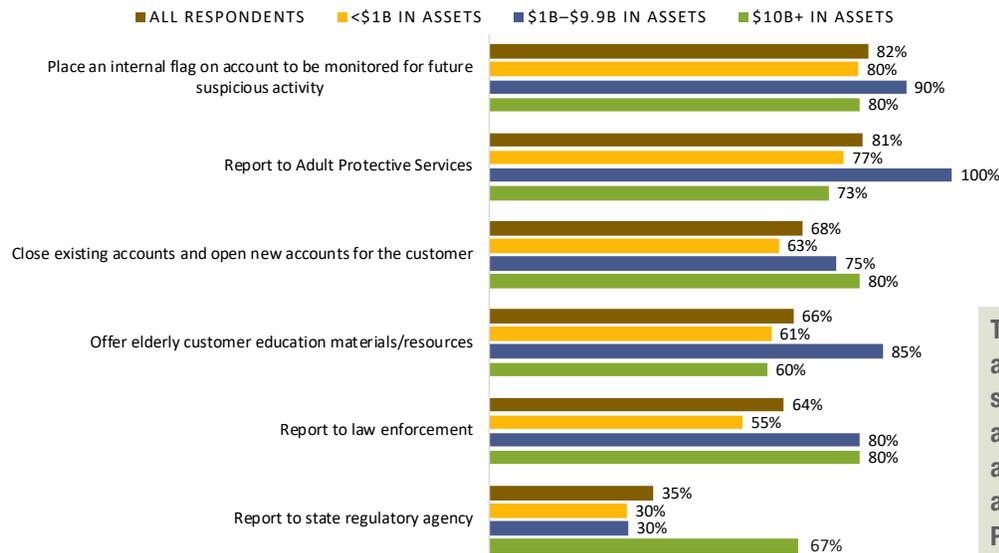
This is where customer education for seniors and their caregivers comes in again, according to Long. “Everyone wants to protect their older family members, but everyone is equally reluctant to have the tough conversations,” said Long. Wells Fargo developed a new brochure for caregivers, available in their branches and online, to help lead conversations on setting up items such as a Power of Attorney, developing a trust or will or sending duplicate account statements for review. “It takes all of us working together to get these procedures in place before it’s too late or before the tough conversations get even tougher.”

Banks are also taking other steps to protect their older customers. When suspicious activity does appear on an account, placing a hold on the transaction is the most common first step. Eight in 10 surveyed banks will not only place a hold but will also flag the account to monitor for further suspicious activity. Additionally, nearly 40% of all survey respondents assign staff members to monitor an account when there’s suspicious activity.



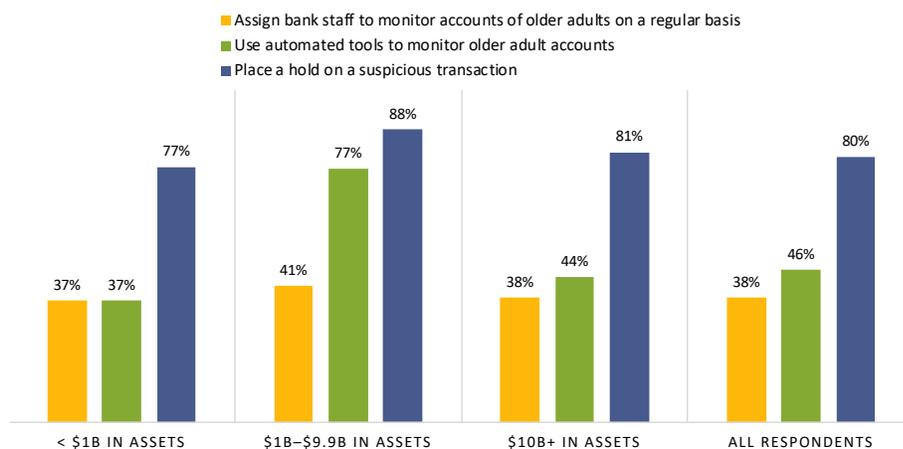
¹⁰ Another advantage to the bank using its own Power of Attorney form is that it simplifies administration since the bank knows the terms and conditions set forth in the Power.

What actions does your bank take when dealing with suspected elder abuse or fraud? (percentage of banks)



The two most common actions banks take when suspicious activity appears on an account are: flagging the account to monitor activity and reporting activity to Adult Protective Services.

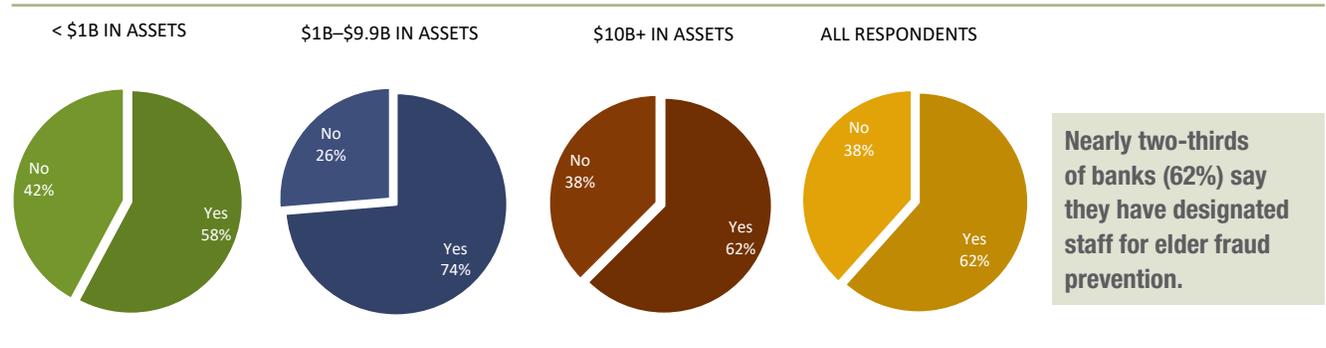
Which of the following activities does your bank engage in to prevent potential elder financial abuse and fraud? (percentage of banks)



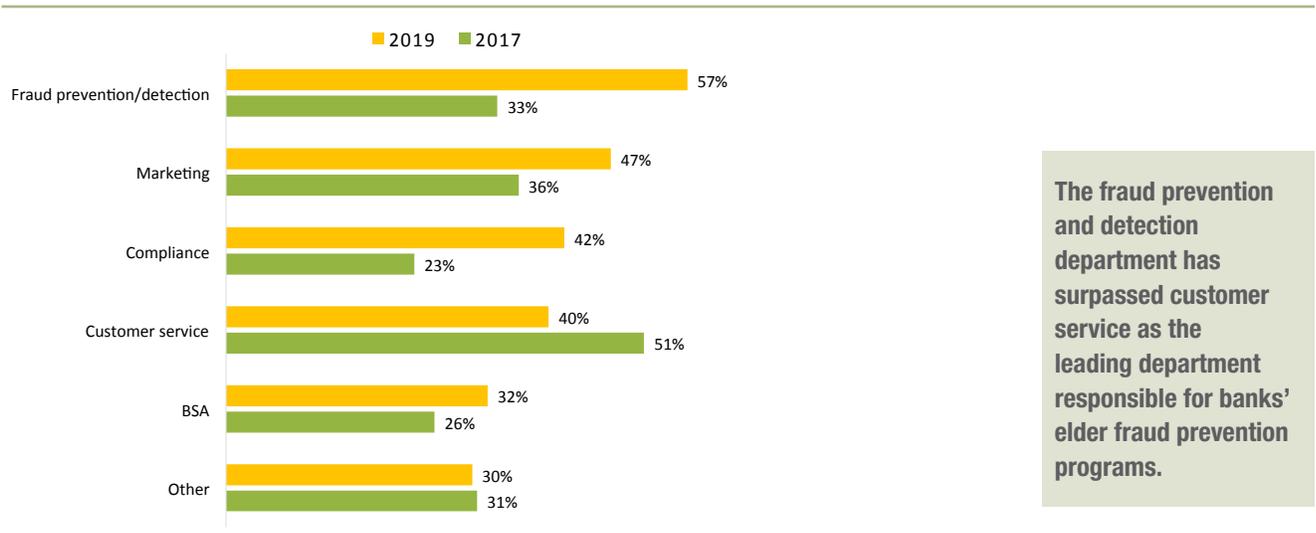
Eight in 10 respondents will place a hold on a suspicious transaction.

Many banks are actually taking further steps. With the constant barrage of fraudulent activities and a growing number of at-risk customers, banks are finding that protecting their older customers requires dedicated staff beyond frontline and customer service. Sixty-two percent of banks surveyed now have a designated employee in charge of elder financial abuse and fraud prevention, with a growing number housing these positions under their fraud prevention and detection department rather than customer service divisions.

Does your bank have at least one employee designated to champion and oversee elder financial abuse and fraud prevention efforts? (percentage of banks)



Please specify the department(s)/group(s) responsible for implementing elder fraud prevention programs. (percentage of banks)

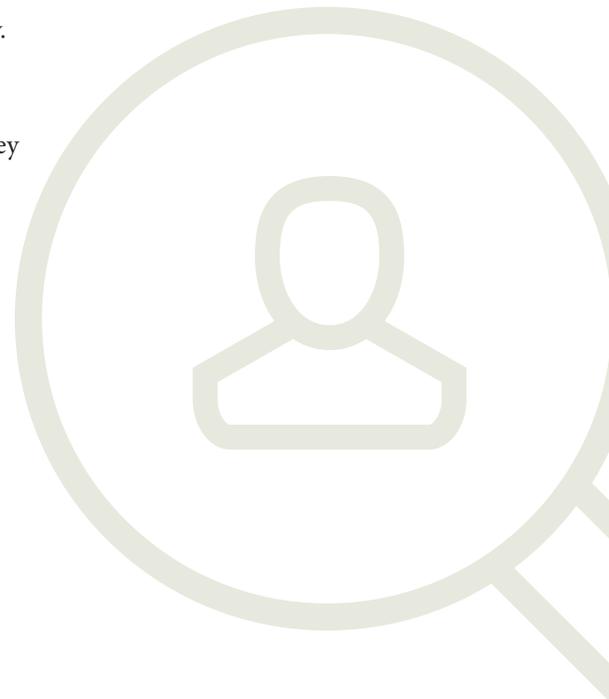


Often these employees come from a law enforcement background, like Brown at the Fauquier Bank in Northern Virginia. “I went from being the ‘lone wolf’ so-to-speak when it came to working with APS from the banking side,” Brown reflected. “Now we have banks, associations, and law enforcement all working together to make inroads and address this issue.”

At Dacotah Bank, Cole said the bank’s fraud department has doubled its staff in the last few years in direct response to the overall uptick in fraudulent activity across all age groups. “Fraud has been rampant, and protecting our most vulnerable customers is a team effort,” Cole said. “While the older population loses more money to certain types of fraud, we get reports from college students all the way to senior citizens.”

Taking a slightly different approach, Altabank of Utah created what Tracey Larson, Vice President and Director of Internal Communications, called a “hybrid” position, straddling the fraud prevention and customer service departments, to track suspicious activity and protect the bank’s older customers. The bank has a dedicated risk manager who built a software program that extracts and focuses on at-risk demographics to monitor account activity. The risk manager then personally reviews suspicious activity and works with bank staff to alert customers and engage local authorities in addressing potential fraud. Larson said this blend of automation and personal touch adds an extra layer of security, and has given the bank an edge in staying ahead of fraudulent activity.

In addition to account monitoring and dedicated staff time, banks are increasingly reporting elder financial exploitation to Adult Protective Services. Eighty-one percent of banks surveyed listed reporting to APS as one of their key actions in dealing with suspected elder fraud, up from 62% in 2017. Reflecting on the 2017 report, in 2018 the ABA Foundation published the “Protecting Seniors: A Bank Resource Guide for Partnering with Law Enforcement and Adult Protective Services.”¹¹ The document outlines the roles of APS and law enforcement in addressing suspicious activity and provides guidance on reporting and tips for building cooperative partnerships. As banks build these partnerships, they are finding them invaluable in the fight to protect older customers.

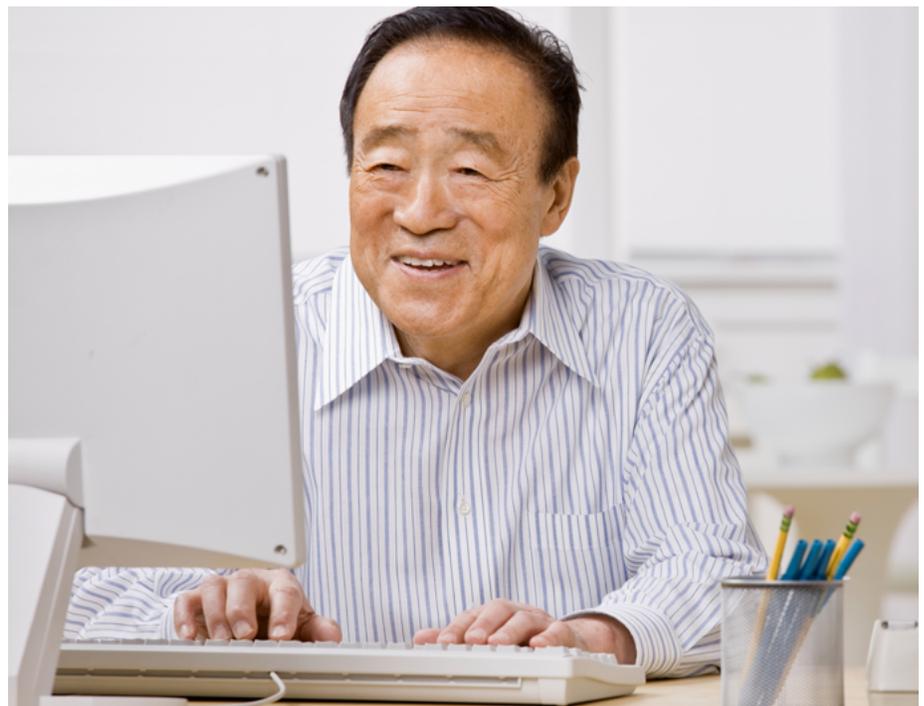


11 www.aba.com/seniors

Brown maintains a close working relationship with APS in his Northern Virginia community. “When there’s a concern for a customer’s well-being and safety, we’re going to keep digging until we get to the bottom of it,” he said. “APS knows we’re not going to rest when it comes to protecting our older customers.”

At Old National Bank, Schneider said their goal is to collaborate as much as possible with APS and have partnered together on a statewide training program for APS investigators. “We share the same goal, and we’re going to be more successful in this fight when we work together.”

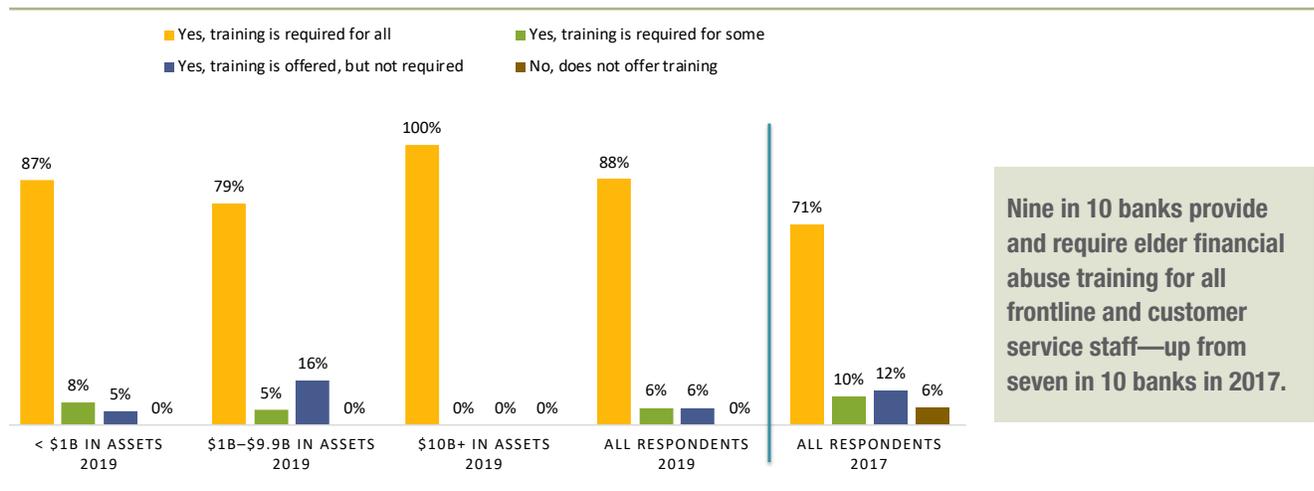
“We recognize that it’s not enough just to engage customers on the issue, set up procedures, and provide training for employees—as important as all those components are,” said Cockrell, as he described how Bank of America is leveraging resources from other organizations on this issue, including AARP, CFPB, and ABA. “We all need to be firing on all cylinders when it comes to making information available and finding new strategies to tackle this issue.”



PREVENTION: Training and Education for Bank Employees

The first—and often best—line of defense against elder financial exploitation is a prepared, vigilant and proactive staff. Not surprisingly, the vast majority of banks across the country have made that principle the core of their approach in protecting older customers. Fraud awareness and prevention training has become a general requirement for all customer-facing employees at most banks, according to the 2019 survey. Elder financial exploitation prevention training is now largely standard, being offered for frontline staff and customer service representatives at all banks surveyed and required for customer-facing staff at 9 in 10 banks of all sizes, up from 7 in 10 in 2017.

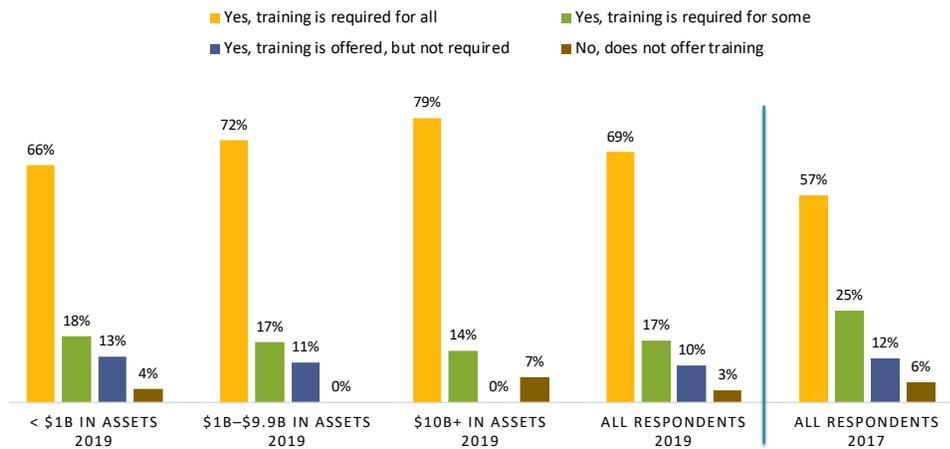
Does your bank provide training on how to detect and report elder financial abuse to frontline or customer service staff? (percentage of banks)



“Bottom line: fraud prevention is about having a well-trained staff who cares about their customers, who will take time to get to know them and call them by name, and even ask about the grandkids,” Larson of Altabank said. “When staff are personally engaged and invested in that way, they will be ready to detect when something is off and then can tap into that trusting relationship to address the issue.”

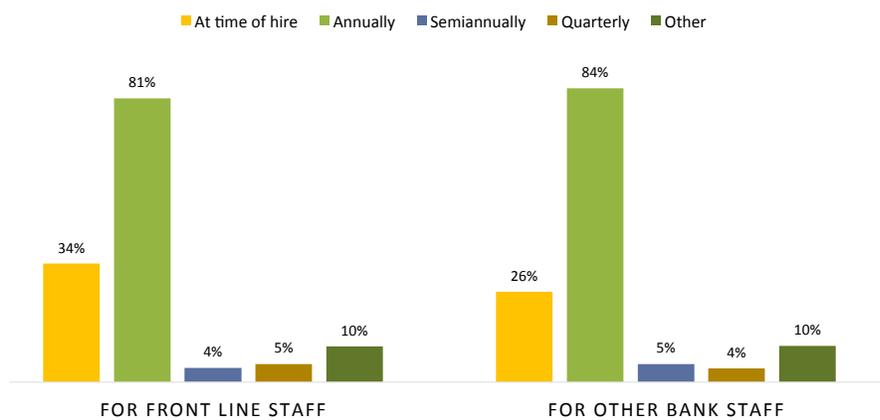
More banks are providing and requiring elder financial abuse prevention training for all employees, regardless of whether or not their position is customer-facing at the bank. Most banks provide the training on an annual basis to keep information fresh and on the forefront of everyone’s minds.

Does your bank provide training to other bank personnel on how to detect and report elder financial abuse? (percentage of banks)



For non-frontline or non-customer service staff, training is provided and required at 7 in 10 banks—up from 6 in 10 banks in 2017.

How frequently are non-frontline/non-customer service personnel trained on addressing elder financial abuse?



Eight in 10 banks hold annual training for both frontline and other staff on how to detect and report elder financial abuse.

“Our employees are our most valuable asset in the fight against elder financial exploitation,” Frederick of US Bank emphasized. “We arm them with the tools and training to increase their awareness and help them both prevent and respond to occurrences.” To that end, US Bank aims to make their training program as engaging as possible with eye-catching statistics, guides to identifying behavioral indicators and interactive scenarios for employees to put their training into practice. Every employee who has any kind of direct customer contact—including call center operators and financial planning advisors—participates in the bank’s annual online training module on elder financial exploitation.

Altabank also requires annual compliance training for all bank employees to learn how to quickly spot and stop fraud against older customers because, according to Larson, fraudsters can “break in” at various points, including the lending side. Beyond the business of the bank, each employee can personally benefit from this kind of training, according to Larson, whose family has come face-to-face with elder financial exploitation. “Almost everybody knows an older friend or family member who has been scammed, or has even been scammed themselves. While our frontline employees may have the most interaction with older customers, fraud can happen anywhere, and we want our people to be ready not just as employees of the bank, but as friends and family to be ambassadors spreading awareness on the issue to protect older Americans beyond our bank and community.”

With the continual uptick in fraudulent activity against older customers, however, some banks are experimenting with supplementing their training programs with more frequent, less formal materials to alert frontline customer service employees to any trends in scams against seniors and provide up-to-date resources to stay ahead of fraudsters.

First Financial Bank of Texas helped lead the way in empowering employees to protect older customers with its Fraud Buster program, highlighted in the 2017 benchmarking survey report. President and CEO F. Scott Dueser created the program after hearing from a customer whose mother had been scammed. The bank’s employees have become certified Fraud Busters detecting and reporting fraud, even calling law enforcement to the bank to catch fraudsters in the act. Together they “have stopped more than 1,500 fraud attempts and saved more than \$7 million for both customers and the bank,” since the program began in December 2014, according to First Financial’s 2018 annual report.¹²

Bank of America ramped up their customer-facing employee training program this year in an effort to stay ahead of the latest scams. Starting earlier this year, Kieth Cockrell and his team began producing monthly videos for all frontline customer service employees, an additional training tool beyond the annual training to identify, respond to, and prevent elder financial exploitation. Through these videos, Cockrell said frontline employees can see and hear potential red flags as his team regularly refreshes content with updates from both APS and Bank of America’s internal investigators on the latest scams against seniors. “We wanted to make our training more relevant and more timely based on what clients were reporting and what employees were seeing,” Cockrell said.

12 “Protecting Our Customers: 2018 Annual Report of First Financial Bank” www.annualreports.com/HostedData/AnnualReports/PDF/NASDAQ_FFIN_2018.pdf

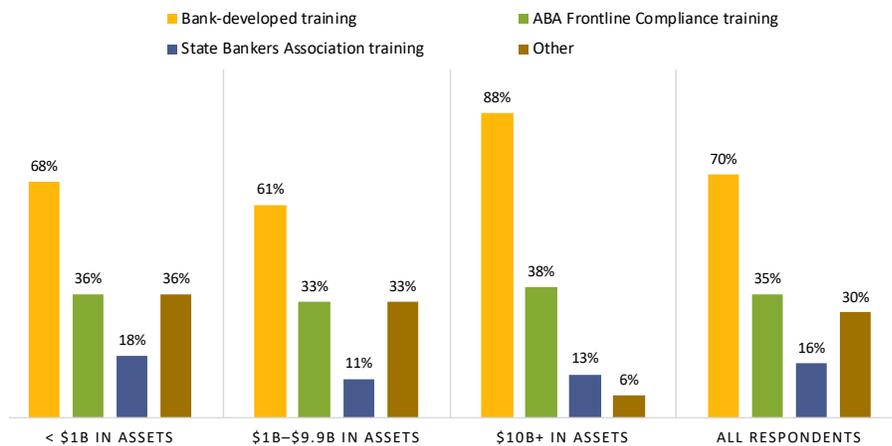
At Old National Bank, the financial institution set up a special fraud hotline that associates can use to connect with fraud prevention experts as client questions and concerns arise. “We want our employees to feel equipped and supported as we work together to protect our clients,” Sherry Schneider said. Her team also sends alerts to staff regarding fraudulent activity as well as success stories of fraud prevention to keep the issue at the forefront throughout the year.

Wells Fargo is continuously looking for ways to make their fraud prevention training more useful and impactful in their efforts to protect older customers according to Long. The bank offers specialized, in-person training modules for frontline employees. “While there is tremendous value and reach with our online courses, placing employees in the middle of a ‘live’ scenario they are likely to encounter with older customers gives them a chance to respond to suspicious activity and ask questions in real-time.” Long and his team are looking to further experiment with interactive scenarios and role-playing as a component of their employee training program. “It’s ultimately about building on what works to bring our older customers the highest level of service and protection possible.”

While the majority of banks are now developing their own training resources, there is no shortage of training programs available to banks of all sizes. Outside programs most frequently cited by survey respondents included, ABA’s Frontline Compliance Elder Financial Exploitation course, AARP’s BankSafe, APS training, as well as other materials and webinars developed by local organizations, regulatory agencies and universities.



What training resources are used by your bank? (percentage of banks)



The majority of banks (70%) use bank-developed training vs other training.

For community banks like Bank of the Rockies, using a program like ABA Foundation's Safe Banking for Seniors¹³ for employee training has allowed them to devote more staff time to building their customer education and engagement program, "Conversations about Cons".

Networking across the banking industry and with other stakeholders is also a crucial component to learning and staying ahead of the issue of elder financial exploitation, according to Huff at Bank of the Rockies. "As bankers and the first line of defense for our customers, we must be proactive," said Huff. "We need to get out there and learn as much as possible from others who are tackling this problem so that together we can stay ahead of the issue." It was a CFPB report on the value of networking that moved Bank of the Rockies to advocate for building an elder fraud prevention network in their region. With the support of senior management, Huff pitched the idea of creating the Montana Elder Fraud and Exploitation Prevention Network to the Montana Financial Education Coalition (MFEC) board. From that initiative, a subcommittee of the MFEC was born to oversee the new network, which has proven a valuable resource and information hub as stakeholders across the state partner in fighting elder fraud.

Thanks to these expanding networks and training resources, employees now have greater access to the tools they need to help their older customers through new and challenging territory.

"The older generation wants so badly to leave a legacy and remain self-sufficient," Larson noted. "But because they are also such a trusting generation, it can take a while for them to see a scam for what it is. That's where our role as bankers is so critical as we come alongside and help them navigate these difficult situations to ensure their legacies and livelihoods are protected."

13 Safe Banking for Seniors (SBFS) is a free national program, sponsored by the ABA Foundation that provides bankers with tools to help older adults and their caregivers prevent elder financial exploitation. The program consist of turn-key modules with presentations, activity sheets, resource sheets and guides to help bankers connect with their local communities to share about: avoiding scams, preventing identity theft and financial caregiving. www.aba.com/seniors

Key Takeaways

- Training employees on detecting and reporting elder financial exploitation is on an upward trend. All banks surveyed now provide training for all frontline employees, with 9 in 10 requiring the training, up from 2017. The number of banks offering and requiring training for all employees is up to 7 in 10.
- Partnering with other financial institutions, senior-focused agencies and organizations, local communities, law enforcement and APS is key for banks of all sizes when it comes to addressing elder financial exploitation and in engaging with and educating older customers.
- The average age of depositors is increasing, and the majority of deposit shares (70%) continue to be held by customers over the age of 55, even though the percentage of customers in the Baby Boomer and Traditionalist demographic has decreased slightly.
- Beyond offering special products and perks to older customers, banks are increasingly focusing on customer service for seniors.
- Larger banks are more likely to have formal procedures in place for assisting older customers and their caregivers and also are more likely to develop their own Power of Attorney forms for use by older customers.
- Banks are devoting more attention and resources to educating caregivers in fraud awareness, with 8 in 10 of all respondents reporting that they offer this type of training.
- Direct contact with customers about suspicious activity has increased since 2017, whether through phone calls, in-person meetings or email.
- The majority of banks have developed their own employee training resources and conduct training about elder financial exploitation on an annual basis.
- More than 60% of banks surveyed now have at least one employee specifically designated to lead efforts on elder financial abuse and fraud prevention. In addition, it has become a standard practice for banks to allocate staff time for older customer education programs, services and fraud prevention.
- The fraud prevention and detection department is now more likely than customer service to serve as the leading department responsible for implementing older customer education programs at the bank.
- Partnerships with senior-focused organizations and agencies and APS are on an upward trend across banks. Fifty-one percent of banks are partnering with senior groups and organizations to host community education events, up from 40% in 2017, and 24% are partnering with APS for outreach events, compared to 14% in 2017.
- More banks are reporting suspected elder abuse and fraud to APS, with 81% of survey respondents listing that as standard procedure up from 62% in 2017.

Methodology

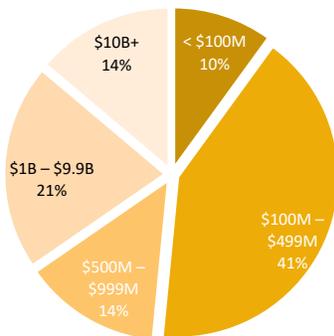
The ABA Foundation surveyed 130 local, state, regional and national banks with assets ranging from less than \$100 million to more than \$10 billion. This sampling is intended to provide a cross section of the industry and an assessment of industry-wide practices related to serving older customers.

Acknowledgements

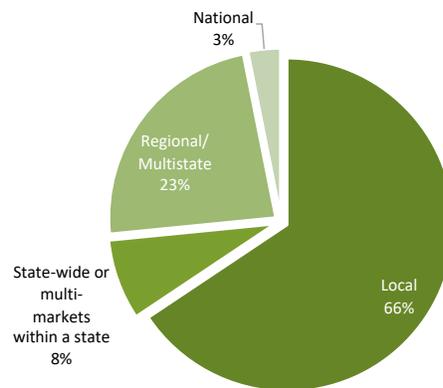
The American Bankers Association Foundation thanks JPMorgan Chase for their sponsorship of the survey, as well as Bank of America, Wells Fargo, Citibank and BB&T for their continued support of our work and the Safe Banking for Seniors program.

Total Number of Respondents: 130

By Bank Asset Size



By Primary Geographic Footprint



Survey respondents serve more than 90% of the US banking population.

