

# What We Know

## ARTICLES & INSIGHTS

### ABOUT THE AUTHOR

## The Financial Exploitation of the Elderly a Growing Problem..What Banks Can Do to Help.

April 29, 2016 | by

My grandmother receives calls every couple weeks from someone pretending to be her grandson, claiming to be in trouble and asking her to wire money. If my grandmother were one of the tens of thousands of elderly people suffering from cognitive decline, she might easily fall for this scam as she has twelve grandsons. I am thankful that my grandmother still has her mental faculties, but there are many elderly people who are not as fortunate.

In recent years, the financial exploitation of the elderly has become a huge concern as the most common form of elder abuse. Elder consumers are typically more vulnerable than younger consumers because they are often lonely, declining cognitively, and have health problems that it more difficult for them to recognize such dangers. The elderly population is also an easy and dependable target for predators as the elderly are more likely to have assets or, at the very least, a dependable source of income.

Financial institutions are feeling the pressure to do more to protect elderly financial consumers. Banks and credit unions are in an opportune position to detect a potential financial exploitation taking place.

The Consumer Financial Protection Bureau recently outlined recommendations in their March 2016 "Advisory for Financial Institutions on Preventing and Responding to Elder Financial Exploitation" that would help banks and credit unions become more successful at recognizing and detecting such abuse.

### **The recommendations are as follows:**

1. Develop, implement and maintain internal protocols and procedures for protecting account holders from elder financial exploitation.
2. Train management and staff to prevent, detect, and respond to elder financial exploitation.

3. Detect elder financial exploitation by harnessing technology.
4. Report all cases of suspected exploitation to relevant federal, state and local authorities.
5. Protect older account holders.
6. Collaborate with other stakeholders

There are many recommendations within each of these general guidelines, but the important thing to know is that elder financial exploitation risk is growing as technology accessibility continues to improve. All banks need to be aware of the potential risk and seek guidance on improving monitoring and detection, from groups such as the Consumer Financial Protection Bureau.

---

#### CONTACT US

919.250.2000  
mail@smithdebnamlaw.com

#### RALEIGH OFFICE

The Landmark Center  
4601 Six Forks Road, Suite 400  
Raleigh, NC 27609

Phone: 919.250.2000  
Fax: 919.250.2100

#### CHARLESTON OFFICE

171 Church Street  
Suite 120C  
Charleston, SC 29401

Phone: 843.714.2530  
Fax: 843.714.2541