Safe Banking, Savvy Seniors

Bankers are leading the way in protecting older Americans from fraud and financial abuse.

BY KARI BARBIC

In the time it takes to read to the bottom of this page, another older American will have become the victim of financial abuse. To thousands of bankers across the country, these victims aren’t just statistics: they are customers. They are members of communities who bankers know by name.

“These fraudsters aren’t just robbing customers,” says Corey Carlisle, the ABA Foundation’s executive director. “They’re robbing from the bank.”

Changing the game

With new scams and fraud techniques cropping up all the time and one of the largest generations booming into retirement, banks are changing their game plan to protect their customers and their assets. While banks have long been on the lookout for fraud against their customers, many find that simply following procedures is no longer enough. Banks need to provide the right set of tools to their customers and employees to stay steps ahead of fraudsters.

For F. Scott Dueser, president and CEO of First Financial Bank in Abilene, Texas, this truth hit home with a call from a customer whose mother had been cheated of $40,000—her entire life savings. “When I looked back over the records, our bank employees had followed all the regulatory procedures, but that wasn’t enough. We hadn’t gone the extra mile,” Dueser says.

From that point, First Financial started developing a new program to train all 1,300 of its employees to spot fraud and to know what steps to take to stop it.

“If we can stop fraud the moment a bad check comes across one of our teller’s counters, we can save our customers and stop the fraudsters right in their tracks,” says Dueser.

And that’s just what First Financial has been doing with its FraudBusters program. The bank’s employees work closely with their local police departments, and they’re seeing that when they work together, they can succeed.

For First Financial, relationships are critical to fraud-busting: Tellers who know their customers can sense when something is off. Dueser tells the story of a teller who paused on a check signature when it didn’t look quite right. The check bore the husband’s signature, but the teller knew that his wife usually handled the finances. After confirming that the signature was in fact a fake, the teller called up the customer immediately and discovered that her checkbook had been stolen.

The police were called in and the fraudster was arrested right there at the bank. This is but one of dozens of arrests...
made thanks to the quick thinking and bold action of the FraudBusters at First Financial.

“We saw the need to put a stop to this crime, and our people are having a great time doing it,” says Dueser. And it shows. First Financial has saved its customers over $1 million this year alone in fraud prevention. “This is just good business,” says Dueser. “The more fraudsters we catch, the word gets out and they learn to stay away from our customers.”

Using your toolbox

When Bank of American Fork in Utah learned that seniors in the state were losing $1 million a day to fraud, its leaders knew it was time to take action. Since many of their older customers weren’t aware of the safeguards already available to them, the bank began building a fraud prevention program from their existing toolbox, branding the services as AccountSmart Tools for Seniors.

“We wanted to package our account management tools in a quick, easy-to-access way to help both seniors and their caregivers manage their finances securely,” says Tracey Larson, VP and special projects manager.

AccountSmart Tools for Seniors includes features like view-only accounts, automatic bill pay and automatic transfers into secondary accounts. The risks of joint-tenant accounts and power of attorney options are also discussed with customers. The bank is finding that these tools are critical not just for older customers but for caregivers as well, and they’re actively educating both groups on the value of the tools. The bank also sponsors and distributes the book Navigating Your Rights: The Utah Guide for Those 55 and Over to help seniors navigate legal and financial questions.

“Family and financial issues are sensitive and often complex,” says Larson. “That’s why we feel it’s important to take a balanced approach in preventing and addressing financial abuse.” The bank took a hard look at its policies and procedures and worked closely with Utah Adult Protective Services to help employees learn how to identify red flags and report suspicious activity.

The bank also developed a new way to streamline the reporting process. All reports of suspicious activity are kept anonymous and sent up to the bank’s enterprise risk manager for investigation. Larson says the process increased morale and empowered employees on the front lines. “It gave them the confidence that they could take care of their customers without fear of getting tangled in a dispute,” Larson says.

In January, the ABA Foundation is unveiling its Safe Banking for Seniors campaign materials to help all bankers take their fraud prevention efforts to the next level. The program is a natural extension of the work the ABA Foundation has done for more than 90 years. “Bankers have been battling fraudsters for a long time, but what we’re trying to do now with Safe Banking for Seniors is to streamline information and bolster it in a way that’s more helpful to the entire industry,” says Corey Carlisle.

The foundation is championing a more proactive approach with this campaign—direct outreach to customers to educate them on what to look for and how to protect themselves. “We’re switching from defense to offense,” says Caitlin Kovalkoski, director of bank community engagement at the foundation. “We want to get the bankers out in their communities, engaging with their customers.”

Any bank can sign up online to participate in the program. The new set of resources includes how-to guides, ready-made presentations and communications tools—all designed to equip bankers to teach their customers how to spot scams and set up safeguards to protect their finances. The ABA Toolbox on Financial Education for Older Adults covers the ins and outs of running educational events and programs, whether a bank is just getting its program off the ground or looking to take an existing program to the next level.

“The goal was to make these resources customizable,” says Kovalkoski. “We want bankers to pick and choose what topics they feel comfortable addressing based on what their customers need.”

Safe Banking for Seniors also includes a suite of ready-to-use resources for hosting events and giving presentations in the community. The four lesson modules include facilitator guides, PowerPoint presentations and worksheets as well as social media and communications tools for outreach. These presentations not only teach customers how to protect themselves and their family members but also create opportunities for banks to work with other local groups serving seniors, like law enforcement and Adult Protective Services. Carlisle notes that these community partnerships are critical to the success of fraud prevention programs, saying, “It’s about building trust as bankers work with the folks that represent at risk or older customers directly.”

And bankers shouldn’t underestimate the value of getting out in the community and initiating these conversations. One of the primary factors that makes seniors a target for financial abuse is their isolation. “Creating a physical space to bring older customers together where they can have real conversations about what they’re experiencing is critical to combating isolation that can contribute to financial abuse,” says Kovalkoski.

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For Bank of American Fork, financial abuse protection has been shaped through response to customer needs. Recently, they placed “Age-Friendly Champions” at each branch and call center to help the bank’s older customers navigate their account options. Champions receive special training to create a more protective environment for seniors, in addition to guidance from the Utah Division of Aging and Adult Services and Utah Adult Protective Services.

“This is all a part of our holistic approach to helping our older customers,” says Larson. “We’re a community bank, in communities where people really know and care about each other, and we have built on that.”

The best weapon against financial abuse is AWARENESS.

Arming the community

When it comes to community engagement and education on financial abuse, the Bridgeport, Conn.-based People’s United Bank pioneered the way. Its Masters Program, one of the first comprehensive community training programs of its kind, was created in 1996 by Angela DeLeon, a nationally certified crime prevention specialist.

“The best weapon against financial abuse is awareness,” says DeLeon. That’s why People’s United is working to arm their customers and the community with the information they need to protect themselves and their loved ones.

Through the Masters Program, the bank is getting seniors out, starting a conversation about financial abuse and giving them tools to prevent it. “Safe Teas,” for example, provide seniors a safe place to have real conversations about how crime affects their lives and their neighborhoods.

“We’ve found older customers really do open up at these events because they are more at ease,” says DeLeon.

People’s United partners with local groups and law enforcement to create events where everyone learns and has a good time along the way. Perhaps the most popular of these events is the Uniform Fashion Show, where volunteer models from police and fire departments to local utility companies walk the runway. Seniors learn to recognize their uniforms and badges so that they are not fooled by imposters running scams.

The goal of the Masters Program is not only to build customer awareness, but also to start on the front lines with senior sensitivity training for those interacting with older adults every day. DeLeon trains employees and law enforcement to fully understand specific challenges affecting the elderly, from hearing impairment and mobility problems to early stages of dementia.

“Seniors, unfortunately, are a target of choice for many criminals,” says Karen Galbo, director of community relations. An elderly person may not realize that he or she has fallen victim to financial exploitation due to physical or cognitive changes. “That’s why it’s so important for our employees to know our customers and their banking behaviors to protect them from financial loss,” she says.

“When you’re helping an older customer, you need to be able to identify and understand the difficulties they may be facing,” says DeLeon. “If you can’t spot the challenges for these customers, you’ve lost your ability to truly serve them.”

People’s United is working overtime to stay ahead of fraudsters. “Our employees are proud of their bank for having this type of program and for the commitment we all have to keeping seniors safe,” says DeLeon. “Our customers know we care, and together we’re fighting back to put a dent in this type of crime.”

Taking fraud prevention to the next level

While all these programs have been recognized for their outstanding achievement, none of them have stopped looking for ways to improve. Unfortunately, the fraudsters aren’t slowing down either. “Our bankers are seeing an uptick of scams perpetrated against their older customers,” says Corey Carlisle. “Even if you’re not seeing these problems at your bank now, you’re going to be seeing them in the future.”

The ABA Foundation hopes its new Safe Banking for Seniors resources (see sidebar on page 37) will be an important asset both in starting the conversation and driving it forward. “This is really the starting point to prepare for how banking is going to change over the next two decades,” says Carlisle. “In 20 years, one in five customers will be over 65. Banks need to be ready to help them make good decisions. We want customers to see the bank as the frontline, a sentinel, to protect their money.”

Banks and customers can work together to put a stop to fraud and financial abuse, but neither can afford to wait. 

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