

BankSafe™

Preventing Exploitation: Five Banks Leading the Fight

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Financial exploitation is a growing problem that affects financial institutions' most valuable customers—older Americans. Those vulnerable customers lose \$3 billion a year to exploitation, while banks lose \$1 billion in deposit fraud. If financial exploitation continues unchecked, millions more Americans will lose their retirement savings, and banks' reputations will be tarnished.

In an effort to protect consumers and fight exploitation, AARP is spotlighting promising practices of financial institutions. Five short business case studies introduce the problem, the solution, and the benefits. Some financial institutions learned about exploitation from personal experience, others from customer focus groups, and yet others from published research. Each financial institution used different solutions to fight exploitation, but found similar benefits from the experience.

WELLS FARGO ADVISORS HANDLES THE RISE OF DEMENTIA AND EXPLOITATION

Wells Fargo Advisors uses a variety of resources to help fight exploitation and empower customers who show signs of cognitive decline. Those resources, developed through collaboration with several organizations, allow Wells Fargo Advisors to more effectively prevent exploitation among some of its most vulnerable customers.

The Problem: Clients Struggle with Financial Transactions

If a financially savvy person begins to struggle with day-to-day finances, that difficulty can be an early indicator of dementia. Wells Fargo Advisors began to notice customers struggling with financial transactions often before the problem was apparent to their family members. At the same time, Wells Fargo's attorneys started to see a sharp increase in the number of exploitation cases reported by the bank's advisers. The internal legal department now manages more than 150 exploitation cases a month.

To respond to the increasing instances of exploitation and better assist customers with diminished capacity, Wells Fargo Advisors contacted 22 adult protective services agencies and state organizations for the aging to identify the most effective ways to help its customers. Wells Fargo Advisors used this information to develop several programs and tools to assist its employees and customers.

The Solution: Elder Strategy Group Offers a Centralized Resource to Fight Exploitation

One of the most important programs developed by Wells Fargo Advisors is the Elder Strategy Group. This group provides centralized reporting and is a legal resource that advisers can contact if they suspect elder financial abuse, third-party scams, or anything related to dementia or diminished capacity. The group is responsible for following through on any reports of suspicious activity, including referring the matter to adult protective services or, in serious cases, to law enforcement.

Wells Fargo Advisors created several new systems to protect its older clients:

- **Emergency contact form.** Wells Fargo Advisors developed this form so that clients can provide the name of a trusted family member to be contacted in an emergency. If advisers are concerned about a customer's mental decline or if they suspect financial abuse, they can involve families in situations sooner.
- **Training.** Every employee of Wells Fargo Advisors must participate in ongoing training, which includes a 45-minute class on financial abuse, and must pass an annual test. The training requirement applies to all employees, from top to bottom, so everyone stays up to date on industry best practices and company policies to fight financial exploitation.
- **Negotiate, isolate, and report process.** The Elder Strategy Group developed a three-step process that employees of Wells Fargo Advisors can use when they suspect exploitation. First, they negotiate with the customer in an effort to delay his or her decision. Second, they isolate the customer from the untrustworthy confidante. Third, they immediately report any concerns to the Elder Strategy Group.
- **Elder strategy leader.** The chief executive officer (CEO) of Wells Fargo Advisors approved the appointment of an elder strategy leader, who is responsible for encouraging the heads of departments, such as marketing or new product development, to better serve older clients when the departments create new programs.

The Outcome: Wells Fargo Advisors Is a Resource for the Industry and Customers

Such programs have helped Wells Fargo Advisors safeguard its customers' accounts and improve employees' ability to assist customers with diminished capacity. According to the elder strategy leader Ron Long the bank's efforts have created goodwill with family members and customers and have generated numerous positive media stories nationwide. Wells Fargo Advisors is now viewed as a leader in the industry and has taken the rare step of actively sharing with its competitors best practices for preventing exploitation and coping with dementia.

LLOYDS BANKING GROUP IMPROVES THE BANKING EXPERIENCE FOR CUSTOMERS WITH DEMENTIA

Lloyds Banking Group made industry-leading changes to help people who suffer from dementia. Those changes include increasing dementia training for employees, adding a power of attorney policy and procedure, and appointing dementia champions to help customers who suffer from dementia with their banking needs.

The Problem: Customers with Dementia Find It Difficult to Remember Long Passwords

In 2012, Lloyds Banking Group learned that three-quarters of people with dementia have trouble banking because long passwords and complex decisions confuse them. To assist those vulnerable customers, Lloyds worked with the Alzheimer's Society and 24 other financial service institutions to make banking easier for people suffering from dementia. Through conversations with those groups, Lloyds developed the Dementia-Friendly Financial Services Charter, a set of guidelines to improve bank practices for working with customers with dementia.

The Solution: Lloyds Implements Practices to Improve Accessibility for Customers with Dementia

Through the charter, Lloyds Banking Group implemented several changes to better serve individuals suffering from dementia:

- **Improved process for powers of attorney.** Lloyds implemented a power of attorney process that reduced approval time from three weeks to one hour and reduced the number of requests that the bank rejected because of unfinished paperwork from 55 percent to 17 percent. When a customer

needs to designate a power of attorney, bank employees meet with the customer for an hour to help the customer fill out paperwork.

- **Increased training.** Lloyds created a dementia-training program, which includes a video that explains how to spot dementia in customers and how to speak to clients who may suffer from the illness. Employees are trained about how to spot unusual withdrawals, which they can flag to prevent funds from getting into the wrong hands. Employees also take quizzes to ensure that their knowledge is up to date.
- **Appointed dementia champion.** Lloyds appointed a senior-level employee as a dementia champion in each branch. Dementia champions are responsible for overseeing the dementia program at their location.
- **Focused on needs, not labels.** Lloyds asks customers to fill out a form about their specific needs and preferences, such as longer appointment times. Lloyds uses this information to provide customized service. For example, the bank uses credit cards that require a signature. This practice eliminates the need for PINs (personal identity numbers), which are difficult for people with dementia to remember.

The Outcome: Customer Complaints Drop While Lloyds Garners Media Attention

The bank's efforts to better serve clients with dementia and their caregivers have reduced the number of complaints they received related to this clientele by 60 percent in the 18 months following program implementation.

According to the manager of the Lloyds Disability Program, Lloyds's business success depends on the financial success of everyone in the community, including customers with dementia. By creating the Dementia-Friendly Financial Services Charter, Lloyds is at the forefront of improving the banking experience for people with dementia. Lloyds not only has garnered local and international publicity through its industry-leading changes, but Lloyds also serves as an example of success for other financial institutions worldwide.

BANK OF AMERICAN FORK INNOVATES TO PROTECT CUSTOMERS FROM EXPLOITATION

Bank of American Fork partnered with the Utah Division of Aging and Adult Services to develop and test a five-step strategy to prevent exploitation and to improve older clients' banking experience. Through this partnership, Bank of American Fork now provides its customers with the strongest protection from exploitation in its history. In addition to receiving Community Reinvestment Act credit, the bank received publicity by being named as a partner in the Utah Division of Aging and Adult Services campaign.

The Problem: Financial Caregiving Challenges Hit Home with Bank President

Every year, Utah's older population loses an estimated \$365 million to exploitation. The elder rights director for the Utah Division of Aging and Adult Services shared a report detailing the cost of financial exploitation among older Utahns with Bank of American Fork leaders. This report hit home with the bank's president. His wife was a financial caregiver for her mother, and he had seen the threat of exploitation firsthand.

The Solution: Bank of American Fork and State of Utah Create a Comprehensive Approach to Prevent Exploitation

The Utah Division of Aging and Adult Services developed a five-step strategy to prevent financial exploitation and to improve older clients' banking experience. The division partnered with Bank of American Fork to deploy this strategy to enhance protections for the bank's older customers. The partnership proved essential for the bank's success with those customers. The Utah Division of Aging and Adult Services provided day-to-day expertise on fighting exploitation, on connecting with key government officials and bankers, and on conceiving innovative ideas to protect customers.

Bank of American Fork served as the testing ground for the division's exploitation protection program, which has five main components:

1. **AccountSmart Toolkit.** Through the toolkit, the bank provides third-party online monitoring and a read-only account feature, which allows trusted loved ones to track account movements without giving them access to the funds.

2. **Age-friendly champions.** Every branch has employee “champions,” who are dedicated to serving older clients’ needs. Those employees receive additional training on preventing exploitation and inspire others within the branch to act when they discover something unusual.
3. **Training.** Every employee hired at each of Bank of American Fork’s 14 branches receives annual training on how to detect financial abuse and to protect clients.
4. **Reporting.** Bank of American Fork updated its reporting policies with formal step-by-step procedures for employees to follow if they suspect a customer has become a victim of exploitation. The updated policy includes a point person in the risk management department who serves as the contact for Utah’s Adult Protective Services.
5. **Outreach.** The bank was one of four sponsors of *Navigating Your Rights: The Utah Legal Guide for Those 55 and Over*, a free book for older residents of Utah and their caregivers. The book answers questions on more than 55 topics, from how to prevent exploitation to how to apply for Social Security benefits.

The Outcome: Protecting Customers Leads to Community Reinvestment Act Tax Credits and Positive Publicity

Bank of American Fork proactively protects older residents of Utah from exploitation—not just its own customers. Through the bank’s outreach program, bank representatives speak to community groups about exploitation and the steps they can take to prevent it. The bank earns Community Reinvestment Act credits for this outreach.

The publicity created through the partnership with the Utah Division of Aging and Adult Services has led to the bank receiving 1 million media impressions in a state with a population of just 3 million people. This positive publicity has extended beyond Utah, and Bank of American Fork is seen as a national leader in fighting financial exploitation among older customers. According to the bank’s vice president, the program has also increased employee morale: employees feel they have the education and tools to protect customers from exploitation.

FIRST FINANCIAL BANK FIGHTS EXPLOITATION THROUGH PREVENTION, APPREHENSION, AND EDUCATION

Exploitation of older Americans results in at least \$3 billion of losses annually. First Financial Bank knew its customers could become victims, so the bank implemented a strategy to fight exploitation that includes prevention, apprehension, and education. The two-year-old initiative, Fraud Busters, has saved First Financial customers more than \$1 million and has helped the bank acquire and retain customers.

The Problem: A Long-Time Customer’s Mother Becomes a Target for Exploitation

In 2014, First Financial’s CEO received a phone call from a long-time customer whose mother had lost \$40,000—her entire savings—through a check-cashing scheme. The CEO personally reviewed the account and discovered that the customer’s mother had sent funds to someone in Jamaica and had received a number of fraudulent checks in return. In response, F. Scott Dueser, a board member of the American Bankers Association Foundation, launched an exploitation-fighting program modeled after the initiative to combat financial exploitation that was created by Bank of American Fork and the Utah Division of Aging and Adult Services.

The Solution: First Financial Encourages Employees to Catch Exploitation before the Money Leaves the Account

First Financial’s exploitation-fighting program focuses on three components:

- **Prevention.** First Financial trained its 1,200 employees at its more than 70 locations to identify scams as part of its Fraud Busters program. Bank employees work to develop familiarity with customers’ banking habits so they know when to report an incident to a manager. For example, they are trained to be alert when a signature looks forged or when a customer wants to cash an unusually large check after winning the lottery. When employees catch a scam, they are given the Fraud Buster Award, and they receive a pin to note their efforts. This pin reminds customers that First Financial protects accounts, and it encourages other employees to earn their own Fraud Buster Award.

- **Apprehension.** The bank has established close working relationships with local law enforcement as well as with local Adult Protective Services and the Better Business Bureau. The police have made 50 arrests because tellers identified and reported exploitation as it was occurring. The bank's strategy has eliminated more than \$1 million in fraudulent activity.
- **Education.** First Financial launched a community-based speaker series on preventing exploitation. Bank employees have visited 140 retirement homes, civic clubs, and church groups to educate customers about how to recognize exploitation. The speaker series has also been a valuable tool to attract new customers. Some customers have signed up for a First Financial account after hearing the bank's employees speak at community events. For example, one attendee opened a savings account and transferred \$5 million into it.

The Outcome: Protecting Customers Earns Presidential Praise

In his address at the 2015 White House Conference on Aging, First Financial's CEO focused on how customers and the bank benefit from the bank's proactive plan to prevent exploitation. Without the plan, exploitation would continue to rise unabated, leaving some of the bank's most valuable customers at risk. The Fraud Busters program has received national recognition as a promising practice to protect customers.

BARCLAYS IMPROVES ACCESS TO SERVICES FOR OLDER CUSTOMERS

In the United Kingdom, residents age 60 and older already own the majority of the country's wealth, and that population continues to grow. Barclays leaders knew they needed to improve relations with that valuable clientele. On the basis of direct feedback from their customers and organizations that support older customers, Barclays made a number of changes to their products and services. The changes protect customers from exploitation, improve customer retention, and provide value to the bank.

The Problem: Customers Are Concerned with Exploitation and Banking Accessibility as They Age
Realizing they had lost customer trust during the financial crisis fallout, Barclays set out to become more

customer centered. Because older consumers make up a large portion of their customers and hold 80 percent of the wealth in the UK, Barclays held forums with older customers and caregivers to understand how to provide better customer-centered services to older clients. Older customers were concerned about preventing exploitation, being a caregiver, and having the ability to access banking services.

The Solution: Barclays Develops Age-Friendly Tools for Inclusive and Safe Banking

Barclays reached out to organizations that support older populations to learn more about the issues that customers had identified in focus groups and the ways it could adapt its products and services to meet customer needs. After collaborating with organizations such as the Age UK and the International Longevity Centre, Barclays developed bank initiatives focused on what its customers wanted: preventing exploitation, supporting caregivers, and providing branch accessibility for Barclays's 3 million customers age 60 and older. The initiatives included the following:

- **Data analytics and exploitation protection.** Barclays analyzed exploitation cases involving its customers over an 18-month period to determine the profile of an at-risk customer. Barclays then used this profile to mark 20,000 of its 15 million accounts as high risk. Employees at Barclays proactively provide exploitation safety tips to those at-risk customers.
- **Bank employee training.** Barclays developed online training for its 10,000 employees that covers vulnerable customers, exploitation, scams, dementia, and community resources. Soon after participating, an employee was helping an older customer who was struggling with a transaction. Because of the training, the employee knew she needed to speak slowly, take the customer to a quiet area, and provide more time for the transaction. The employee soon found out that the customer had suffered a stroke the week before and was terrified to visit the bank because of her slurred speech.
- **Education of older customers about online banking.** Banking is moving toward digital online services, and Barclays wanted to help its customers become comfortable with this

method of account management. At 765 tea-and-teach sessions at community centers, Barclays employees taught customers and noncustomers alike how to use Skype, YouTube, and email, as well as how to shop and bank online. Each attendee also received a take-home guide.

- **High-visibility debit cards.** Barclays discovered that visually impaired customers struggle to use debit cards for two reasons: (a) the card is hard to spot among other cards, and (b) customers do not know which way to insert their cards into the ATM. Barclays added an arrow on the card as well as colors at the end of the card to show which way to insert the card. Barclays also added bright contrasting colors to the debit card to make it more visible. This small change had significant effects on the usability for customers.
- **Family debit cards.** Soon customers will be able to add family cards to their accounts. The account holder can select spending limits or designate places where the card can be used, such as the supermarket. Family caregivers can use the family card to shop for a loved one without having full access to the bank account.
- **Identifier app.** Barclays is testing a beacon app that customers can use to automatically alert employees about their impairments—such as deafness or blindness—as they walk through the door of the bank. Employees can accommodate the customer’s impairment without any explanation on the customer’s part.

The Outcome: Improving Customer Accessibility Increases the Bank’s Brand Value

Training empowers the employees at Barclays by giving them the tools they need to help vulnerable customers. The bank’s brand distinction (the number of customers recommending the bank to someone else) has increased as a direct result of the bank’s efforts to fight exploitation and improve accessibility. The bank’s enhanced reputation among customers and peers has resulted in referrals, as well as favorable media articles that have generated millions of pounds of free publicity.

More important, customers of Barclays are able to bank with greater ease regardless of age or impairment. They now have products and services that are tailored to their needs, such as family cards for caregivers and high-visibility cards for

the visually impaired. In addition, Barclays protects many of its customers from exploitation by applying data analytics. Implementing features that enhance accessibility and inclusion required a minimal up-front cost because many of the tools serve other purposes.

According to Barclays’ director of accessibility and inclusion, identifying customer needs early has multiple benefits: it improves customer retention, proactively addresses the problem of exploitation, and provides value to the bank.

CONCLUSION

As financial exploitation continues to affect more and more customers over 50, financial institutions can follow the promising practices implemented by the institutions highlighted in this report to help safeguard their clients’ wealth. Educating employees and customers, improving accessibility of banking services, aggressively fighting exploitation through reporting and cooperation with adult protective services, and creating partnerships with aging organizations are effective ways that financial institutions can safeguard assets while building positive perceptions among older customers.

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