



Financial Elder Abuse

Background

The issue of financial elder abuse is a growing concern for California's banking industry. With the "baby boomer" population aging, all estimates show that the number of senior Americans will increase dramatically in the near term. And while it is good news that so many Californians are living longer lives, the sad reality is that many of them may become victims of financial elder abuse unless dramatic steps are taken.

Though the number of seniors is expected to grow in the next few years, elder financial abuse is not a new issue for CBA members. For the last several years, legislators introduced bills in the legislature that would require mandatory elder financial abuse reporting by our members. CBA has consistently and successfully opposed the imposition of a mandatory reporting duty on financial institutions on the grounds that the mandatory duty to report upset the delicate balance of protecting our elderly customers from suspected financial abuse without becoming "Big Brother" and intermeddling in the financial transactions of every senior customer. **What is needed from our legislators is their support for CBA members' efforts to develop and implement voluntary elder financial abuse reporting programs in California.**

Recent Developments

To this end, CBA has partnered with the California Community Partnership for the Prevention of Financial Elder Abuse (CCPPFA) to produce educational and training materials for use by bank employees and the elder population to help them spot and deter possible incidents of financial elder abuse. This training makes clear how and to whom "front line" employees should report suspected cases of financial elder abuse, how to spot potential victims and how to assist these possible victims while still respecting their decision-making authority and their privacy.

CBA strongly believes that when it comes to financial elder abuse, the following must be considered:

- Voluntary reporting of suspected cases of financial elder abuse is ideal.
 - Many elder account holders conduct their business inside the branch. If they believe that bank employees are scrutinizing every

transaction – and feel that their decision-making authority is being questioned – they may choose to stop coming into the branch; thereby taking away a financial institution's best chance of spotting potential incidents of financial elder abuse.

- It is necessary to respect both the privacy of all account holders and their right to make financial decisions without undue influence.
- Voluntary reporting of financial elder abuse is working – potential victims are being assisted and fraudsters are being stopped – all without the need for further legislation.
- Educational outreach to potential victims and “front line” bank employees is necessary.

Not only do bank employees need training to detect and prevent or report suspected instances of elder financial abuse that they witness, the target population of seniors also must have the tools to protect themselves including awareness of the risk of the potential for financial abuse and steps they can take to prevent the crime or limit its effects when it occurs. CBA's work with the Community Partnership for the Prevention of Elder Financial Abuse and the Attorney General's office as well as local law enforcement is designed to assure that potential victims as well as bank employees have these important preventative tools.