Nasdaq Verafin

Elder Financial Exploitation

Trends & Threats

In 2023,
$77.7B
of all reported global fraud was linked to elderly victims.

Nasdaq 2024 Global Financial Crime Report [1]

Vastly underreported, elder financial abuse is estimated to impact

1 in 10

elderly Americans each year. [2]

Checks and wires are the most frequent methods for transmitting Elder Financial Exploitation (EFE) scam funds.

FinCEN, Financial Trend Analysis, 2024 [3]

Nasdaq Verafin Cloud Insights: Wire Fraud

People aged 55 or older account for over

71%

of attempted wire fraud occurrences, with the **age group 65 to 74** being targeted most frequently. [4]

Typical Forms of EFE [5]

Elder Theft:
Schemes involving the theft of an older adult's assets, funds, or income by a trusted person.

Elder Scams:
Scams involving the transfer of money to a stranger or imposter for a promised benefit or good that the older adult did not receive.

Elder scams accounted for approximately

80%



of reported EFE-related activity. [3]

EFE-related Losses Affect

A victim's well-being and financial security.

Personal Savings

Checking Accounts

Retirement Savings

Investments

Industry Insights

From June 2022 to June 2023, FinCEN received 155,415 BSA reports related to EFE. [3]

15

prominent frauds were identified from the data including

- Account Takeover
- Advance Fee Scam
- Check Fraud
- Investment Scam
- Money Mule
- Romance Scam

Behavioral and Financial Indicators of EFE [4]

Understanding the indicators of elder financial exploitation can lead to early detection and minimize financial and emotional damage.

- **Sudden changes to account contact information**
- **Urgent need to send money to an account with no history**
- **Unexplainable account activity**
- **Inability to speak with a customer despite repeated attempts**



How Financial institutions can Help Prevent EFE

Practice Customer Awareness
- Provide educational materials on common frauds.
- Know elderly customers' typical behaviors.
- Capturing all required information at account opening.

Recognize the Signs
- Identify customers who seem reluctant to speak up.
- Look out for third party interference.
- Train front-line staff and fraud investigators.

Timely Reporting
- Familiarize staff on EFE reporting.
- Identify state or federal requirements when reporting.

Fraud Monitoring Prevention Program Focused on Elderly Customers
- Establish a fraud monitoring program to identify:
  - Red flag transactional activity
  - Out-of-pattern behavior
  - Suspicious activity
  - Targeted fraud scenarios.
- Collaborate with multiple institutions to share information.

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