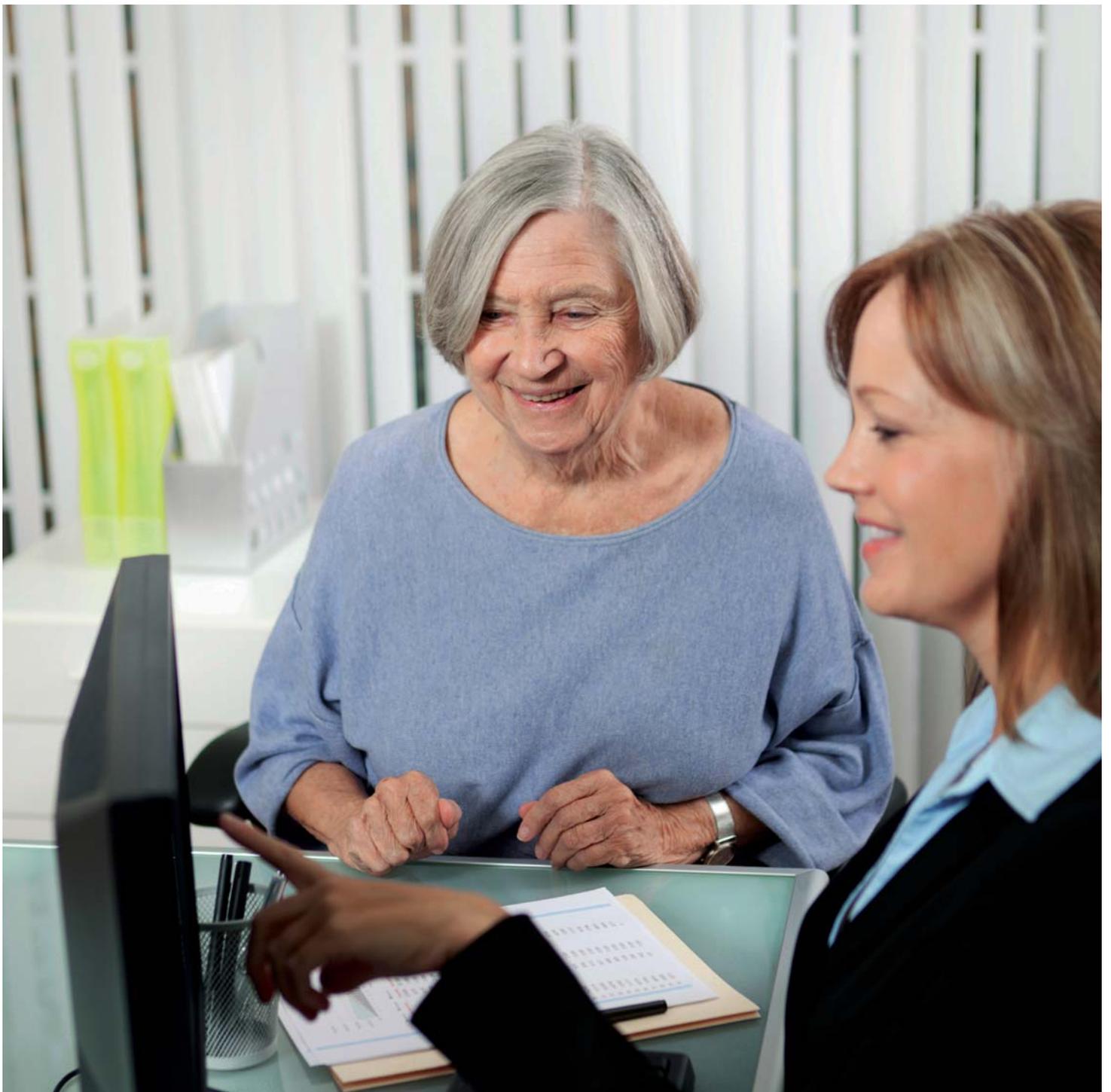


Age-friendly banking

What it is and how you do it



About Age UK

Age UK is the country's largest charity dedicated to helping everyone make the most of later life. We believe in a world where everyone can love later life and we work every day to achieve this. We help more than 5 million people every year, providing support, companionship and advice for older people who need it most. The Age UK network includes Age UK, Age Cymru, Age NI and Age Scotland and around 165 local Age UK partners in England. Learn more at www.ageuk.org.uk

About AARP

AARP is a US-based nonprofit, nonpartisan organisation, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 US states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org

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Foreword by Age UK

For a number of years, Age UK has taken a close interest in matters to do with money management and banking, as these are central to the convenience of everyday living and financial planning for later life. Older people contact us regularly to describe the challenges they have faced with mortgages, loans, insurance, benefits, debt, payments and day-to-day transactional banking. With the rapid growth of the population aged 80+, the issue of carer banking is also very important – not only full Power of Attorney, but a portfolio of carer financial options, attuned to the particular needs of the individual and permitting as much independence and self-reliance as possible.

Technological change brings both challenges and opportunities. In 2014 UK non-cash payments exceeded cash payments by volume for the first time. New technology holds out the promise of better, cheaper services – but only if a sufficient range of well-designed options is available for a consumer marketplace with a very diverse range of needs. The fast pace of change is difficult for many people to adjust to. Bank branch closures, for example can be particularly challenging for socially or digitally excluded older people. New technologies bring convenience, but also new opportunities for fraud and scams.

There are many challenges, but we have also been heartened to see innovations by financial providers towards better customer service. This report highlights examples from the UK and the USA of what we call ‘age-friendly banking’. We encourage every bank, building society and other financial service provider to put ‘age friendliness’ at the heart of their technical, financial and service propositions.

Tom Wright CBE, Group Chief Executive of Age UK



Foreword by AARP

Regardless of age, health or economic circumstance, nearly everyone needs to bank. However, hearing, vision and mobility issues often arise as people age and can make certain banking tasks such as reading statements, standing in line, and communicating with tellers more challenging. The impact is even more far-reaching. Family caregivers are often asked to help a friend or relative manage finances because of a decline in their loved one's health or cognitive ability.

These challenges are compounded by the fact that thousands of people aged 50+ become victims of financial exploitation every day. Not only do they lose money, but the loss of trust and dignity can have severe impacts on their health and well-being. Older people are targeted not only because they have built up a lifetime of savings, but also because those who suffer cognitive decline are more vulnerable to exploitation. We know if nothing changes the problem of financial exploitation will only get worse as the number of older people and their assets continue to grow.

AARP is tackling financial exploitation head on. But we know we cannot do it alone. Financial institutions are in a unique position to help protect older Americans before their savings leave their accounts. And consumers are asking for help. Our surveys found that eight out of ten older Americans want to establish their accounts at banks that are looking out for their best interests by fighting exploitation and providing age-friendly services.

By protecting and empowering their customers, AARP believes banks can minimise their own risk and exposure to losses from financial exploitation while increasing brand distinction, strengthening customer trust, and improving employee morale.

AARP is pleased to collaborate with Age UK on this report. As two of the largest non-profits focused on ageing, we are bringing collective voice to enhance and improve the lives of people as they age. With this paper, Age UK provides a cross-continental blueprint of proven solutions that banks use to fight exploitation and promote age-friendly services. We hope more financial institutions will adopt similar solutions to help older persons manage and maintain their finances not just in the US and UK, but across the globe.

Dr Debra Whitman, Chief Public Policy Officer, AARP

1 Introduction



Older people tell us about a range of challenges that arise in using banking and payments systems. This report describes some of these challenges and how banks in the UK and USA have begun to address them. The featured case studies show that with thought, careful design and good implementation, significant progress can be made.

What is age-friendly banking?

By ‘age-friendly banking’ we mean banking services, products and facilities that remain accessible and easy-to-use as people age, assist caregivers and prevent financial exploitation.

The best of UK and USA experience

This report contains case studies gathered by AARP Public Policy Institute and Age UK. AARP is a non-profit, non-partisan US organisation with a membership of nearly 38 million, dedicated to the needs and interests of Americans aged 50+.¹ Age UK is the leading UK charity addressing the needs of older people. This report identifies banking issues faced by older people in the UK and USA and features case studies of the ways US and UK banks have sought to improve the service they give to the older population. We encourage banks to examine the needs of their customers and adopt the best practices appropriate to these needs.

What challenges do customers face as they age?

Older people are highly diverse. Some of us remain fit, healthy, mobile and abreast of digital technology until the end of our lives. Others of us face increasing challenges as we age: we may be less mobile or live further away from the services we need; we may have physical disabilities including deterioration of sight and hearing or arthritis in the hands; we may be offline because of the relatively recent arrival of the Internet and/or the cost of computers and connections; our income may be low or have fallen compared with what we had in paid work; we may find it hard to remember passwords and security codes or have trouble with call centre menus; some of us live with cognitive decline and become dependent on carers to assist with our banking.

Nevertheless, we remain customers of banks, we need to manage our money and some of us have substantial financial resources. Older people are a substantial part of the economy in the USA and UK and essential customers for the banking industry. In the USA, the ‘longevity economy’ (economic activity arising from the spending of those aged 50+) in 2012 amounted to US \$7.1 trillion.² In the UK in 2013, those aged 65+ accounted for household spending of £145 billion.³

1 www.aarp.org

2 Oxford Economics, *The Longevity Economy – Generating economic growth and new opportunities for business*, 2015, p 4.

3 Age UK, *Agenda for Later Life 2015*, p 7.



Excellent service for all

One of the insights of age-friendly banking is that if a bank can provide good service for its oldest customers, it can provide excellent service for all.

The young and the middle-aged navigate the same systems as older people, but may have greater resilience in coping with poor design – for example, being able to access bank services through alternative channels. A bank that improves its systems and services to assist its older customers is likely to find the rest of its customers delighted by the improvement.

Why become an age-friendly bank?

From our discussions with banks in the UK and USA, we hear several reasons for becoming age-friendly, which together make a powerful business case:

- To adapt to the needs of an ageing society.
- To deliver a better service to existing and new customers and improve customer satisfaction.
- To build a reputation for age-friendly service that may give competitive advantage.
- To develop systems and products that better suit all customers, regardless of age.
- To reduce fraud and financial exploitation.
- To improve the relationship of the bank with its stakeholders.
- To help rebuild the reputation of the banking sector following the crash of 2008.
- To meet obligations under equality and human rights legislation.

Keys to creating an age-friendly bank

Creating an age-friendly bank is about customer service, physical design, systems and products. It is also about the overall way in which a bank or building society thinks about itself as an organisation in relation to its customers, including being aware (through equalities monitoring) of exactly who its customers are.

Customer service – make sure that staff are trained to recognise the specific needs of older people, to listen to what older customers say to them and to respond appropriately; ensure that front-line staff have the necessary back-up to respond appropriately to unusual requests and situations of vulnerability, especially relating to cognitive decline, scams and financial abuse.

Physical design – design branches to be easily accessible; arrange suitable alternative physical services where the core branch network is absent; design physical interfaces (ATMs, phones, computers, tablets, mobiles) to be accessible to people with as diverse a range of abilities as possible, with specialist back-up where needed. Ensure all customers know about accessibility options, not just those who ask.

Systems – make sure information is handled reliably and processes (call centres, branches, postal, Internet and mobile) are carried out in ways that meet the needs of older customers. Deliver better overall reliability by offering a range of access channels.

Products – remove arbitrary age limits and design financial products to fit the shape of later life.

How a bank sees itself – like other large businesses, a bank is a community of stakeholders with a variety of interests, situated within a larger society. The more a bank sees itself as interdependent with that larger society and with responsibilities to all its stakeholders, the easier it will be for the bank to adopt practices that are friendly to older people.

2 What older people tell us about their banking experiences

LISTEN Cheque PEOPLE

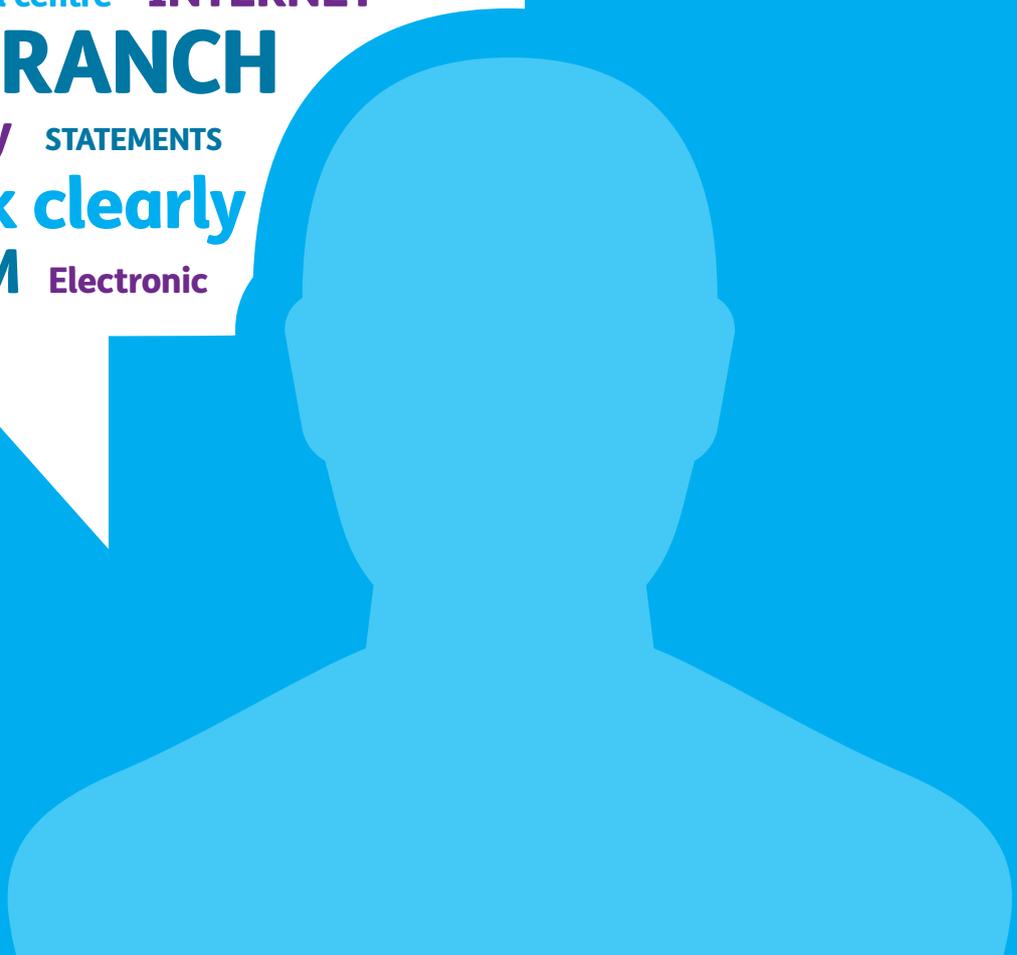
Older Call centre **INTERNET**

PHONE **BRANCH**

Security STATEMENTS

Speak clearly

ATM Electronic



As the largest UK charity addressing the needs of older people, Age UK hears about the banking experiences of older people from a range of sources: letters and emails, calls to our national enquiry line, feedback from local Age UK partners, commissioned surveys, forums and workshops. We have summarised and published these reports a number of times, for example in *The Way We Pay* (2011) and *Financial Resilience in Later Life* (2014). For the purposes of this report we supplemented our knowledge by running two workshops on age-friendly banking, one in Leicester (August 2015) and the other in Abergavenny (September 2015) to make sure the reactions we report are as up-to-date as possible.

From these sources, including the latest workshops, a consistent picture emerges. Older people have a mix of positive and negative experiences with their banks and building societies, and while different organisations may behave differently in similar circumstances (not all banks are equally good or bad) there is a striking similarity in reported challenges and preferences. Here we highlight the key messages.

Banking is often a non-exclusive relationship

In our workshops, most participants had at least two banks,⁴ some had three or four. People caring for others or looking after clubs or societies had additional banking relationships. Often banking relationships are split by function. For example, a person may have their current account with one bank, savings accounts with one or more others and their credit card with a different bank again. Banks therefore should think in terms of having a shared customer base which, with retrenchment of the traditional branch network, could be served by shared solutions to customer needs, including shared branches.

Many older people have a strong preference for in-branch banking

While a minority of older people use Internet banking⁵ and appreciate its convenience, most have a strong preference for in-branch banking. We have heard this message many times: ‘I like to deal with people face-to-face.’ ‘I feel more comfortable in a branch.’ ‘I don’t want to talk to a machine. I want to talk to a human being.’ Older people are sensitive to branch design and want banks to keep the main branch functions on the ground floor, avoid playing loud background music, provide assistance for use of in-branch banking machines, manage queues and provide comfortable chairs to sit on while waiting. One workshop participant was impressed by visiting a branch where the branch manager worked at a desk in the customer area, immersed in the banking experience of the customers. Getting the design right improves user experience and may attract new customers.

⁴ The Social Market Foundation reports that 20% of UK adults actively use more than one current account provider, 50% of UK adults actively use financial products from more than one bank and 43% of all savings products are with a provider the customer does not have a current account with. Evans K, *Playing the Field – Consumers and Competition in Banking*, Social Market Foundation, July 2015.

⁵ ONS reports that in 2013, 23% of those aged 65+ used Internet banking compared to 71% of those aged 25–34. ONS, *Internet Access – Households and Individuals 2014*, p 7.

Many older people are worried about Internet security

Many older people are concerned about the security of Internet banking and Internet commerce in general: 'Internet purchases are scary – I wouldn't do it.' 'I have worries about the Internet.' These concerns arise from publicity about fraud and breaches of Internet security and from older people doubting their own Internet skills.⁶ Many older people, including a majority of people aged 75+ and nearly four fifths of those aged 75+ in the 'DE' social groups are not on-line.⁷ In many areas where older people live, the Internet is not yet reliable or fast enough for a good Internet experience: 'Sometimes it stops in mid-transaction and you have to do it again.' Workshop participants felt that they were being pressured toward Internet banking and did not like this. 'I keep getting pressurised to move to Internet banking. They think you are something out of the ark if you don't bank online but I don't trust it.' A key aspect of age-friendly banking, therefore, is an accessible multi-channel approach, with additional support for older people who may want to bank online.

Many older people are concerned about the security of on-street ATMs

Older people (especially those aged 75+) told us they are concerned about the security of on-street ATMs, for example their PIN being seen, being mugged, fearing that an ATM has been tampered with, not knowing what to do if they can't get their card out of the machine. They prefer using ATMs in more protected areas, such as bank branches or supermarkets, providing the ATM is user-friendly. This presents a challenge when banks wish to rely on ATMs after closing branches and highlights a need to design more secure ATM environments.

6 Such concerns have been reported in formal research. See, for example, Damant J and Knapp M, *What are the likely changes in society and technology which will impact upon the ability of older adults to maintain social networks of support?* Foresight, Government Office for Science, 2015. www.gov.uk/government/uploads/system/uploads/attachment_data/file/463263/gs-15-6-technology-and-support-networks.pdf

7 Ofcom, 2014. 67% of people aged 75+ were not on line, rising to 78% of those aged 75+ in the 'DE' social groups.

Older people value some electronic payments but still like cheques

Older people are generally positive about direct debits, standing orders and receiving their pensions by electronic payment. These functions are seen as positive extensions to traditional banking as they automate familiar banking transactions and save time.

Older people continue to like using cheques. Cheques are used to pay for household services, purchases made by mail and to give gifts to children and grandchildren. They are also used as a backup, e.g. for cash withdrawal, if a person's card is stopped for some reason. 'You know where you are with cheques. You know the date you wrote it and who to and you can check it against your statement.' Having a paper audit trail may be part of a conscious strategy to deal with failing memory.

Many older people like paper statements

Even if they accessed their accounts online, many workshop participants expressed a preference for paper statements and particularly did not like what were seen as 'sneaky' ways of moving people to electronic statements such as having a hard-to-see tick box if they want to continue receiving paper statements.

Banks are praised when they handle difficult situations well

When a bank responds well to a difficult life situation (e.g. bereavement) this is greatly appreciated. 'They were brilliant' said one participant about how a bank had responded to the death of his wife. On the other hand, if such situations are handled badly, people get upset and distressed: 'You're already upset and this makes it worse.' 'I went to pieces in the branch.' 'It was horrendous.'

People like systems that work properly and efficiently

Banks were generally praised for their methods for dealing with lost or stolen cards, for credit card security and for aids to good banking such as sending text messages when an account is at risk of going into overdraft.

There is misunderstanding about bank policy toward large payments

Workshop participants reported meeting barriers to large payments, including having to produce extra ID or having to split a large payment into several smaller payments in order to get it through. It may be that these barriers arise from anti-scams or anti-abuse systems operated by the banks, but if so, this was not understood by the participants. One person said his bank had told him it was 'government instructions'.

Older people are angered by their savings defaulting to low interest rate accounts

Workshop participants objected to finding they had not been offered the latest deals and having to shop around to get better interest rates. 'Why do we have to go online for better interest rates? Shouldn't they be for everyone – even if you don't use the Internet?'

Poor experiences of contacting banks by phone

Few of our participants reported using phone banking and most did not like the experience of calling their bank. This is because of menu systems, queuing, having to remember security information and poor quality interaction with call handlers. People also dislike the fact that they cannot call their own branch but have to go through a national call number. The exception was a bank that has a policy of directing calls to a regular named person rather than to a menu system. This approach was praised by those that had experienced it.

The importance of good communication and careful listening

Second only to the preference for in-branch banking, older people want to be listened to properly and for staff to speak to them clearly: 'Listen to what older people have to say.' 'Listen more carefully when dealing with older people – speak clearly and slowly.' 'Be extra patient and speak clearly.' 'No patronising.'



3 Age-friendly banking in pictures





Customer-centred service

Listen carefully to what older people say, talk clearly without patronising at a speed appropriate to the customer. Be aware of vulnerability including short and long-term issues.



Preference for in-branch banking

Easy-access branches, accessible staff, mobile and shared-use branches.



Personalised call centres

Quick pick-up by human operators. Careful listening and clear talking. Avoid upselling. Give appropriate advice about scams and fraud. Focus on providing the solution sought by the customer.



Age-friendly design

Branches, cards, machines, apps and processes designed to be age-friendly, taking account of age-related perceptual and motor issues. New technology to be tested by older users to ensure user-friendliness.



ATMs in safe places

ATMs in bank branches, post offices, supermarkets and other safe non-street places.



Cheques, cash and paper statements

Ensure paper-based instruments continue alongside new digital technology. Cheque imaging enables normal cheque use to continue while processing is digitised.



Good systems

Ensure information systems are designed well so that tasks such as registering Powers of Attorney and reorganising accounts on the death of a customer are completed reliably and quickly.



Innovation in ID and security

Be flexible with ID requirements for customers without passports or driving licences. Design new ways of 'passing security' that do not rely on passwords and remembering complex information.



Age-friendly products

Stop defaulting older customers to low interest accounts. Help people find the best interest rates easily. Remove blanket age limits on financial products such as mortgages.



Improved carer banking

Provide secure systems for carers that enable them to carry out banking functions for the person cared for without breaching the terms and conditions of accounts.



Improved methods of stopping scams, fraud and financial abuse

Continue to develop fraud and abuse detection systems. Improve education about the risk of fraud, including at the time of a suspect transaction. Use short payment delays to allow customers time to have 'second thoughts' about scam payments.

4 Agenda for innovation in age-friendly banking



The case studies featured in this report show the potential for age-friendly banking. Taken together, they demonstrate that a combination of technical innovation, systems innovation and staff training can make a huge difference. Participants in Age UK workshops confirm this: when their encounters with the banking system have gone well, they are delighted with the ease and helpfulness of the process.

However, not every experience is good. There is variation in practice between different banks or building societies, and between different processes and staff members of the same bank. Banks freely admit they are at the beginning, rather than at the end, of the journey. This publication is optimistic. Rather than dwelling on shortcomings, we have chosen to show examples of success, with the aim of commending the banking sector for its efforts to date and encouraging further innovation and the wider spread of age-friendly service. If a bank is not mentioned in this publication, it does not necessarily imply a lack of age-friendly practices, only that we may not have heard about the bank's particular examples.

Based on the case studies and feedback from older people, an agenda for innovation emerges. This requires developments in business practice, technology, systems and customer service. We look forward to working together with the banking industry to find the best solutions.

4.1 Detecting and stopping financial scams

Financial fraudsters use crafty techniques to ensnare people, techniques that play to the particular vulnerabilities of targeted individuals: a confident investor will be offered praise and apparently enticing investment opportunities; a careful saver will be told that her account has been compromised and she needs to move her life savings to a new, 'safer' account. Fraudsters pretend to be the police or the fraud department of the customer's bank and use 'social engineering' techniques including call-backs and security texts to con people into believing that they are bona fide.

Experience shows that banks can help their customers avoid being defrauded by a combination of anti-fraud tactics:

- Delivering high profile anti-fraud information in branch, online and by phone.
- Using analytical software to identify suspect transactions prior to processing.
- Training staff to spot scams, fraud and financial abuse as they happen.
- Communicating with customers to confirm or cancel suspect transactions.
- Giving scam awareness messages by phone in the course of a suspect transaction.
- Delaying suspect transactions for a short time to enable customers to have 'second thoughts'.

According to the Financial Ombudsman Service, 20 per cent of its scam complainants realise within two hours that they have been scammed, and 75 per cent realise within a day,⁸ so a short delay on suspect transfers is likely to be an effective countermeasure.

⁸ Financial Ombudsman Service, *Calling time on telephone fraud*, July 2015, p 31.

Case Study 1

Coventry Building Society – helping customers avoid scams

Over the past 18 months to two years, the financial services industry has seen a sharp rise in cases of customers being victims of scams. The amount lost from telephone scams alone (also known as ‘vishing’) rose from £7 million in 2013 to £13.9 million in 2014.⁹

The Coventry Building Society (the Coventry) has responded with a combination of anti-fraud messaging, campaigns in branches, improved staff training and more sophisticated ways of reacting to scams as they happen.



Literature, website and telephone messages

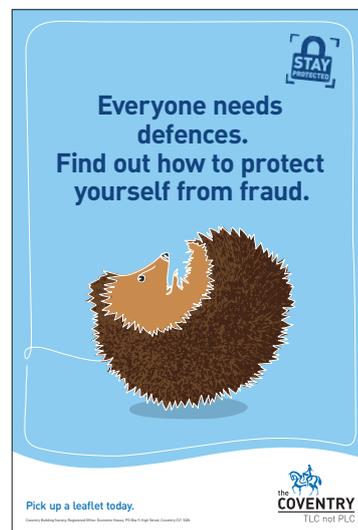
The Coventry introduced a printed anti-scams guide, a dedicated ‘Security’ area on the Society’s website and a number of anti-fraud messages that members hear when calling the Customer Service Centre. The messages advise members what details a genuine caller from the Coventry would and would not ask for, and what to do if they think they are being scammed.



£13.9 million
lost from telephone
scams alone
in 2014.

Anti-fraud campaigns in branches

To reinforce the messages, the Coventry has run a ‘Protect yourself from scams’ campaign to raise awareness of financial crime and prompt customers to talk to staff to learn more.



⁹ Financial Fraud Action UK, *Fraud the Facts 2015*, p 24.

Staff training

Anti-fraud training begins when new staff members receive Financial Crime training at their corporate induction. This knowledge is refreshed each year through an annual Financial Crime Focus Week, annual Financial Crime training and tailored training sessions when a need is identified – for example, if a new or lesser known financial scam becomes prevalent.

Staff are trained to look for changes in a customer's behaviour or transaction patterns as a key sign that they could be victims of a scam. It can be particularly challenging to identify this over the phone, so specialised tactics have been developed.

Reacting to scams as they happen

The Coventry has a specialist Financial Crime team which is equipped with a range of tools and strategies to help protect its members, such as contacting customers to discuss certain transactions, establishing whether the customer has been the victim of a scam and acting accordingly.

Case study: Mr Johnson*

During routine checks, a member of the Financial Crime Team was alerted to an unusual transfer on a customer's account – a significant sum was scheduled to be transferred to an account with a different bank.

The Financial Crime Support Officer called the account holder, Mr Johnson, to check that the transfer was authorised by him and hadn't been prompted by a third party getting in touch with him to tell him to transfer his money. Mr Johnson said this wasn't the case and confirmed that the transfer should go ahead.

However, before Mr Johnson ended the call, the Support Officer told Mr Johnson about a scam that was in circulation at that time (ie the type of scam they suspected he had been a victim of) – this included what the scammers might say to convince him that they were genuine callers, what they might ask him to do and what would happen once he had done this. The Support Officer then asked Mr Johnson to think about what they had discussed, perhaps talk

to someone he trusts and if needed, to ring back using a phone number he could find by searching on the internet.

The next day, one of the first calls into the Financial Crime team was from Mr Johnson – distressed, he had realised that he had been contacted by fraudsters, and asked for the transaction to be stopped before he lost his life savings. The Financial Crime team stopped the funds going into the fraudster's account.

Flavy Neale, Senior Payments and Financial Crime Operations Manager at the Coventry, said: *'We aim to raise members' awareness of scams, but also recognise that we need to adapt how we tackle them ourselves. Our detection and protection measures evolve constantly to match the more sophisticated techniques fraudsters use to target people.'*

* The customer's name has been changed.

Feedback on scam prevention from Age UK workshops

Age UK tested the Coventry approach at workshops in Leicester and Abergavenny and found that participants were positive to the idea of receiving scam awareness messages by phone in the course of a suspect transaction and to banks delaying suspected scam payments for a short time to give customers the opportunity to have second thoughts. Participants also thought that:

- Banks (in general) need to do more work to raise awareness of scams, including making anti-scam messages more prominent (e.g. in red ink on bank statements).
- Banks need to do more to track and stop the use of bank accounts by scammers as part of their scams.
- Government and industry should find other ways of raising awareness of scams, such as including scam story lines in popular radio and TV drama series.

Case Study 2

First Financial Bank (Texas, USA) – ‘Fraud Busters’, a three-pronged approach to preventing fraud

In the USA, the cost of fraud targeting older people is estimated to be \$2.9 billion a year.¹⁰ In 2014, First Financial CEO F. Scott Dueser received a phone call from a long-time customer whose mother had lost \$40,000, her entire savings, through a cheque-cashing scheme. Dueser reviewed the account and discovered that the customer’s mother had sent and received a number of cheques from someone in Jamaica. The cheques she sent were cashed, but the fraudulent cheques she received bounced. In response, Dueser launched a programme modelled on an initiative to combat financial exploitation created by Bank of American Fork and the Utah Division of Aging Services.

Prevention, apprehension and education: a strategy for fighting fraud

First Financial implemented a fraud prevention programme called ‘Fraud Busters’ that focuses on three components: prevention, apprehension and education.

- **Prevention:** The bank trains its 1,200 employees at more than 70 locations to identify scams as part of the Fraud Busters Program. Tellers know when to report an incident to a manager, such as if a signature looks forged or if a customer wants to cash an unusually large cheque after ‘winning the lottery.’ When employees catch a scam, they’re given the Fraud Busters Award.
- **Apprehension:** the bank has teamed with the police department, as well as Adult Protective Services and the Better Business Bureau. If First Financial uncovers fraud they call the police. For example, First Financial prevented the granddaughter of a customer from illegally cashing multiple cheques from the client’s account in one day.
- **Education:** First Financial launched a speaking series in the community on fraud prevention. First Financial visited 140 retirement homes, civic clubs and church groups, educating customers about how to recognise fraud.

Fighting fraud makes business sense

First Financial estimates it has caught over \$1 million in fraudulent activity through the Fraud Busters programme. As First Financial refunds customers hit with fraud, keeping client accounts safe saves the bank money.



First Financial estimates it has caught over **\$1 million in fraudulent activity** through the Fraud Busters programme.

¹⁰ The MetLife Study of Elder Financial Abuse, 2011, p 2.

Case Study 3

Oregon Bankers Association toolkit on preventing exploitation

The Oregon Bankers Association (OBA) collaborated with ageing advocates and developed a toolkit to help banks protect their older customers. This toolkit continues to serve banks, associations and their customers inside and outside of Oregon that want to prevent exploitation.

Partnerships with ageing organisations

Twenty years ago, Oregon banks observed the growing trend of exploitation of older customers. In response, the OBA and its member banks collaborated with the local state offices of the Department of Human Services, Department of Justice and AARP to develop an effective anti-exploitation banking training kit.

Anti-exploitation toolkit

The exploitation prevention toolkit has a video and online component. The first part teaches bank employees to better recognise and prevent fraud and to build reporting systems. The second part provides materials to help bankers make presentations to their customers about how to avoid scams and exploitation.

- **Employee training:** The toolkit includes a video that shows examples of exploitation and how employees can intervene to stop exploitation. It shows banks how to develop a protocol for employees to report suspected issues and includes contacts for local law enforcement and Adult Protective Services. Since the toolkit's implementation, bank employees are the second-largest reporters of exploitation in Oregon, behind only family members.
- **Community outreach:** The OBA toolkit offers strategies to increase community outreach, including creating seminars through local ageing organisations and developing educational material to inform customers about exploitation.
- **Innovative features and tools:** The toolkit also recommends that banks use proactive techniques to spot issues, including analytics and software, account alerts and flagging suspicious transactions.

Exploitation reports rise due to better detection

The OBA provided over 1,000 toolkits to every Oregon bank. Bank reports on exploitation to Adult Protective Services increased by 80 per cent the year after the toolkit was introduced. In the six years following the release of the toolkit, bank reports grew by 188 per cent. According to OBA CEO Linda Navarro, *'We make our kit available to anyone who wants it: banks, credit unions, financial planners. It's all about getting the material out and utilised.'*

4.2 Enabling caregivers to assist with banking

There are more than 9 million unpaid carers in the UK,¹¹ each providing support to a family member or friend. This number is set to rise further as increasing numbers of people live into old age, with many needing support from families and the community.¹²



More than **9 million** unpaid carers in the UK.

The caring role can be stressful and anxious with significant burdens. Carers themselves often have their own support needs as well as needing information, advice and support with their caring responsibilities. Many carers provide help with financial matters to the person they care for, such as helping their family member or friend pay bills, get cash or shopping or manage their day-to-day banking.

When customers need support from a caregiver to do their banking, particular challenges arise. The customer may give the caregiver their bank cards and PIN numbers, breaching the terms and conditions of use. Caregivers may find it hard to establish their legal power to assist because of problems with documents and identification. Caregivers may live some distance from the person they are helping, making coordination during normal bank opening hours difficult. And some caregivers, unfortunately, may take advantage of the caring relationship to steal from the person they are supposed to be assisting. The challenge for banks is to create systems that work smoothly for customers and their caregivers, while at the same time intercepting cases of financial abuse.¹³

Experience shows that banks can assist customers and their caregivers by a combination of:

- Additional staff training to understand caregiving situations, related vulnerabilities and the appropriate responses.
- Specialist units to help process documents such as Power of Attorney.
- Secure legal means of accessing accounts, such as a dedicated carer's card.
- Software and training to detect situations of abuse and enable frontline staff to intervene appropriately.
- Community activities to assist carers, such as carers' forums hosted by bank branches.

¹¹ ONS UK population estimates by age, 2014; Mortimer J and Green M, *The Health and Care of Older People in England 2015*, Age UK, October 2015, p 30.

¹² The number of people in the UK aged 85+ is forecast to increase from 1.2 million in 2011 to 2.4 million in 2031 to 4.3 million in 2051 (ONS population projections).

¹³ See www.elderfinancialabuse.co.uk (Brunel University West London) for a UK-focused training resource on detecting and responding to elder financial abuse.

Case Study 4

Lloyds Banking Group (UK) – system for registering a Power of Attorney

A Power of Attorney (PoA) is a legal document that authorises a third party (the ‘attorney’) to act on the part of the first party (the ‘donor’). If someone is at risk of losing mental capacity or for other reasons needs a third party to carry out banking on their behalf, a PoA is an essential document. However, it has to be created before capacity is lost, be registered with the Office of the Public Guardian and recorded by the relevant bank.

**LLOYDS
BANKING
GROUP**



From customer feedback, Lloyds Banking Group realised it had a problem with its PoA registration process, which could become uncomfortably prolonged. Lloyds decided it wanted to give its customers an efficient, one visit experience, with the PoA being correctly recorded within one hour

at the customer’s branch. Lloyds wanted attorneys to be able to carry out Internet and telephone banking as well as branch banking.

Enhanced staff training plus Centre of Excellence

The solution was to enhance front-line staff training and enable real time referral to a Centre of Excellence (a specialist PoA unit).

The branch colleague calls a colleague in the Centre of Excellence, who checks to ensure all relevant paperwork and details have been received. The call lasts 8–9 minutes with notes and details being recorded on the bank’s systems. The colleague in branch can talk to the customer and inform them how the registration is progressing and order additional items such as cheque books or cards. The customer

leaves the branch knowing that everything is progressing correctly.

On average the specialist team takes 275 calls a day. Working patterns have been changed to support branch opening hours including Saturday mornings and late night Thursday. During what can be a difficult time for customers, potential problems can be spotted and corrected immediately.

Training for Power of Attorney specialists

Face to face training for colleagues in the Centre of Excellence takes place over three months. The legal background and bank documentation are covered and quizzes used to check understanding of the documents and process flows for the bank’s online forms completed in branch.

Improved document handling

Scanning facilities have been introduced in all branches to avoid missing documents and long time-scales. Documents are attached to an existing customer file as the system creates a footprint which generates a reference. Customer notes are recorded that are visible across telephony channels and other branches so if a customer calls telephone banking the same notes regarding PoA are visible. This means that a registration can be started in one branch and continued in another and can be useful if the attorney(s) and customer do not live near each other.

Feedback from customers and staff

The new process has proven popular with customers and staff. The monthly average number of complaints for the last five months of 2014 was 55 per cent lower than for the first six months of 2014.

One customer said: *‘I really didn’t expect that everything would be in place so quickly. This means that I’ve been able to carry out a number of necessary transactions today and finalise outstanding bills.’*

A branch colleague said: *‘I was very impressed with the speed of completing the PoA. From the customer’s point of view they were pleased that the PoA had been registered by the time they had left the office. Also the colleague at the PoA Centre of Excellence was able to answer queries the customer had over the phone.’*

Case Study 5

Barclays Bank – Carer Forums

To respond to the challenges carers face, Barclays has been working with external organisations and charities to establish local Carer Forum events.

These forums, which are open to everyone, not just Barclays customers, provide a place to speak with experts so that carers can address multiple or complex concerns. Forums are run on an advertised day on a drop-in basis, so carers can attend to suit their own schedule.

Carers attending these events can obtain advice on issues such as where to go for support and the options available to help them with money. Additionally, carers can be signposted and referred to other advice and support services.

Alongside knowledgeable branch staff from Barclays, other organisations involved in the forums include local Age UKs, Carers Trust, local Social Services and the Office of the Public Guardian. Barclays has also developed Carer Support Guides which provide hints and tips on the information and expert advice that is available, including banking options such as Third Party Access,¹⁴ joint accounts and Power of Attorney.

Ambition and customer feedback

Barclays intends to deliver 150 events in 2015–16, with the aim of making Carer Forums a typical way that local branches support their communities. Barclays reports positive feedback from the events held so far. For example, one attendee said, *‘I am so glad you came to Crawley today, I feel like I have been carrying a burden for so long and a weight has just been lifted. I know what I need to do and how I am going to do it.’*

A Bristol carer said, *‘I came to find out about registering a Power of Attorney and am leaving with so much more information on benefits and support.’*



Do you provide help to someone who could not manage without your support?

If you are helping a family member, friend or neighbour who could not manage without your support then you are a carer.

If you would like to find out more about what support services are available in your local community, come along to our drop in event. Barclays can also provide information on ways to manage someone else's money. Everyone is welcome and refreshments are provided.

Barclays, 167 Highstreet Bromley, BR1 1NL on Tuesday 11 August at 11:00 - 14:00



Barclays intends to deliver **150 Carer Forum events** in 2015–16.

¹⁴ ‘Third Party Access’ refers to the range of legal options for granting someone other than the customer access to the customer's bank account. The spectrum runs from view-only rights to full transactional access, depending on the level of carer support needed.

Case Study 6

Wells Fargo Advisors (USA) – Elder Strategy Group

Responding to early signs of cognitive decline among some customers and an upsurge in financial abuse cases, Wells Fargo Advisors developed an Elder Strategy Group. This is an eight-person team of lawyers moved from the legal department to compliance with the task of addressing fraud against older customers and offering solutions for front-line staff when they recognise a client's cognitive decline.

Systems developed by the Elder Strategy Group

The team's experience has altered how Wells Fargo Advisors protects its at-risk clients. The team has created a number of systems that give front-line staff legal flexibility to seek help:

- **Emergency contact form:** this is a form that clients sign, allowing advisors to contact a trusted family member if concerns of mental decline arise.
- **Training:** every employee of Wells Fargo Advisors must pass a yearly test, which includes a 45-minute class on financial abuse.
- **Negotiate, isolate and tattle:** through the Elder Strategy Group's work, advisors know when they suspect fraud to try to delay the customer's decision, isolate the victim from the untrustworthy confidante and report their concerns to the Elder Strategy Group.
- **Elder Strategy Leader:** the bank appointed an official – backed by Wells Fargo Advisors' CEO – to encourage department heads, such as marketing or new product development, to better serve older clients when launching new ideas.

Becoming a resource for the industry

The Elder Strategy Group eased the pressure on the legal department. Instead of waiting for a situation to develop, advisors (with the client's permission) can reach family members before cognitive decline has negative effects. This has created goodwill with family members, who have thanked Wells Fargo Advisors for intercepting fraud or drawing their attention to their loved one's vulnerability. There has also been interest from competitor banks, and Wells Fargo Advisors has been happy to share with them the learning of its Elder Strategy Group.

Case Study 7

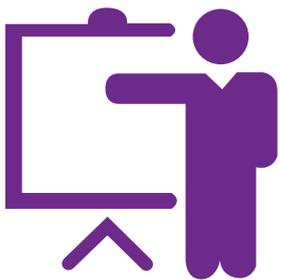
Bank of American Fork (Utah, USA) – preventing abuse through an age-friendly culture

In 2011, Utah’s Division of Aging and Adult Services shared with Bank of American Fork a report detailing the cost of financial exploitation among older Utahns. This report rang true with the bank’s experience of financial caregiving, so it partnered with the Division to implement a five-step strategy to prevent financial exploitation and improve older clients’ banking experience:

- **AccountSmart Toolkit:** the bank provides the option of third party online monitoring and a view-only feature, which allows a trusted loved one to track account movements without giving them access to the funds.
- **Age-Friendly Champions:** every branch has Champions who are employees dedicated to older clients’ needs.
- **Training:** Every employee in its 14 branches receives yearly training on detecting abuse.
- **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 fraud or abuse.
- **Outreach:** Bank of American Fork has extended its anti-exploitation programme to the wider community. Through the bank’s outreach programme, bank representatives speak to community groups about exploitation and steps they can take to prevent it. This outreach earns Community Reinvestment Act credits for the bank.

As part of its outreach, the bank was one of the sponsors of *Navigating Your Rights: The Utah Guide for Those 55 and Over*, a free book to older Utahns and their caregivers. The book answers questions on many topics, from how to prevent exploitation to applying for social security benefits.

The publicity created through the partnership with Utah’s Division of Aging led to 1 million media impressions in a state with a population of 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.



Every employee in the bank’s **14 branches** receives **yearly training** on detecting abuse.

4.3 Accessible branch banking

Many older people express a preference for in-branch banking. They like face-to-face service, the chance to talk to people and the security of seeing their banking transaction take place and receiving a paper record to prove it. For many older people, going to the bank is part of a routine that gets them out of the house, into their town centre and passing time with other people as they go about their business. They also benefit from the life given to their local town centres by the continued availability of branch banking.

Bank branch networks have shrunk and are likely to continue to do so as an outcome of the broader societal shift to the internet and mobile networks. This presents the banks with a challenge: how to maintain customer-friendly services for those reliant on closing branches who do not want to, or cannot, transfer to Internet or mobile banking?

Potential solutions include telebanking (a smart ATM with live on-screen access to a customer service person), enhanced use of the Post Office, joint bank branches and mobile branches.

Shared and mobile branches

With individual customers increasingly banking with a number of different banks and building societies, the idea of an exclusive banking relationship is becoming outdated. With the network of separately branded bank branches decreasing in size, Age UK would like to see the industry look again at the concept of shared branches for smaller communities, suburbs and rural areas. These have the potential to provide bank-style service where footfall is too low to support individually branded branches. There may be a role for shared brand mobile branches, providing these have reliable telecommunications, are designed appropriately for all customers (including those with disabilities) and all weathers and are open for a sufficient amount of time at each location.



Case Study 8

Royal Bank of Scotland (RBS) and NatWest¹⁵ – mobile bank branches

Since 1946, RBS has provided Mobile Branch Banking to customers living in remote locations. Originally focusing on remote parts of Scotland, the service has been extended to locations across England and Wales for customers who, for a variety of reasons, aren't able to get to their nearest branch. As of January 2016, RBS Group operated 22 mobile branch routes in Scotland, 14 in England and Wales and one in Northern Ireland, covering over 11,000 miles and serving 600 communities each week. Services provided include cash transactions, bill payments, account balances and cheque deposits.

For some customers with a mobility disability or visual impairment, RBS is able to provide a door-to-door service. For example, Branch Manager Angus McMurchy of the Ullapool branch said, *'We do some ad hoc stops where and when required. For example, weekly on a Tuesday, we drive to an elderly persons' care home in Aultbea and serve a blind customer who uses a wheelchair and whose local bank is in Largs. We have done this for two years. Her husband approached me to say he was dying of cancer and he was worried that she wouldn't be able to get to the designated stop when he died. I said no problem, we would go to her!'*



As of January 2016, RBS Group have covered over **11,000 miles** and served **600 communities** each week.



¹⁵ NatWest is part of the RBS group.

Helping rural, vulnerable and mobility-impaired customers

Mobile branches can provide a banking lifeline to customers living in rural areas. Customer Service Officers get to know their regular customers and are able to help vulnerable, elderly or mobility restricted customers where they can. For example, John Ellis of the Portree branch on the Isle of Skye said, *'We have a blind customer who uses a van surface and a signature template to sign any documents. There are a number of other disabled customers whom staff visit to collect pay-ins or make withdrawals.'*

Latest developments in mobile branches

Over the past three years, RBS Group has expanded its fleet, with 28 new vehicles to support new and existing routes. These vehicles are fitted with a satellite dish on the roof as well as iPads, allowing customers to access their bank account no matter the location. On the rare occasion that connectivity is not available staff can call colleagues to gain customer account information.

Mobile branches have features such as high visibility markings on steps and handrails and open plan designs. By removing teller screens, customers with hearing impairments find it easier to interact with staff without the use of a voice induction-hearing loop. Older vehicles, however, have retained hearing loops to aid customers who use a hearing aid.

Additionally, RBS and NatWest are planning to implement Braille documentation and high visibility lighting in mobile branches to assist the bank's blind and partially sighted customers.



Over the past **three years**, RBS Group has expanded its fleet, with **28 new vehicles**.

Feedback on mobile branch banking from Age UK workshops

Workshop participants were positive about mobile bank branches, providing the service is regular and reliable, solutions are found for Internet and mobile black-spots and vans or locations are designed for all-weather and all-season (especially winter) protection. Rather than each bank having its own facilities, participants felt that banks should group together to provide a shared service.

One participant had used RBS mobile branches at two locations in Scotland and praised the experience, especially on one of the outer Orkney Islands, which was served by a mobile banker who travelled to the island either by air or lifeboat, depending on weather conditions.

Closure of local bank branches continues to be controversial

Support for well-designed mobile bank branches should not be read as endorsement for the closure of any particular local branch. Age UK receives regular feedback from older people upset by the loss of their local bank branch. Under the 'BBA Protocol on Access to Banking Services' agreed between the banking industry and the Government, each potential branch closure must be studied by the bank in question to determine its impact on older and vulnerable customers, particularly those mainly reliant on the closing branch. Banks are required to publish their impact reports and provide 'suitable alternative ways to bank' for affected customers. This could include alternative branches, mobile branches, the Post Office or other methods. It is vital that banks implement the 'suitable alternative' provision in full. Age UK will be seeking evidence of this in the 2016 review of the protocol.



4.4 Designing banking services to be age-friendly

Older people tell us about a range of issues with the design of banking and payment services, which to work properly generally assume full physical ability and good eyesight, hearing and memory. As people begin to experience physical and perceptual limitations, they may run into difficulties with bank cards, ATMs, Internet access, call centre routines and passing security. For example, one workshop participant described how because of arthritis in her hands she could not get her bank card out of a particular ATM because it gives the customer only a small part of the card to grip.

Older people describe how they ‘fail security’ because they cannot recall recent transactions or slip up using password and code systems. Disabilities can be cumulative. For example, Age UK was approached by one rural bank customer in a wheelchair who had the use of only one hand. When trying to use phone banking he had to remember his security information while with his one good hand holding the phone receiver, balancing his papers and trying to tap the keys of the phone.

Banks and payment system operators are beginning to understand these issues and use the power of design to come up with new solutions, as the following three case studies show. A feature of these designs is that while they work well for older people, people of any age can benefit from them.

It is estimated by the Royal National Institute of Blind People (RNIB) that nearly 2 million people in the UK are living with sight loss.¹⁶ This translates to approximately one in 30 people. To assist customers with a visual impairment, some banks offer accessible debit and savings cards, as described in the following case study.

¹⁶ www.rnib.org.uk/knowledge-and-research-hub/key-information-and-statistics

Case Study 9

RBS and NatWest – accessible debit and savings cards

The RBS and NatWest accessible cards feature a number of easily identifiable markings which help blind and partially sighted customers differentiate between their debit and savings card. Each card can be identified by a series of raised dots. The debit card, for example, features two vertical lines of three raised dots whereas the savings card displays just one.



The card also features a section which has been cut out of the right hand side. This allows customers to identify the correct way in which to enter the card into an ATM or PIN keypad. Further advantages include the repositioning of the telephone numbers on the reverse side of the card to a section where they are not obscured by the indents made by the raised numbers on the front of the card. The font size of the telephone numbers has also been enlarged by 50 per cent so that they can be read more easily. The cards are promoted to blind and partially sighted customers and are available within 48 hours of being ordered.

Having worked closely with the RNIB throughout the design and creation process, the accessible card is the first banking product to be awarded the new national quality assurance mark 'RNIB approved'.¹⁷

Case Study 10

Nationwide Building Society – Helping Hand unit

Every Nationwide branch contains a Helping Hand unit, which is a kit that has been designed to help customers who may need additional assistance as a result of conditions such as arthritis, sight loss and restricted mobility.

Each Helping Hand unit includes:

- Pen grips to enable greater control when writing.
- A4, passbook and pen magnifiers to increase visibility of written documentation.
- Cheque book templates to help customers correctly complete each section of a cheque.
- Credit card templates to help ensure signatures on the back of cards are contained within the signature strip.
- Bank note gauges to help identify the denomination of a bank note through size and Braille.
- Lap-pads and clipboards to provide writing places away from the main counter.

In the customer's profile it can be recorded that they are a user of the Helping Hand unit. This means that the customer can walk into any Nationwide branch and, as soon as the customer's details are brought up, the person behind the counter will know that the customer needs the unit.

Locally, where Nationwide's branch employees know their customers well, they are often able to have the Helping Hand unit ready when they see regular users approach. For example, the Stockton-On-Tees branch has a regular customer with Parkinson's Disease who uses the pen grips on each visit to the bank.

¹⁷ www.rnib.org.uk/approved

Case Study 11

Cheque and Credit Clearing Company and Barclays Bank – electronic cheque imaging

The first recorded cheques date back to the 17th century and they evolved over many years. Cheque usage peaked in 1990, when 4 billion personal and business cheque payments were made, but since then cheque volumes have gradually fallen due to the increase in alternative ways to pay – particularly the growth in electronic methods of payment. In 2009, the Payments Council announced that cheques would be phased out by 2018, but this decision was reversed in 2011 after opposition from many people and organisations, including Age UK. With around 640 million cheques written each year, it was recognised there is an appetite from consumers and businesses for cheques to remain. People use cheques for a variety of purposes from buying goods and paying tradespeople through to sending relatives money for birthdays or for Christmas.

Cheque imaging

Following a change in legislation, the industry is moving away from the current paper-based clearing system (where millions of physical pieces of paper are transported around the UK), to a new system where images of the cheques are electronically exchanged and cleared rather than the paper cheques themselves.

This solution will also speed up the process of cheque clearing. Currently cheques take six weekdays to clear, but with cheque imaging, cheques will be cleared by the next weekday at the very latest.

Combining traditional and electronic methods

Customers will still write cheques and give them to the recipient as they do now – from their point of view nothing will change. But the new process will give customers who receive cheques a choice. They can either bank the cheque in the traditional way or, if their bank offers the facility, send their bank an image of the cheque using a secure mobile banking app on their smartphone. Businesses will be able to do the same, using scanning equipment specially provided by the banks.



Around **640 million cheques** are written each year.

Customers who wish to use the traditional method of depositing cheques will be able to do so via a branch, post, ATM or Post Office. Once deposited, the bank or post office will create images of the cheques which will then be processed by the new image-based clearing system.

Because of the complex nature of the changes, and legislative changes required, it is likely to be sometime in 2017 before all the industry will be using the new technology.

The Barclays cheque imaging pilot

Some banks are already piloting cheque imaging technology with their own customers and early feedback has been encouraging.

In June 2014 Barclays became the first UK bank to pilot mobile cheque imaging. The pilot allows a Barclays cheque to be paid into a Barclays account. Since launch, £1.5 million have been deposited by the over 50,000 Barclays customers signed up to the pilot. Customers click on the 'Deposit a cheque' icon within the Barclays Mobile Banking app, enter some basic details relating to the deposit and then take an image of both the front and back of the cheque using the mobile app. The customer confirms the details are correct and the cheque is deposited with the money appearing immediately in their account.



Customer response to the service has been extremely positive.

Katrina Mitchell Woodrow is a Complementary Therapist and one of the Barclays customers using Mobile Cheque Imaging. Many of her patients feel happier paying her with cheques rather than carrying large sums of cash. So far the cheque imaging tool has saved her over a dozen trips to her local branch, freeing her up to spend her spare time on other pursuits.

4.5 Better call handling systems

As described in section 2 of this report, older people are particularly critical of call handling systems which have delays, use recorded menu systems and whose human operators (when they reach them) are too rushed, do not listen properly and do not speak clearly enough and at an appropriate speed. Judging from the feedback at our workshops, because of these problems many older people prefer to visit their local branch or post office.

Call handling is ripe for innovation, including easier access to human operators, improved staff training, improved quality control and simpler ways of passing security.

Case Study 12

Royal Bank of Scotland (RBS) and NatWest – removing target call handling times

Previously, RBS and NatWest set a target time for routine calls and encouraged agents to meet that time to effectively handle its queues. To improve customer experience, RBS and NatWest took the decision to remove the call handling time target:

- It identified quick, routine calls where other options were available – like checking a balance. It gave staff the tools and information to spot these calls and to have helpful conversations with customers to encourage them to use these alternatives at a time and place convenient to them.
- This meant staff had more time for complicated calls and for customers who needed more help – like vulnerable or elderly customers.

RBS and NatWest then launched a strategy called ‘be the difference’. This encouraged staff to take the time to find out what the customer was looking for and spot any anxiety or problems. For example if a customer calls for a balance and it is low or overdrawn, the customer may be phoning in the hope that some unexpected funds have hit their account.

The bank encouraged this culture by telling stories to show everybody what good looks like. It did this in local messages, during staff meetings and across the Direct Bank in the managing director message. Here is an extract from one such story:

‘Sara Carr and Mychaela Swallow in the Telephony Service, Manchester, helped a disabled customer receive her groceries. Shortly after ordering her shopping online, the customer’s card was cancelled and the supermarket told her it would be unable to process her order. After the customer called, Sara and Mychaela contacted the supermarket to co-ordinate dates for card activation and the delivery of the groceries. They came to work early on the delivery date and were able to let the customer know her shopping was on the way. Later that day, Sara called the customer to make sure the shopping had actually arrived.’

Additionally, across the bank, RBS and NatWest have a focus on the needs of customers in vulnerable situations. A training module has been introduced to ensure that all staff can identify and support such customers.

Feedback from Age UK workshops: 'Listen carefully and speak clearly'

One of the strongest messages we received from our workshops was that bank staff should learn to 'listen carefully and speak clearly'. Frequently older people feel they have not been listened to carefully enough or that when customer service staff speak, they rush key pieces of information. Staff need to be trained how to adjust their listening and speaking styles to the particular needs of the customer they are talking to. If staff have an accent that is different from the customer's, they need to adjust for this too, making sure they have heard the customer properly and that the customer has understood what they are saying. As with other aspects of bank service, practice is variable. We hear of very good examples of listening and speaking, but at other times the customer is left perplexed and frustrated.

The larger banks have very large customer service workforces, so training all staff to achieve the desired level of age-friendly performance is a challenge. There is room here for innovation in educational methods, perhaps making use of experts in communication, education and the perceptual issues of ageing.

4.6 Responding to customer vulnerability

An aspect of age-friendly banking is an appropriate response to customers who may be in vulnerable situations due to, for example, bereavement, caring responsibilities or being on a low income. These situations may be temporary or longer-lasting and may also arise from underlying inequalities in power or information. Not all older people are vulnerable (far from it) but banks and building societies that develop effective approaches for vulnerable customers are likely to find that their services are age-friendly as well.

Recognising this issue, the Financial Conduct Authority (FCA) in February 2015 published a report on 'consumer vulnerability',¹⁸ which prompted the British Bankers Association (BBA) to establish a vulnerability taskforce, which reported in February 2016 and set out nine principles and recommendations to improve outcomes for customers in vulnerable circumstances.¹⁹



One of the **strongest messages** we received from our workshops was that bank staff should learn to **'listen carefully and speak clearly'**.

¹⁸ FCA, Occasional Paper No.8, Consumer Vulnerability, February 2015.

¹⁹ BBA, *Improving outcomes for customers in vulnerable circumstances*, Feb 2016.

Case Study 13

Santander – vulnerable customers awareness training

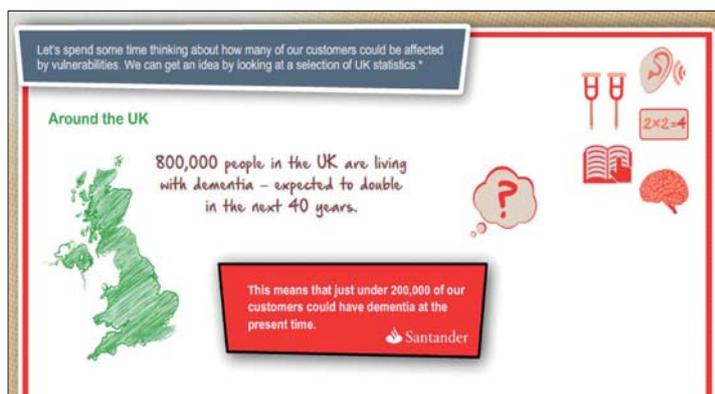
Santander undertook a bank-wide review of its processes, policies and practices using the guidance documents published by the FCA and BBA, to make sure it was treating vulnerable customers appropriately, with empathy and understanding. This work is on-going and by listening to customer feedback Santander is continually improving its approach.

The programme began with Santander signing up to the Prime Minister's 'Challenge on Dementia 2020'. The bank provided information and advice to its customer-facing staff on how to become a Dementia Friend and they were encouraged to join. This was the start of the journey to making Santander's day-to-day practices more responsive to vulnerability.



A new training course was created, designed to be relevant to staff in every area, from those responsible for originating a product or process, to people in customer-facing roles and those working in back office functions.

Staff watch an interactive presentation including short films of real life scenarios showing how particular situations can affect a customer, both emotionally and financially. These include dementia, the cost of a cancer diagnosis and the typical money issues faced by customers and their relatives when a terminal illness is diagnosed.



The training is contextualised with national statistics related to Santander's customer base and designed to show how wider difficulties arising from vulnerability can affect the way the customer interacts with the bank, as well as how Santander manages a customer's account.

Santander reports that feedback from staff has been positive, with many saying they feel able to influence personally how customers in these difficult situations are treated. An unexpected benefit is that staff have been making suggestions for service improvements, which are shaping future customer initiatives.

20 Age UK, *Financial Resilience in Later Life*, 2014, pp 49–50.

21 Financial Conduct Authority, *Cash savings market study report*, January 2015, pp 90–91.

22 In 2011–14, half of UK pensioners had incomes of £12,000 or less per year (before housing costs). DWP, *The Pensioners' Incomes Series*, June 2015, p 52.

23 For example, the BIBA insurance finder web site: www.biba.org.uk/CustomerHome.aspx

24 Caller to Age UK's Information and Advice line.

25 BSA, *Lending into Retirement*, 2015, p 14.

4.7 Age-friendly products

With population ageing, longer working lives and increased life expectancy, it is necessary to ensure that financial products meet the needs of older people. This applies to pensions, savings, mortgages and other forms of lending. As argued in Age UK's 2014 report, *Financial Resilience in Later Life*, it is important that products be fair and clear – that older customers can see what they are getting and face charges that are transparent and reasonable.²⁰

From calls to our Information and Advice line and feedback from our workshops we know that two particular concerns of older people are the application of age limits to financial products and the use of customer inertia to raise insurance premiums and lower interest rates on savings. We welcome initiatives to challenge these practices, such as the Financial Conduct Authority's scrutiny of interest rates on savings accounts and the 2015 reports by the Building Societies Association and the Council of Mortgage Lenders on lending into retirement.

Pathways to better interest rates

Older people often find their savings defaulted into very low interest rate accounts. There is a sense that better deals are passing them by, perhaps because they are not online, or simply because they have not taken action to shift their money around. A customer may be offered a new account at a higher rate, or a higher rate on their existing account, only to find that it reverts after a year to something not much above zero per cent. The Financial Conduct Authority's 2015 study of the cash savings market found that £175 billion was being held in easy access and cash ISA accounts at interest rates of 0.5 per cent or less, mostly in accounts containing £5,000 or more.²¹ Rather than relying on inertia to reduce interest rates on savings to close to zero, the industry should ensure that all customers receive a decent interest rate for the type of savings account they have chosen. Most older people have very low incomes,²² so every pound counts.

Remove blanket age restrictions on financial products

Financial services have an exception from the age provisions of the Equality Act 2010, but this strikes many Age UK correspondents as anachronistic. Age UK supports the efforts of the insurance industry to steer older customers to providers offering travel and motor insurance to all age groups,²³ though we still hear from time to time of cases where it seems that insurance may be hard to find or not offered at a feasible cost. We have many calls about mortgages, with callers particularly annoyed by age barriers when they feel they have a secure pension income and a small mortgage request.

*'I was amazed today to find that as a current home owner, although I was approved for a small mortgage online, when I went to the branch they advised me that banks will not offer mortgages that extend beyond a person's 75th birthday. This to me appears to be direct age discrimination and not justified by any risk assessment as the mortgage is a tiny percentage of the house value, the equity is guaranteed and my credit rating is fine.'*²⁴

We welcome the work being undertaken by the Building Societies Association and Council of Mortgage Lenders to find ways of removing blanket age limits and moving to a system of bespoke risk assessment, but progress to date has been slow. We want to see change soon.

In November 2015, the Building Societies Association (BSA) published an interim report, *Lending into Retirement*, which reviewed the issues of product design and risk around secured lending into retirement. Rather than the typical 70–75 age limits applied by many lenders, the BSA report indicates that eight of its members apply no age limit at all and a further ten apply age limits of 80 or 85.²⁵ The report explores the various issues (including prudential regulation) involved in moving away from age limits toward individually tailored risk assessment.

The report also recognises that the type of mortgage appropriate for the borrower may change with age – from a traditional capital repayment mortgage when the borrower is working, to an interest-only mortgage in retirement, to a lifetime mortgage or other equity release product closer to the end of life.

5 Age-friendly banking checklist



Combining the case studies in this report with the issues of concern raised by our callers, correspondents and workshop participants, we want to see the following improvements.

5.1 Better systems for detecting and stopping scams in live time

As shown earlier in this report, there are ways banks can intercept scams in live time, giving customers extra opportunities to realise they are being scammed and to stop them losing their money. This applies particularly to scams focused on customer bank accounts, where the scammer has set up a different bank account to receive the customer's money. As well as improving scam awareness, Age UK wants to see the banking industry do more collectively to identify and weed scammers out of the banking system.

5.2 Appropriate flexibility in ID checks

Banks have a duty to ID their customers properly, especially when they first open an account, but feedback to Age UK suggests that front-line staff sometimes insist too inflexibly on passports and drivers licences, when other sufficient forms of ID are available and the industry has an agreed list of acceptable alternatives. Better staff training is needed to ensure these alternatives are offered.

5.3 Better ways of 'passing security'

Existing methods of 'passing security' (passwords, codes, remembering recent transactions and direct debits, etc) feel increasingly outdated. People of all ages have too many passwords, they write them down or struggle to remember them and they find the process slow and inconvenient. New higher-technology methods are needed to confirm identity, for example a combination of voice and face recognition with location indicators. This applies to in-branch, call centre, Internet and mobile banking. People want a quick, accurate and seamless experience.

Age UK wants to see the banking industry do more collectively to **identify and weed scammers out of the banking system.**





5.4 Improvements in carer banking

With population ageing, the demand for carer banking grows every year. For some people, Power of Attorney provides a solution, but experience shows that customers need a range of options for third party assistance, ranging from authority for single transactions through to complete delegation. Good solutions enable customers to bank independently for as long as they can, while receiving the support they need for situations of difficulty. Carer banking is made more complex by the possibility of financial abuse. Banks need to equip their staff to detect abuse and trigger appropriate interventions at the same time as providing more tailored carer banking options.

5.5 Understanding vulnerability

Through improved policies, staff training and referral practices, banks should develop the ability to support people in difficult situations – whether short-term or on-going – and modify communications and responses appropriately. Banks should aim to be seen as a helper at times of difficulty rather than an additional source of pressure.

5.6 Age-friendly technology

New technologies (ATMs, electronic payment methods, websites and Internet banking, cards) should be field tested with older people – including those aged over 85 – to make sure the full range of perceptual and motor needs are anticipated in the design process.

5.7 Better call systems

Many customers have a strong preference for talking with 'live people' rather than trying to negotiate automated menu systems. The emphasis of telephone contact should be on the successful outcome of the conversation, with customer service staff having the time to concentrate on unusual cases or customers with non-standard needs.

5.8 Listen carefully and speak clearly

One of the strongest messages we received from our older person workshops was that bank staff should learn to 'listen carefully and speak clearly'. Staff need to adjust their listening and speaking styles to the particular needs of the customer they are talking with. Practice is variable. We hear of very good examples of listening and speaking, but at other times the customer is left perplexed and frustrated.

5.9 Shared branches

With the network of separately branded bank branches decreasing in size, Age UK suggests the industry look again at the concept of shared branches for smaller communities, suburbs and rural areas. These have the potential to provide bank-style service where footfall is too low to support individually branded branches. There may be a role for shared brand mobile branches, providing these have reliable telecommunications, are designed appropriately for all customers (including those with disabilities) and all weathers and are open for a sufficient amount of time at each location. While the Post Office network provides a welcome alternative in many cases, some post offices will need to be upgraded in terms of facilities and staff training for this solution to work properly.

5.10 Pathways to better interest rates

Bank customers, including older customers, often find themselves defaulted to very low interest rate accounts. The challenge for banks is to create user-friendly pathways to higher interest rates for their customers, many of whom have banked with them for decades. Rather than relying on inertia to reduce interest rates on savings to close to zero, the industry should ensure that all customers receive a decent interest rate for the type of savings account they have chosen.

5.11 Remove blanket age restrictions on financial products

With rising life expectancy, blanket age limits on financial services are increasingly anachronistic. Financial products (insurance, mortgages and other forms of lending) should be available to people of all ages, with appropriate bespoke risk assessment.

6 Further reading on age-friendly banking

Further information and ideas on age-friendly financial services can be found in Age UK and AARP reports including the following:

- AARP, *Protecting Older Investors: The Challenge of Diminished Capacity*, Nov 2011.
- Age UK, *The Way We Pay*, June 2011.
- Age UK, *Financial Resilience in Later Life*, June 2014.
- Age UK, *Only the tip of the iceberg: Fraud against older people*, April 2015.
- Age UK, *Never too late: money advice and financial capability in later life*, June 2015.
- Age UK, *Later life in a digital world*, December 2015.
- Gunther, Jilene and Rob Neill, Innovative Case Examples of Banking Safe, AARP Public Policy Institute, *Promising Practices Interviews*, August 2015.
- Gunther, Jilene, *AARP's BankSafe Initiative: A Comprehensive Approach to Better Serving and Protecting Customers*, AARP Public Policy Institute, 2016.
- Lock, Sarah, AARP, 'Age-friendly Banking: How we can help get it right before things go wrong', *Public Policy and Ageing Report*, Vol 26 (1), The Gerontological Society of America, Oxford University Press, 2016.

7 Acknowledgements

In producing this report and its companion American publication we would like to thank the following contributors and providers of information:

AARP and US case studies:

Bradley Schurman, Jilene Gunther

Barclays Bank:

Laura Tough, Elaine Draper, Jan Prater, Christopher Quince, Paul Nattrass, Lucy Hopkins

Coventry Building Society:

Rachael Wheatley, Flavy Neale, Alex Bray

Lloyds Banking Group:

Martin King, Parjeet Rai

RBS and Natwest:

Charlotte McGuckin, Alison Verlander, Gareth Hughes

Nationwide Building Society:

Sascha Chennell, Lydia Seward

Cheque and Credit Clearing Company:

Mark Hemingway, Fiona Gledhill

Santander:

Robert Morrison, Dorothy Liviabella

Age UK Engagement Team:

Annemarie Leach, Nusreen Brown, Katrin McEntee

Age UK Information and Advice:

Richard Kitch

Age Cymru:

Deborah Smith, Terry Woodsford

Age UK Coventry:

Moira Pendlebury, Vicki Clarke

Age UK Leicester Shire and Rutland:

Cheryl Clegg

Age UK Harrogate:

Alex Bird

Participants in the Leicester and Abergavenny age-friendly banking workshops.

The report

Text and editorial:

David Steele, Policy Adviser Financial Services, Age UK

Infographic and design:

Oyster Marketing and Design

Age UK

Tavis House
1-6 Tavistock Square
London WC1H 9NA

0800 169 80 80

www.ageuk.org.uk

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