Suspected Elder Abuse Claims Quadrupled in 4 Years — Here's What to Know and How to Protect Your Loved Ones

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Older Americans are at risk for losing more money than ever, thanks to a rise in financial exploitation targeting the elderly. Financial scams and other crimes singling out older Americans quadrupled from 2013 to 2017 and involved more than $6 billion in fraud, according to a new report from the Consumer Financial Protection Bureau.

The report examined 180,000 Suspicious Activity Reports (SARs) filed to the federal government by banks and other financial services providers. In 2017, 63,500 such reports were filed, representing more than $1.7 billion in suspicious activities that year alone, up from 15,600 reports and just under $600 million in 2013.

SARs are a way for financial services providers to notify government agencies and law enforcement of suspected financial crimes, and they are mandatory when a suspicious transaction involves at least $5,000 (or $2,000 for money services firms such as money order businesses check cashers and currency dealers).

Americans aged 70 to 79 suffered the greatest individual financial losses, at an average of $45,300. Overall, the average amount lost across all older age groups was more than $33,000, but that number jumped to $50,000 when the theft was being committed by someone the person knew, according to the report. If a stranger was involved, the average loss was $17,000. One third of the adults who lost money were 80 years-old and over, and they experienced the second highest average losses at $39,200.

Financial exploitation can happen to anyone, but older adults are more vulnerable to money schemes due to issues that disproportionately affect them, such as cognitive decline, social isolation, being dependent on a caregiver or experiencing financial insecurity themselves.

But many of the financial crimes against older Americans go unreported, with financial institutions failing to report the abuse to the proper authorities, the CFPB says, creating a missed opportunity to better protect seniors. The CFPB report estimates that more than 3.5 million instances of elder financial abuse took place in 2017 alone.

One of the most common ways fraudsters ask older Americans to send them cash is by wire transfer — transactions that can't reversed — meaning the senior who was tricked can never get his or her money back. More than half, or 58%, of SARs reports in 2017 were filed by money services businesses, which are frequently used to facilitate wire transfers, compared to just 15% in 2013, according to the report.

To avoid be taken advantage of by a family member or a stranger, the CFPB recommends some basic steps you can follow to protect yourself or a loved one.

- Plan ahead to take on power of attorney for a loved one who develops cognitive decline, or determine a trusted fiduciary who will do so.
- Secure private financial documents, monitor bank accounts, set up automatic payments and transaction alerts, and request receipts from designated caregivers.
- Do not let caregivers pay bills or use the potential victim's credit card.
- Do not promise money to caregivers or family members after your death.
- Be wary of anything that seems "too good to be true" when it comes to investments, and be aware of Ponzi schemes.
- Understand FDIC insurance to know how you are protected.
- Avoid lottery, charity and phantom debt scams. Be aware of medical and mortgage scams, too.
- Never give money to people over the phone. For example, the IRS never asks for payment over the phone, so if you receive a call from someone saying it is the agency, hang up and call back on your own.
- Report any kind of fraud you encounter immediately.

If you believe you or someone close to you has been the victim of elder financial fraud you can report it to the Federal Trade commission here, or find your local adult protect services (APS) agency via the Eldercare Locator.