

Elder Scams and Senior Fraud Abuse

Have scammers taken advantage of you or a loved one? Here are ways to cope with the emotional effects of elder fraud abuse and protect yourself from future financial exploitation.



Understanding elder fraud abuse

Elder fraud cost Americans over the age of 60 more than \$966 million in 2020, according to the FBI's Internet Crime Complaint Center (IC3). Here and in other countries, it's a growing problem as criminals increasingly use online scams to target older adults, especially those who are living alone.

Scams and fraud can have an obvious effect on finances. You might lose money you were saving for retirement, planning to pass down to family members, or using for daily needs like paying bills or grocery purchases. Those financial losses can reduce your sense of well-being and lead to issues such as insomnia, loss of appetite, depression, anxiety, and relationship difficulties.

Regardless of how much money you lose, simply being targeted by scammers can also affect your mental health and change the way you see the world. You might feel shocked, hurt, and even traumatized if someone you trusted defrauded you.

Scams from seemingly legitimate companies might leave you feeling angry and embarrassed. You might even experience a sense of denial. How could people be so willing to deceive and take advantage of others?

Sometimes the truth can be hard to accept, but know that you're not alone and being the victim of fraud abuse is not your fault. Also know that there are ways to heal the emotional scars and avoid being scammed in the future. And if you suspect a loved one has been exploited, there are steps you can take to support them in their time of need.

The mental and emotional effects of financial fraud

Financial fraud doesn't just impact your bank account. The mental and emotional effects that you might also experience can include:

Anxiety. Once you've been scammed, you may feel the need to be hypervigilant. The world around you can suddenly seem less safe. Maybe you imagine other people as dangerous, sneaky, and filled with ill-intentions. Your sense of self may also be shaken. You may now see yourself as vulnerable and an easy target. Anxiety can affect your mental and physical health by:

- Accelerating cognitive decline.
- Impairing your immune system.
- Increasing blood pressure and impacting your overall cardiovascular health.
- Steering you toward risky coping mechanisms, such as self-medicating with alcohol or drugs.

Shame. You might feel embarrassed that you were scammed. Maybe you are hesitant to share the details of the event with loved ones because you fear they will question your wisdom or try to restrict your financial independence.

[Read: Coping with Financial Stress]

Grief. You might grieve the loss of your financial security, your sense of independence, or your trust in people. If you were tricked by a trusted friend or

through a romance scam, you might grieve the loss of that specific relationship. You might also cycle through feelings of anger, despair, and numbness.

Experiencing any of these emotions can lead you to self-isolate. Some people who experience fraud become too anxious to leave the house, too ashamed to talk to close friends, or too jaded to explore new relationships. However, loneliness comes with its own set of mental health consequences, such as depression and cognition decline.

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How to identify elder fraud schemes

Fraudsters are inventive but unethical individuals, so they're willing to use all sorts of methods to exploit others. The first step to avoiding elder fraud abuse is to recognize the common types of financial schemes that target older adults.

Romance scams. These types of scams typically take place online. A con artist will assume a fake identity and reach out to you through a dating app or social media. Then, the trickster begins to build rapport with you, sharing fictional details about their situation and asking questions about your life. They'll pretend to share common interests with you to further build trust. If you suggest meeting in person, the con artist will likely offer an excuse, such as being out of town. At some point during your interactions, they will find a way to ask for financial aid. They might say they're experiencing a health emergency or some other type of crisis.

Tech support fraud. Tech support scammers try to pull in people with deceptive phone calls, emails, text messages, or online pop-up windows. They'll tell you there's a security flaw or some sort of problem with your computer and offer to help you fix it. Then, they'll ask you to send them personal information, payments, or grant them remote access to your computer.

Grandparent scams. Some swindlers take a more personal approach and pose as your grandchildren or other family members. They often call their targets and ask for financial assistance to get out of dire situations such as legal trouble. These scammers research their targets, so they're able to use family names and personal information to earn your trust.

Government impersonation schemes. Some fraudsters pretend to represent government agencies such as Medicare, the IRS, or the Social Security Administration (SSA). They reach out via phone calls, emails, or text messages that claim you owe the government money or need to offer personal information. These con artists might use threats of fines or jail time to compel you to take immediate action.

Fake prize scams. Scammers may contact you and claim that you've won a prize in a contest or lottery. They'll say you need to provide personal information or send money to cover the cost of "shipping." Sometimes these scammers even send you a fake check and request that you send funds back to them.

Home repair fraud. These swindlers come to your home or call to offer repair services, such as new window installation or a bathroom renovation. In some cases, they ask for upfront payment or try to lure you into signing a loan that's part of the scheme. Once they've secured payment, they leave without actually doing any work.

Investment scams. Some fraudsters offer to help you make money through real estate investment seminars and coaching programs. Their typical pitch is that you can make a fortune by using their "proven" and "risk-free" strategies. They might even use fake testimonials and reviews to earn your trust. Of course, their phony offers will require you to make some kind of investment.

Caregiver financial elder fraud. Not all swindlers are strangers. Sometimes trusted family members or caregivers find ways to financially exploit older individuals. These might involve anything from taking cash directly from your purse to asking you for money to cover fictional expenses.

[Read: Elder Abuse and Neglect]

Identifying common signs of scams

Many of the elder fraud schemes listed above share common traits. Here are some red flags to help you spot fraudulent activity:

You receive unusual and unsolicited correspondence from a known organization. Some scammers try to earn your trust by posing as entities you're already familiar with, including government services and well-known businesses. Online, they may send emails that seem legitimate and direct you to websites that mimic official websites. When they call you, their real names or numbers may not show up on your caller ID.

You win a contest you didn't enter. Perhaps you received a message saying you're "today's lucky winner." Did you enter a contest recently? Did anyone enter a contest or sweepstakes on your behalf? If not, you're likely dealing with a con artist. If the situation seems too good to be true, take a moment to question its legitimacy.

You're told there's a problem with your account. Online scammers often send emails saying that you need to verify information or correct a problem with an account. Ask yourself, "Is there any reason to believe this is true?" Note that these deceptive messages often include obvious spelling or grammatical errors.

You feel pressured to take action immediately. Swindlers of all types try to get your money and information before you have time to think critically. Government impersonators will threaten you with impending legal action. Fraudsters who impersonate your grandchildren will emphasize that they need money as soon as possible. Business and investment con artists will tell you that their deal is about to expire.

You're given oddly specific instructions on payment. Fraudsters might ask you to pay them with a gift card, to wire them money, or to use some other non-negotiable method. Most legitimate entities offer multiple ways to pay an outstanding debt or make a purchase.

You're asked to keep secrets. A romance con artist might ask you to keep your relationship with them a secret. Someone impersonating your grandchild might ask you not to tell their parents. Their goal is to prevent you from reaching out to someone who can expose their tricks.

How to protect yourself from scams and fraud

One of the most important steps to protecting yourself is to avoid making rash financial decisions. Don't feel the need to immediately respond to any offers or demands, especially if you question the legitimacy of the person contacting you. Keep in mind that trustworthy businesses and government entities won't force you to make a sudden decision.

Here are some other tips to avoid potential fraudsters online, over the phone, or in person:

Avoiding online scams

- Don't click on suspicious links or attachments in emails or text messages.
- Make sure your security software is updated.
- Never wire money to someone you haven't met, even after building a rapport online.
- Be wary of online acquaintances who are quick to profess their love or ask you to keep the relationship a secret.
- Check domain names closely. Scammers may use website names that are slightly different from genuine sites.
- Keep in mind that government agencies like the IRS won't initiate contact with you by email, social media, or text.
- Consider making your social media accounts private, so only friends can see your information. If your accounts are public, avoid posting personal information.
- If you're not sure if an online message is actually from a business, such as a bank, consider calling their official number or visiting a local branch.

Avoiding phone scams

- If someone pressures you to make a sudden payment over the phone, tell them you need time to think about it and will respond later.
- If the potential con artist is claiming to be a family member, get in contact with other relatives or close friends. They can help you verify whether the story is true.
- Don't assume the caller ID is correct. Some scammers can spoof real numbers to deceive you.
- Ignore unsolicited calls or emails that say you've won a prize but need to provide personal information first.

- Don't offer personal information, such as your social security number or bank account number, over the phone or in an email.
- Be wary of messages that ask you to pay for something by putting money on a gift card.

Avoiding in-person scams

- Don't let strangers into your home, especially if you're alone.
- Don't leave your valuables in plain sight.
- If someone visits your home and claims to be representing a business, ask for their contact information. Let them know you'll research their offer later.
- Never sign a check and leave the amount payable blank.

What to do if you've been scammed

If you know you've fallen for a fraudulent scheme, immediately stop communicating with the scammer. Keep a close eye on your bank account and other personal accounts for suspicious activity. Change your passwords if you fear online accounts may have been compromised.

Write down everything you can remember about the situation while it's fresh in your memory. For example, if you were the victim of a door-to-door scammer, write down what the person looked like and the business they claimed to represent. Record the date and time as well. All of this information could be useful if you file a report later.

Consider reaching out to:

- **Your bank or other financial institutions**, such as a gift card company or wire transfer service. They may be able to cancel or reverse improper transactions or at least monitor your accounts.
- **Government agencies**. In the U.S., for example, the Federal Trade Commission (FTC) gathers information on fraudulent activity. Other countries have similar entities.
- **Trusted loved ones**. Friends and family members can offer emotional support and practical advice on how to handle the situation.

- **Neighbors.** If the con artist was going door-to-door, you should connect with your neighbors or other people who may have been scammed.
- **Local law enforcement.** Local police may be helpful if the scammer is targeting local residents.
- **Credit bureaus** (such as Experian, TransUnion, and Equifax in the U.S.) or the SSA. These entities can limit the damage done by fraudsters who steal your personal information, such as your social security number.

If the scammer was posing as a legitimate business or government agency, you might also want to contact them. The business or government agency can then take action to inform the public.

Taking care of your mental health

In addition to protecting your personal accounts after experiencing fraud abuse, you should also take steps to tend to your mental health. Financial fraud can be a traumatic event, so it's important to focus on emotional healing.

Allow yourself to feel negative emotions. Following the incident, you might feel irritable on some days or numb and depressed on others. The intensity of the emotions might seem to constantly swing. This is normal and part of the grieving process. Don't try to suppress those feelings, but look for healthy outlets, such as journaling your thoughts or using HelpGuide's free Emotional Intelligence Toolkit.

Be kind to yourself. You might feel weighed down by negative self-talk after the incident. Maybe your inner critic says things like, "How could I be stupid enough to fall for something like that?" You might label yourself as gullible, naïve, or irresponsible. Challenge that negative self-talk with more realistic thoughts. Start by reassuring yourself that anyone can fall for a scam. Recognize that the blame rests entirely on the scammer.

Take care of your health. Plan your days so you have a routine to follow. Schedule in nutritional meals, good quality sleep, regular exercise, and time to enjoy your favorite hobbies. All of this can give you a sense of control over your life and help you maintain your physical and mental well-being.

Manage your stress. Use techniques like mindfulness meditation, progressive muscle relaxation, and visualization exercises to reduce your stress. These can be especially helpful if you find that you have trouble falling asleep at night. Exercise routines can also decrease stress, so consider adding yoga or tai chi sessions to your daily schedule.

[Read: Relaxation Techniques for Stress Relief]

Reach out to others. You don't have to navigate your emotions alone. It's a good time to reach out to a trusted friend or family member. If you feel comfortable sharing your experience with them, they might be able to relate to your situation or offer advice. However, even if you don't want to talk about the situation, you can still benefit from being in the company of people who care about you.

Reporting financial abuse

If you need to report fraud or do so on behalf of a loved one, you can reach out to Adult Protective Services (APS) in the U.S. or a similar service in your country. These social service programs are in place to protect older adults from financial exploitation and other forms of abuse.

When filing a report, be ready to share as much information as you can. Gather information such as:

- Name of suspects or witnesses.
- Date, time, and frequency of the incidents.
- Location of the incident.
- Description of the scam.

If the fraudulent activity took place online, emails and direct messages might provide a lot of this information. However, remember not to click on suspicious links while browsing through the messages.

If the financial abuse took place at a nursing home or assisted living residence, reach out to the facility's administrator and inform them of the situation. You can also reach out to a Long-Term Care Ombudsman Program (LTCOP) to advocate on behalf of your loved one. In urgent situations—for example, if a caregiver is threatening you or your loved one—reach out to the local police.

You should also take steps to mitigate any ongoing or potential financial damage. This could involve reaching out to your bank or other financial institutions to report the fraud.

How adult children can help protect their aging parents

Whether your aging parents or other relatives are residing at home, an assisted living facility, or living alone, it's important to watch for signs of potential financial abuse. Remember that swindlers aren't always strangers. Caregivers, friends, and even other relatives can also take advantage of an older adult's trust.

Here are red flags that your parents or senior loved ones are being financially exploited:

- Mysterious withdrawals from their financial accounts.
- Missing personal items, cash, checkbooks, debit cards, or credit cards.
- Unpaid bills.
- Variations in signatures on documents and checks.
- Unusual changes to their wills, power of attorney, or other legal documents.
- Their assets are mysteriously transferred.
- Payments for services or goods they don't use.
- They develop a secretive relationship with someone online.
- A caregiver seems to restrict their communications.

Talking to your loved one about fraud

If you suspect a parent's romantic interest or trusted caregiver is a con artist, you might find yourself in a tricky position. How can you convince your parent or loved one to practice caution?

Rather than say, "I have a bad feeling about this person," present evidence to validate your concerns. For example, you could show your mother the mysterious transactions from her bank account. Or you could let your dad know it's unusual for an online stranger to make romantic overtures prior to meeting in person.

Consider sending your parent articles and other resources that describe common fraudulent schemes. Stories detailing how other people were swindled might serve as cautionary tales.

Expect pushback, especially if your parent feels emotionally invested in a romance or places a lot of trust in a caregiver. You might have to make several attempts to convince them that something is amiss. However, a little patience on

your part could help protect your loved one from financial and emotional consequences.

Offering emotional support following fraud

Many older people struggle with the stigma of being scammed. They are too embarrassed or ashamed to completely open up about the experience. However, be available to listen if they do decide to talk.

Rather than chastise them about how they should've handled the situation, take a nonjudgmental approach. Encourage them to have self-compassion. Let them know that even the most vigilant people can find themselves in these types of situations.

Offer to help them with whatever they need. They may not want your financial support or help with reporting the instance of fraud. They might not even want to talk about the situation at all. That's okay. Just do what you can to make them feel empowered and remind them of the good in the world. Run errands for them if it helps to reduce their stress. Make plans with them if they need a distraction or new experience.

Remember that your loved one is probably dealing with some level of grief, so give them time to process the experience and their emotions. If they respond to you in anger, don't take their reaction personally. Feelings of hopelessness often lead people to lash out. Trust that with your support they will eventually begin to feel better.