



# SILVER FINANCE

## Reversing Financial Exclusion

An approach to global best practices  
and opportunities for **Latin America  
and the Caribbean**

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# 1 | The Challenge

According to United Nations estimates, in the next **30 years** we will see a significant increase in the number and percentage of older people in the world.

## GLOBAL FIGURES

The number of **people over 65** will double: from **750 million** now to more than **1.5 billion**.

In **2050** the percentage of **people over 65** will go from **9.3% to 16%** of the population.

This growth will be experienced all over the world, but Latin **America and the Caribbean (LAC)** is the region that is aging most rapidly and where the largest increase in the population **over 65 years of age** will be concentrated, which over the course of three decades will go from representing **9% to 19% of the population**.<sup>1</sup>

Aging and diversity go hand in hand. Some people stay fit when they age, remain fully mobile, and use all sorts of digital tools until the end of their days. On the other hand, others face new challenges as they age, such as:

**Reduced mobility**

**Significant drop in income**

**Sensory losses**

**Cognitive impairment**

Without forgetting this diversity, the truth is that we all continue to require financial products and services that adapt to the new needs that emerge as we age.

Societies in Latin America and the Caribbean are aging rapidly<sup>2</sup> and consequently the percentage of older customers is growing. For financial service providers in the region, it is important to focus on the financial needs of this segment to meet its basic demands, reduce fraud, and project themselves as entities committed to the financial inclusion of all customers. Being a financial institution oriented to the needs of older people<sup>3</sup> implies

1. <https://population.un.org/wpp/>

2. <https://publications.iadb.org/en/the-silver-economy-in-latin-america-and-the-caribbean-aging-as-an-opportunity-for-innovation-entrepreneurship-and-inclusion>

3. Usually people older than 60, 65 or 70.

thinking about the type of care that will be provided, the physical design of its offices, the offer of products and services, and the general way in which a financial institution perceives itself in relation to older people. Adapting to the specific needs and demands of older people can be a challenge for financial institutions, but it can also be a great business opportunity.

Within this context of aging, an issue to be addressed is the common prejudice towards older people, called “ageism,” which includes negative concepts such as older people representing physical and mental weakness, inefficiency, slowness, low productivity, etc. While it is true that there are certain physical aspects that can deteriorate with age, and measures to tackle these impairments must be strengthened, it is important to recognize the constant improvement in the physical and mental condition of older people in recent decades. By emphasizing negative aspects of this age group, financial service providers are missing opportunities to expand their businesses, and can sometimes exclude customers with solid ability to pay just because of their age. For example, there are cases where loan applications are rejected because applicants are over a certain age.

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### HOW CAN WE COMBAT FINANCIAL EXCLUSION?

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To overcome ageism, it is essential that financial actors promote internal and external campaigns, generating sensitivity among employees and the public.

In addition, we should put a special focus on gender issues to work with aging. On average, women live five years longer than men so there are more older women than older men. In Latin America and the Caribbean, there are now 8 million more women over the age of 60 than men in the same age group. In other words, 55% of this group are women. Among people over 80 years of age, 62% are women. Moreover, most of the family burden and caregiver work fall on women’s shoulders. When designing financial care strategies that recognize aging, actors should consider these aspects.<sup>4</sup>

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4. <https://publications.iadb.org/en/the-silver-economy-in-latin-america-and-the-caribbean-aging-as-an-opportunity-for-innovation-entrepreneurship-and-inclusion>



## 2 | The Opportunity

The increase of older population will create a number of opportunities. Demand for new financial products and services that are adapted to the needs of this population will grow, as well as the weight of assets safeguarded or managed on behalf of older clients. Increased longevity will also have implications for prolonging working and entrepreneurial lives, and it will generate opportunities for new activities and services. Entrepreneurship among older people will surge, and financing mechanisms will be necessary to promote and strengthen this type of initiatives. Programs are already emerging in several countries to support older entrepreneurs, such as Colombia's **Emprende Mayor** which boosts the visibility of older people's ventures and the **Plan Mayor Fund** focused on financing such ventures.

The financial sector has a unique opportunity to add value and obtain benefits by offering solutions to the challenges presented by an older society. The aging of small business owners will increase the need to find successors so that these enterprises continue to generate business opportunities for financial entities that know how to position themselves and offer solutions to the new needs. In addition, the combination of financial products and non-financial services customized for different stages of life could be of great help to tackle problems associated with aging, such as:

**Health** issues

**Long-term**  
care

**Changes** in **housing**  
**needs**

Producing proposals that combine the needs of customers with existing products and services is a difficult task in which several fintechs are investing. Financial institutions still enjoy greater confidence than many other players, which puts them in a good position to offer more global solutions, with a combination of products and services. The measures taken by some financial institutions in this area are reviewed below.



## 3 | The Measures

### A | Reducing the digital divide by accompanying customers in the adoption of new technologies

It is common for older generations to be less inclined to make digital payments and use financial technology than it is for younger generations. Global Findex data collected by the World Bank shows that, on average, two-thirds of adults use digital payments, while in the case of those over 60 this percentage is less than 25%.<sup>5</sup> This gap is consistent and exists to a greater or lesser extent in all countries. To ensure that people of all ages have access to financial services and do not feel discriminated against by technology even as the financial sector goes digital, it is crucial for financial institutions to adopt policies that help their older customers in this transition by ensuring that digitalization leaves no one behind.

Some financial institutions have made explicit their commitment to facilitate the digital transition for older customers through initiatives that include the training of specialized and dedicated advisors for older people.

Outside of LAC, it's an emerging trend. In Spain, for example, public awareness has grown since the successful drive launched in late 2021 by a 78-year-old retiree who managed to collect 600,000-plus signatures in a few weeks for “a more humane treatment of older people in bank branches.”<sup>6</sup> The campaign achieved a great media impact and a commitment from the government, the Bank of Spain, and several other financial institutions to promote a plan of specific measures to improve care for older people.<sup>7</sup>

5. Sebastian Doerr, Jon Frost, Leonardo Gambacorta, and Han Qiu (February, 2022), “[Population ageing and the digital divide](#)”. SUERF Policy Brief, No. 270.

6. [Change.org/SoyMayorNOidiota](https://change.org/soymayorNOidiota), page visited in April 2022. It is worth reading some of the hundreds of messages written by older people who adhere to the campaign and relate their experiences and demands.

7. El Diario, (February 21, 2022), “[La banca cierra un decálogo genérico de compromisos genéricos para abordar la exclusión de los mayores](#)”.



Also in Spain, in 2022, CaixaBank, a member of the World Savings and Retail Banks Institute (WSBI), trained 1,500 advisors specialized in older people and expects to reach 2,000 in 2023, being the first entity in Spain with specialized advisors for older people. It also plans to offer more than 3,000 face-to-face training sessions on operations and financial aspects and collaborate with associations of older people to jointly develop free face-to-face training workshops in digitalization. In addition, CaixaBank has eliminated time limits in the face-to-face cashier service in branches, and has incorporated face-to-face support in the use of ATMs, for which it has hired 1,350 employees and has implemented priority attention protocols for older people who need them.<sup>8</sup>

In the United Kingdom, the debate on the growing financial exclusion linked to the closure of offices and an increasingly digitalized world has led several financial institutions to launch programs to help older people develop basic digital and financial skills so they can manage their finances, avoiding exclusion or dependence on third parties. The “Digital Eagles” program launched by Barclays Bank in 2013 and Lloyds Bank’s “Digital Champions” program launched in 2015 are two of the longest-running initiatives (Table 1).



**Table 1 | Barclays’ “Digital Eagles” and Lloyd Bank’s “Digital Champions” programs**

**Barclays’ “Digital Eagles” program seeks to empower employees, customers and communities to have greater confidence in technology and be able to navigate an increasingly digital world.** Since 2013, more than 14,000 Barclays employees have been trained as **“digital eagles”** to help customers with digital services, from accessing their bank accounts from their mobile devices to calling their grandchildren via Skype. Since its launch, more than 113,000 older people have received free individual and group training at bank offices, libraries and community centers.<sup>9</sup>

Lloyds Bank has a similar initiative that has helped **train 23,000 employees as “Digital Champions”** who work with social organizations to provide training in digital tools, especially to older people. Both the **“Digital Champions”** of Lloyds and the **“Digital Eagles”** of Barclays are bank workers who volunteer

8. CaixaBank (February 2022). “CaixaBank presenta su compromiso de atención personalizada a las personas mayores, el más completo del sector financiero en España,” News release.

part of their time to this activity. In addition, Lloyds Bank has forged an alliance with the company **“We are Digital”** to finance and establish a specialized telephone hotline to help **up to 20,000 customers** access the internet and learn new skills such as shopping online, connecting virtually with family or friends, or accessing online banking. Through this alliance, the bank has made available to **customers over 70 years of age** more than **2,000 tablets** to facilitate their access to the internet.<sup>10</sup>

## B

### Improving protection and reducing fraud to older people

Another key aspect to consider is security. Many older people do not use ATMs for lack of privacy or fear of fraud, theft or robbery, while others turn their backs on new technologies for fear of possible fraud or of making mistakes that might result in money losses. In addition, older people may depend on other people to carry out banking operations. This fear is not unfounded, as older people are at greater risk of being victims of financial abuse or fraud.<sup>11</sup>

Most financial abuse of older people is related to scams, counterfeiting, identity theft, or pressure to gain access to funds through the information provided by the clients themselves. Financial institutions can play a key role in identifying situations of financial abuse and taking proactive measures to intervene in these situations. Likewise, banking associations can play a key role in raising awareness of this problem and establishing guidelines and voluntary codes of best practices to help affiliated entities deal with the problem. The Oregon Bankers Association has promoted initiatives to prevent financial abuse of older people for more than 20 years (Table 2).

9. <https://www.barclays.co.uk/digital-confidence/eagles/>

10. <https://www.lloydsbankinggroup.com/who-we-are/responsible-business/community-programmes.html>


11. Stephen Deane (2018), “Elder Financial Exploitation, Why it is a concern, what regulators are doing about it, and looking ahead”, U.S. Securities and Exchange Commission, Office of the Investor Advocate.



**Table 2** | Oregon Bankers Association's program to prevent financial exploitation of older people

In 1995, the Oregon Banking Association (OBA) launched a project to prevent financial exploitation of older people that has since obtained several awards and been replicated in several U.S. states. The program seeks to develop public-private partnerships to **prevent, detect, and report cases of older people's financial abuse**. Also participating in the program as partners are the Oregon Department of Justice and the Oregon Department of Human Services' Office of Adult Abuse Prevention and Investigation.<sup>12</sup>

The core of the project is the development of materials that include an extensive manual on *"Preventing elder financial exploitation: how financial institutions can help"*. The manual helps banks recognize and respond to these situations. First published in 1999, it has since been updated in successive editions. OBA also develops tools, videos and other materials based on the experiences of the association's member banks. The materials aim to help banks **identify, respond to, and report** on possible situations of financial abuse of older customers. In addition to developing training materials, OBA also organizes seminars and collaborates with entities such as AARP, a U.S. non-profit organization that serves the needs and interests of older people. OBA has collaborated with AARP on the BankSafe initiative to develop interactive content and scenarios specifically designed to enable bank employees and supervisors to **identify and take action on financial exploitation situations**.<sup>13</sup>



In addition, some actors have implemented innovative solutions to tackle this type of financial abuse. For example, some banks in Japan have applied new technologies to minimize the risk of scams (Table 3).

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12. <https://www.oregonbankers.com/preventing-elder-financial-exploitation-toolkit.html>  
13. <https://www.aarp.org/ppi/banksafe>



**Table 3** | **Hokuyo Bank (Japan) uses smart cameras to prevent scams**

**Japan has been suffering from a surge in cases of phone scams targeting older people as their main victims.** Scammers call the elders pretending to be one of their children or grandchildren informing that there is an urgent demand to pay a certain amount of money for some false incident such as an accident or a crime. In most cases, older people usually go to the premises of financial institutions to carry out transactions requested by scammers, believing that they are sending money to their children or grandchildren.

According to the police, there are about 15,000 cases of this type of fraud a year, causing more than US\$200 million in losses.<sup>14</sup> **Hokuyo Bank**, a local commercial bank in northern Japan, introduced an AI-powered camera solution to prevent scam cases in 2021.<sup>15</sup> It consists of installing **smart cameras** around ATMs and detecting cases where their customers spend some time talking on their cell phones, since typically scammers give instructions to older people while they are in front of the ATMs. The detected cases are reported in real time to the bank's employees who go in person to talk with their customers, ideally before the scam transactions are made. The analysis is done without listening to the conversation, so no privacy issues are at play.

Several other actors are developing and implementing similar solutions.

Having better-informed customers and employees is the first line of defense against fraud or abusive practices. But financial institutions can also adapt their processes and products to try to minimize risks. Some banks have developed algorithms to identify actions or patterns of behavior that indicate that a customer may be being abused. Entities may also add or limit functionalities of their products to mitigate potential fraud. The US fintech True Link Financial, for example, offers senior customers debit

14. [https://www.npa.go.jp/bureau/criminal/souni/tokusyusagi/tokushusagi\\_toukei2021.pdf](https://www.npa.go.jp/bureau/criminal/souni/tokusyusagi/tokushusagi_toukei2021.pdf) (content in Japanese only)

15. [https://www.hokuyobank.co.jp/newsrelease/pdf/20210531\\_072248.pdf](https://www.hokuyobank.co.jp/newsrelease/pdf/20210531_072248.pdf) (content in Japanese only)

cards that can be customized to work only in certain stores or for certain types of purchases. These cards can also be blocked for telephone or online purchases and allow access to a family member to set spending limits and monitor spending by the caregiver on behalf of the client.<sup>16</sup>

## C

### Facilitating accessibility for customers with special needs

Many older people experience a decline in their mobility that can make it difficult to visit bank facilities. Visual or hearing impairment can also make it hard to fill out forms, understand certain explanations or interact with the various remote and digital service channels, which are often prioritized by banks due to their lower cost. In addition to adapting offices and service channels to serve people with diverse disabilities, some financial institutions have redesigned their products and services, and even the format of their means of payment, in order to provide better service. MasterCard, for example, has developed a line of specially designed cards which can be identified as credit, debit, or prepaid cards by people with vision problems.<sup>17</sup>

Several financial institutions have taken an array of measures to become more accessible to older people. HSBC in Hong Kong has distinguished itself by its commitment to becoming “the most accessible bank” and has created inclusion measures to this end (Table 4). Japanese banks are also working to improve accessibility with the introduction of mobile units, particularly in rural areas where transportation is a bigger challenge, such as Ogaki Kyoritsu Bank, a local commercial bank (Table 5).



#### Table 4 | HSBC Hong Kong features for customers with special needs

**HSBC has taken several steps to remove or reduce access barriers to its Hong Kong offices and facilitate the use of its services for clients with mobility, visual, or hearing impairment.** Access platforms and automatic doors have been installed in most offices to facilitate access and in those offices where it has not been possible to install a permanent ramp, an

16. <https://www.truelinkfinancial.com/>

17. MasterCard “Mastercard introduces accessible card for blind and partially sighted people.” News release, October 25, 2021.

assistance button has been installed to call for help from branch staff. In their offices they have removed elements that may hinder mobility of wheelchairs and have installed windows and ATMs at a lower height to facilitate access of customers in wheelchairs. In addition, all of the bank's apps have been adapted to make the content accessible to people with reduced vision. In all branches, any customer can request and obtain their bank statements in Braille for free. ATMs have been fitted with tactile indicators that have been adapted to allow voice navigation and the use of headphones, whereas larger font sizes and special functions can be chosen by customers with reduced vision. Additionally, the Bank has installed special windows in the offices where an express service is provided without queues or waiting for customers with special needs.<sup>18</sup>



**Table 5**

**Ogaki Kyoritsu Bank (Japan) has introduced mobile units to improve accessibility**

**Ogaki Kyoritsu Bank (OKB) has introduced mobile units to maintain accessibility of its services with a focus on older customers** in Central Japan's Gifu Prefecture, known for its mountainous skyline. Providing access to clients in mountain areas is a challenge with the advancement of aging, as many older clients have limited transportation options to get to banks' offices. The mobile units consist of refurbished trucks with service windows and ATMs. Some units also have spaces to rest. These trucks transit through rural areas with schedules shared in advance and stop mainly at shopping malls usually visited by older customers. OKB introduced its first mobile unit in 2000 and today has three such vehicles. The model has since been also implemented by other institutions such as Risona Bank, one of the largest banks in the country, which introduced it in 2022.<sup>19</sup>

18. <https://www.hsbc.com.hk/community-banking/accessibility/>

19. [https://www.resonabank.co.jp/about/newsrelease/detail/20220509\\_2543.html](https://www.resonabank.co.jp/about/newsrelease/detail/20220509_2543.html) (content in Japanese only)

Beyond physical decline, age is also the biggest risk factor for developing dementia and other cognitive problems, including the ability to learn, think and remember clearly. These situations can hinder banking transactions, which can have significant consequences, such as forgetting to pay bills or falling back on other payments. Without proper support, these types of situations can be very stressful. Empowering someone of trust to make decisions on one's behalf can be a way of supporting and reassuring clients with cognitive issues. Despite being a common situation, there is still little knowledge in many financial institutions about the options that clients have in order to protect themselves memory impairment or loss of cognitive abilities.

Becoming aware of the access problems faced by older people and offering solutions that allow certain decisions to be formally delegated to a third party is important for the safety of older clients as well as their families and/or caregivers. It is common for older clients to share private numbers or credentials with a family member or caregiver so they can obtain cash from an ATM or carry out some procedure online. But sharing this information puts both the client and their family member or caregiver at risk. For the client, it constitutes a breach of contract terms that could nullify the protection against situations of fraud, whereas on the part of the relative or caregiver, supplanting the identity of another person can be considered fraudulent behavior. Financial institutions can play a more active role in promoting flexible and secure formal alternatives for family members and/or caregivers access. For example, they could:

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**Offer different levels of access to electronic banking and phone banking customized for each client**

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**Issue bank cards that allow to introduce limitations of use**

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**Issue bank statements and other reports that clearly identify the transactions made by a third party**

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**Provide passwords that allow limited access to certain transactions**

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**Generate alerts in the accounts allowing employees to know the status and level of authorization to the account for a third party**

Likewise, it is essential for banks to transition to develop efficiencies and standards on the way they provide services to their older clients, and create a safe environment and an organizational culture that embraces them. This will allow customers to feel comfortable and share the difficulties they are experiencing, while paving the way for banks to detect situations where there may be a cognitive decline of a client and deploy

pre-established solutions, mitigating risks. HSBC in Hong Kong, in addition to taking steps to adapt its offices and processes to facilitate accessibility for older people with special physical needs, has also adapted its products and processes to provide better care for older people suffering from some cognitive impairment (Table 6).



**Table 6** | **Adapting products and services to the changing needs of older citizens**

**HSBC was the first bank in Hong Kong to launch an account that allows people with dementia or impaired cognitive ability to manage their finances independently and at the same time giving peace of mind and security to caregivers and family members by empowering a third party to supervise their finances.** The bank allows users to nominate a family member or friend to receive copies of movements made in the account and to establish personalized limits for withdrawals at ATMs and payments in stores. It also facilitates phone banking service's voice identification to make it easier for people with memory problems to access their accounts without a need to remember passwords, and provides, upon request, the option of empowering a family member or friend to establish different levels of access to the account. In addition, 200 HSBC employees have been trained to better understand the difficulties these customers face when using banking services so they can provide better advice. All these efforts have earned HSBC to be qualified in December 2018 as the first bank in the country adapted to people with dementia by the Association of Alzheimer's Patients of Hong Kong.<sup>20</sup>

20. <https://www.hsbc.com.hk/community-banking/age-friendly/basic-banking-account/>



# D

## Offering bank products to older people

Several banks have developed a wide array of specific products for older people. The products' typology is diverse, but they can be grouped into three broad categories:

- 1 | Products to boost the income stream from accumulated wealth
- 2 | Insurance products to protect against the cost of physical or cognitive decline
- 3 | Specific loan products to cover age-related temporary costs

Due to the gradual increase in life expectancy, many people reach retirement age with some wealth but often their pensions are not enough to sustain their desired standard of living. In Latin America and the Caribbean, less than half the workers are saving for retirement.<sup>21</sup> And among informal and low-income workers, the rate is much lower.

Some people have managed to accumulate savings when they reach retirement age that could generate complementary monthly income through financial products capable of turning that capital into a life annuity or an income for a certain period of time.

Often, the wealth of older people is limited to ownership of the house they inhabit. In these cases, it is possible to convert that equity into recurring income through a reverse mortgage. Under this mechanism, the client receives money from the bank, usually in monthly payments, in exchange for committing the house as guarantee for the repayment of this loan. The advantage of this product is that the ownership of the home is not lost and when the person dies it is the heirs who must settle the debt either with funds obtained from the sale of the house or from other sources. Several financial institutions have popularized this type of product in some countries in recent years. Reverse mortgages may be a solution for some people, but the financial cost and particularly the fact that it involves a drop in accumulated assets that reduces the amount to be received by heirs has given rise to other types of alternatives, typically promoted by Proptech<sup>22</sup> Fintech companies, also focused on leveraging housing to generate income without the need to constitute a mortgage (Table 7).

21. <https://publications.iadb.org/publications/spanish/document/Ahorro-sin-barreras-Lecciones-de-las-intervenciones-del-Laboratorio-de-Ahorro-para-el-Retiro.pdf>

22. See <https://publications.iadb.org/en/proptech-latin-america-and-caribbean-how-technology-can-help-reduce-housing-deficit> for a full overview of Proptech



**Table 7** | **Fintechs specialized in generating revenue from home ownership**

**In recent years some Fintechs have specialized in generating revenue for older people with a home ownership.** In Canadá, [Bloom](#) has specialized in reverse mortgages. Other Fintechs such as [EasyKnock](#) in the United States have designed similar schemes where the bare property<sup>23</sup> is sold, but the client retains usufruct of the house. Some Fintechs like [Equifi](#) provide equity instead of debt so ownership doesn't change hands and there are no interests.

Other Fintechs are emerging that seek to cover more specific needs. This is the case of Spain's [Pensium](#) which seeks to help older homeowners who need financing to pay for admission to a nursing home through the management of housing rental. Pensium pays up to twice the amount of rent raised monthly to help pay for a relative's residence or home assistance. The program also includes the money needed for renovations and rent management. When the person or heirs no longer need the contributions, they can settle the outstanding amount and recover possession of the home or simply wait the necessary time for the same rent to settle the outstanding debt without the house being mortgaged at any time or its ownership being ceded.

Although older people are usually not considered potential insurance customers, in many cases they may need protection. For example, it is common for them to face significant medical expenses at some point, a risk that can be mitigated through insurance. This is especially important in Latin American and Caribbean countries where the public health system often has limited resources to address highly complex medical problems requiring private medical care. Similarly, anticipating the potential costs of being dependent or suffering from dementia and seeking a protective insurance policy can be a useful option for certain clients.

While life insurance costs rise with age, there are certain risks that some people may consider important to protect themselves from. Technology can, sometimes, contribute to supply some products in this area. In Japan, for example, there are initiatives to address the issue of cognitive impairment of older customers using technological solutions, such as the case of Kyoto Shinkin Bank (Table 8). Bridge loans to cover medical costs or support to cover additional expenses related to some physical or cognitive impairment can also, in certain situations, be a useful product for older people.

23. Right of ownership of the dwelling, but not of use.



**Table 8** | **Kyoto Shinkin Bank (Japan) app to detect early signs of cognitive loss**

**In Japan,** Kyoto Shinkin Bank, which operates as a kind of credit union, uses technology to detect through an app early signs of cognitive loss. The solution developed by the company Money Forward analyzes older customers' transactions and **identifies suspicious movements and cognitive impairments** to inform their relatives. This helps prevent or minimize losses due to errors or scams that take advantage of cognitive impairments. The company has been working on a pilot of this solution since 2019.<sup>24</sup>

**E** | **Special services and deals for older people**

In addition to the strictly financial offer, several entities seek to woo this sector with gifts and special discounts. In Spain, for example, several banks package specific services under programs or initiatives targeting older customers. Programs such as CaixaBank Seniors, Ibercaja Mayores, or Santander Senior offer discounts on leisure and other experiences for clients over 65 (Table 9).

24. <https://www.jri.co.jp/MediaLibrary/file/column/opinion/pdf/12363.pdf> (content in Japanese only)



### Table 9 | The Santander Senior program for clients over 65

For 9 euros a month, the Santander Senior program of Banco Santander in Spain includes telephone assistance, emergency button for risk situations, accident insurance, home visits to provide technical support for people who may have difficulties with appliances or computers, ATM theft protection insurance, and medical and psychological assistance, among other services. Likewise, Santander Senior members can get advances on their pensions and receive exclusive offers in various stores.

Globally, some financial institutions go further and seek to increase the social contact of older people. ABN Amro in the Netherlands, for example, has trained 36 employees as **coaches** for older clients. These employees visit customers in their homes, where they review bank statements, resolve doubts, and are on alert to identify possible signs of dementia. In the United States, Bank of America has begun hiring financial gerontologists to plan for retirement and longevity for older clients, as well as to assist families and caregivers in managing their finances. Financial gerontologists are part of Bank of America's global strategy to provide more senior-friendly services. Also, in Japan, Hiroshima Bank includes inheritance planning and will-custody among its services for older people.

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### Holistic approaches

It is worth mentioning that some financial institutions such as HSBC or Shinhan Bank of Korea are reinforcing their care of older people with more holistic approaches, including the issues of access, products and services.



**Table 10** | **Shinhan Bank (South Korea) takes a holistic approach**

**It is expected that by 2025, Korea** will become a society with **20 percent-plus of the population aged 65 or older**. Currently, Shinhan Bank's customers **over the age of 50 account for 41% of its total customer base** and are responsible for more than half of all transactions. To support these clients, the bank has formulated improvement strategies in **three areas**:

**Access**

Customized ATMs were installed to add convenience to older clients by offering the four most common options on the main screen in large and bold characters, and using slower voice guidance and easy-to-use banking terminology. In addition, within the branches specialized in older people, easy-to-use machines were installed with a ticketing kiosk that provides simple options in colorful menu buttons with high contrast, and digital concierges were placed around the branch to assist customers with digital machines and devices.

**Product**

The bank offers specialized checking and savings accounts for older people with better interest rates and additional benefits. When a customer opens a specialized checking and savings account, most service charges can be waived. It also offers installment savings accounts (term deposits) where older clients can receive equal or additional interest rates.

**Service**

The bank has implemented the Plan4U solution, which provides customers with practical guidance for retirement planning. This solution is available both online and offline, letting customers analyze how much funds are realistically needed for enjoying a stable cash flow in retirement. It also provides financial education to older customers so they can adopt digital tools and channels for convenience.





## 4 | Emerging Actors in Latin America and the Caribbean

It is important to note that in Latin America and the Caribbean several financial institutions have also shown interest in adapting their products and services to offer better care to older people, along with entrepreneurs who see opportunities in the market. Several of the entities in which IDB Invest has invested in the last two years have made this commitment explicit. IDB Lab is also supporting some innovative initiatives in the region. Additionally, some LAC entities affiliated with WSBI have carried out several initiatives to improve the inclusion of older people. Below is a list of some of the entities that have publicly expressed commitment to this issue.

### **Banco FIE, Bolivia**

(Information on the project supported by IDB Invest<sup>25</sup>)

In Bolivia, Banco FIE has developed a series of pilots to adapt its infrastructure to older people. In 2013, Banco FIE carried out the “Comprehensive project to improve care for people with disabilities and older people,” prepared with the support of the National Committee of Persons with Disabilities and the Bolivian Institute for the Blind. The program created low-rise windows to serve seated clients, deployed a preferential care policy, and trained staff in the care of older people with special needs. In addition, materials for the dissemination of products and services were issued in Braille.<sup>26</sup> The subsequent enactment in February 2014 of the [Internal Regulation of Preferential Treatment for Older Persons](#) by the Financial System Supervisory Authority led Banco

25. <https://www.idbinvest.org/en/projects/banco-fie>

26. Sociedad que Inspira Magazine, “Banco FIE. Proyecto integral para mejorar la atención a personas discapacitadas y adultos mayores”, No. 26, June 2014.

FIE to adapt and approve its internal regulations. Recently, the National Association of Older Adults of Bolivia denounced a deterioration in the care of older people by banks after the pandemic, causing the intervention of the Office of the Ombudsman, which issued a report on measures adopted by financial intermediation entities on preferential treatment of older clients. It recommended financial institutions to “adopt progressively measures to ensure the access of older people to Financial Intermediation Entities, through the development of accessibility conditions that allow them to use the infrastructure and its services.”<sup>27</sup>

### National Bank of Costa Rica, Costa Rica

(Information on the project supported by IDB Invest<sup>28</sup>)

The bank has shown on several occasions its commitment to the [Comprehensive Law for the Elderly](#) by offering courses and certifying its employees about its content and scope.<sup>29</sup> As part of this commitment, the National Bank has established care for older people as one of the six priority areas of attention in its strategic sustainability plan.<sup>30</sup> It has also organized training workshops on the “Social Importance and Financial Potential of the Elderly” and supports with financing and other products the entrepreneurship of older people.<sup>31</sup> In partnership with the Costa Rican Gerontological Association, the bank launched in 2015 the project “Empowering employment of older people” to strengthen senior citizens’ financial self-management. Also, during the pandemic, the National Bank of Costa Rica established a priority attention schedule for older people.<sup>32</sup>

### Caja 18, Chile

(Information on the project supported by IDB Invest<sup>33</sup>)

In Chile, the Family Compensation Funds are private non-profit organizations that are part of the social security system. They emerged for the management and payment of allowances to workers with family responsibilities of affiliated companies as a

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27. Office of the Ombudsman (January 2022), “Informe defensorial. Evaluación sobre la aplicación del trato preferente y diferenciado durante la atención a personas adultas mayores en entidades de intermediación financiera”

28. <https://www.idbinvest.org/en/projects/bncr-social-subordinated-bond>

29. Consejo Consultivo Nacional de Responsabilidad Social, “Banco Nacional reconocido por emplear a personas con discapacidad”, July 2017.

30. National Bank of Costa Rica, “Informe de Sostenibilidad 2017”, 2018.

31. University of Costa Rica, “Compromiso y apoyo financiero a la población adulta mayor”, News release.

32. La República, “Banco Nacional atenderá de manera prioritaria a los adultos mayores”, March 17, 2020.

33. <https://www.idbinvest.org/en/projects/caja-18-social-loan-silver-economy-focus>

complement to their income, and their functions later expanded to include credit granting and mobilization of savings. Since 1998, retirees receiving a pension may also join the Compensation Funds and benefit from their services in exchange for a contribution that may not exceed 2 percent of the pension. There are currently 5 Family Compensation Funds in Chile with nearly 10 million members, of which more than 1.5 million are retirees who receive a pension. This means that about half of older people (people over 60 years of age according to Chilean legislation) are affiliated to a Compensation Fund.<sup>34</sup>

Chile's Compensation Funds concentrate most of older people's debt and offer different types of financial and non-financial benefits to their members, which makes these entities key actors to improve older people's access to financial services. IDB Invest signed in December 2021 an agreement with the Caja de Compensación de Asignación Familiar 18 de Septiembre ("Caja 18") to develop a financing mechanism to deepen the financial inclusion program for workers and pensioners affiliated to the entity. Caja 18 offers several financial and non-financial services for older people, including discounts on health services and leisure activities, access to credit, deals with medical centers for the co-payment of certain consultations and checkups, discounts on medicines in some pharmacies, bonuses to members who reach 25, 50, and 60 years of marriage, and an allowance in the event of the death of affiliated pensioners or their spouses, among others.<sup>35</sup>

### **Banco de Occidente, Colombia**

(Information on the project supported by IDB Invest<sup>36</sup>)

Grupo Aval and its entities (Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, BAC Credomatic, Porvenir, and Corficolombiana) recently presented their [Inclusion and Diversity Policy](#) developed in collaboration with the Inclusiones program developed by the NGO Acdi/Voca and financed by USAID. The initiative seeks to lower the barriers faced by women, older people, and other groups. Likewise, Banco de Occidente has been chosen for the third consecutive year as [the Colombian bank most committed to gender equality](#) by Great Place to Work, highlighting the bank's commitment to reducing gender gaps. In recent years, Banco de Occidente has opted for a clear digital strategy in search for efficiency and better service, accompanying customers in this transformation. It is also one of the nine Colombian banks that have an agreement with Colpensiones for the payment of pensions that it channels through a special account, the "pension account."

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34. BC Noticias, "Las Cajas de Compensación Familiar Llegan a casi 10 millones de afiliados", April 27, 2022

35. [www.caja18.cl/pensionados/beneficios](http://www.caja18.cl/pensionados/beneficios)

36. <https://www.idbinvest.org/en/projects/banco-de-occidente-subordinated-loan>



## NudaProp<sup>37</sup>, Uruguay

(Information on the project supported by IDB Lab<sup>38</sup>)

NudaProp uses a bare ownership mechanism so that older people who own a property can cover their liquidity needs without having to move house, retaining the right to use it for life. Despite being little known, the bare ownership principle is embedded in the civil code of Uruguay<sup>39</sup> and most countries in Latin America and the Caribbean. In Europe it is a modality that has been established for decades in countries such as France, Germany, Spain, and Italy, among others.

NudaProp, a venture led by two women, is the first company in Latin America and the Caribbean that has developed a platform for investments in the modality of bare ownership, usufruct, and annuities, connecting investors with the owners of these homes with the aim of improving the quality of life of older people. This platform connects:

Older people who own real estate **(69% women over 65)** and have liquidity problems



with younger people **(between 30 and 50 years old)** seeking to access their own homes to use in the future

## HBR Group<sup>40</sup>, Dominican Republic

(Information on the project supported by IDB Lab<sup>41</sup>)

To facilitate the offer of financial services aimed at older people, HBR Group is developing a specialized interaction channel through a mobile application. The “Easy” application proposes a radical redesign of traditional financial applications interfaces to adjust it to aging users’ specific features. The experience is based on graphical interface simplification, content reorganization, using facial and voice recognition technology to facilitate the authentication and management of user credentials, oral feedback, using extended texts, keyboard optimization, and simplification of the transaction confirmation flow. It also contemplates adding flashing colors, brightness and contrast, as well as vibrations and sound effects to the basic functionalities of the product to make matters easier for older people with hearing and visual disabilities.

37. <https://www.nudaprop.com/>

38. <https://www.iadb.org/en/project/UR-T1280>

39. Articles 493 and 537 of Uruguay’s Civil Code

40. <http://www.hbrgroup.com.do/index.html>

41. <https://www.iadb.org/en/project/DR-T1232>

### **Banco del Bienestar, Mexico**

(Information on the initiative supported by WSBI)

Banco del Bienestar (Welfare Bank) is the entity in charge of distributing Mexico's social program payments and of depositing older people's pensions every fifteen days. It is a development bank with a clear vocation to promote savings and financing in sectors and places not traditionally reached by commercial banking. The most remote communities with lower income levels also have high older people's rates. The bank plans to open more than 2,700 new branches in rural areas with limited access to financial services.<sup>42</sup> Through these branches, Banco del Bienestar offers loans, savings accounts, cards and remittance reception services to older people.

### **Banco Caja Social, Colombia**

(Information on the initiative supported by WSBI)

Banco Caja Social is the sixth largest bank and one of the oldest banks in Colombia. Most of its clients are people from low-income sectors, micro entrepreneurs and small and medium-sized enterprises. During the pandemic, Banco Caja Social took several steps to guarantee the continuity of older customers' financial services. For customers with a debit card, free withdrawal was enabled at any ATM in the system and for customers without a debit card, cash pickup was enabled through the authorization of a trusted third party, while exclusive special hours and offices were enabled for the withdrawal of pensions.<sup>43</sup> The entity also delivered thousands of pension payments to customers' homes in order to reduce the risk of contagion of older people. In addition, Banco Caja Social has developed some specific products for older people such as Cuentamiga Pensionados, an account that lets users have an associated debit card and conduct withdrawals and other transactions free of charge.

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42. El Heraldo de México, "Inyectan 15 mil mdp al Banco del Bienestar para la construcción de más de 2 mil sucursales", May 2, 2022.

43. La República, "Banco Caja Social establece horarios exclusivos para el retiro de pensiones de adultos mayores", March 31, 2020.



# 5 | In Conclusion

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**THE AGING CONSUMER POPULATION WILL GROW SIGNIFICANTLY IN COMING YEARS IN LATIN AMERICA AND THE CARIBBEAN.**

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Anticipating this reality that will bring an immense opportunity for business growth, several financial institutions and social organizations are already taking steps to make financial products and services better adapted to the diverse needs of older people. Products that generate a greater flow of income from accumulated wealth or that protect against the cost of physical or cognitive impairment are examples offered by several entities in the region. Likewise, there are actors who are beginning to take actions to better protect and serve those older customers who experience physical or cognitive abilities decline and need accessible service channels and protection against possible fraud or situations of financial abuse. In addition, given that many older people do not feel too comfortable with digital channels, it is important that entities help in this transition and keep in mind the preference of face-to-face and personal attention of many customers. With the collaboration of social organizations and a commitment to serving older people, financial institutions can implement effective and comprehensive policies, products, and services that better meet the needs of their growing older customer base.

