



## Avoiding Unclaimed Assets



business customers

risk management

**Summary:** About \$30T in wealth is about to transition from baby boomers to their kids in coming years. As older customers pass away or move, their assets can easily get lost in the shuffle. We provide some tips to avoid unclaimed assets.

When it comes to wealth, it is interesting that a Schwab survey finds 73% of those under age 38Ys old (millennials and Gen Z) wonder how friends can afford expensive experiences posted on social media and 57% pay more attention to how their friends spend vs. save.

As you consider how best to position your bank to address these data points, there are other things to consider too, when it comes to wealth. After all, about \$30T in wealth is about to be transferred from baby boomers to their kids in coming years.

As older customers pass away or move out of their family homes, often to live closer to adult children, their assets can easily get lost in the shuffle. This reality, along with the enormity of the wealth transfer that's expected, means unclaimed property as well is likely to become more of a risk going forward.

To help, there are things banks can do to try to ensure their customers' money remains where it belongs. For starters, many customers don't realize that their property or assets can be considered "abandoned" in a relatively small period of time (as short as 1Y). Banks should consider educating customers about this reality.

One way to begin is to link all customer accounts, so you and your customers can easily monitor activity across all holdings. That helps ensure one account or another isn't accidentally overlooked. If banks receive an alert that one particular account isn't active, it can be an easy fix, if discovered early enough.

You are likely already monitoring which accounts have been dormant for customers. But, as a reminder, those dormant for 12-18 months should be aggressively contacted.

Ideally, this outreach should happen well in advance of the required due diligence process and before accounts are declared inactive. Oftentimes, due diligence involves a single mailing, which customers can easily miss or throw out. This is especially true if they think it is spam - which more and more customers do.

The sad, simple fact is that many customers miss the window to reactivate their accounts. However, this issue could be mitigated if banks allocated a longer lead time to reach customers whose accounts are in danger of being declared unclaimed property.

You are also probably already asking customers to regularly update their account information. However, remember to include not only their mailing address and home phone number, but also a cell phone number, email and back up contact.

This way, there's less of a chance of lost communication between the bank and customer in a move situation, or in the event of a customer's death. It's very easy for family members to overlook accounts, or be unaware that an account needs to be transferred, so collecting additional data only helps.

No matter the customer age or stage, it is important to ensure account ownership is actively maintained and understood. Good luck and we hope this helps in some small way today.

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