

A Trusted Contact Can Help Protect Your Money

By Christopher A. Smith, Vice President, Private Client Advisor

There are a number of ways financial institutions strive to safeguard your hard-earned money. One of the most popular practices encouraged by banks, credit unions, and brokerage firms is to allow you to choose one or more trusted contacts whom they can reach out to in case of suspected fraud or other emergencies regarding your accounts when they can't contact you.

It's just one more way the institutions you do business with can help protect financial well-being and independence for you and vulnerable elderly adults.

How to set up a trusted contact on an account

Before you decide to set up a trusted contact on an account, it's important to fully understand the ramifications of this decision. The main reason you're choosing a trusted contact is because you believe that person will act in your best interest and assist the financial institution in protecting you and your assets.

Decide who would be the best fit for this job. Choose someone you trust — a relative, friend, attorney, or another person who is not only reliable but also will do what's best for you under any circumstance. You may want to select more than one individual to include on a list of trusted contacts. (In case the first person on your list is not available, your financial institution can reach out to other trusted contacts you have selected.)

Visit your financial institutions. Visit each financial institution where you have an account and ask them to go over their trusted contact policy. Request a copy of their policy, make sure you understand what the guidelines are, and have them answer any questions you may have before providing information regarding your trusted contact(s).

Verify the information your bank or brokerage firm is allowed to share with a trusted contact. For example, if you're uncomfortable with the scope of what will be discussed with a trusted contact, ask if

The Importance of Having a 'Trusted Contact' on Your Financial Accounts

A "trusted contact" is an individual you choose and authorize your financial institution(s) to contact (under limited circumstances) in case of an emergency situation when they are unable to reach you. These special circumstances might include concerns regarding unusual or fraudulent activity on your account, questionable transactions while you are on vacation or traveling abroad, transfer of funds during a natural disaster, or situations that arise if you have health issues.

However, a person named as a trusted contact cannot make decisions about — or make trades in — your investment account. It also does not make them a power of attorney, legal guardian, trustee, or executor of your affairs. A trusted contact helps financial firms help you when needed.¹



Commerce Financial Advisors

Investments • Retirement • Insurance

you can limit the information that will be shared. If you have concerns about privacy matters, family relationships, or money issues, this is the time to inform your banking or brokerage professional.

Ask your financial institution(s) what process they follow if they suspect your trusted contact may be involved in fraudulent activity on your account. No one likes to think a family member or close acquaintance would try to take advantage of their financial situation, but it happens. (That's why it's a good idea to have more than one trusted contact in case your bank or brokerage firm suspects your first contact may be involved in criminal activity.) The Consumer Financial Protection Bureau also suggests it may be wise to name a trusted contact who doesn't have control over your finances or ownership interest in your accounts.²

Contact your financial institution(s) immediately if you decide to change a trusted contact. If for any reason you decide you want to remove your trusted contact or switch the responsibility to another person, contact your bank, credit union, or brokerage firm immediately. Tell them they no longer have your permission to share any information with that particular individual. Most likely you'll have to sign documentation to that effect.

You can learn more at these websites:

www.finra.org/trustedcontact

www.consumerfinance.gov/olderamericans

We can help protect your assets

One of the most effective tools to help protect the assets in your accounts — and your financial independence — is to allow us to alert a trusted contact in an emergency should a suspicious situation occur. Not only does this help you maintain control of your finances, it also may keep you from becoming a victim of financial exploitation. Commerce Financial Advisors is here to answer your questions regarding trusted contacts and explain the process for setting up this added step for safety and security protection on your accounts. Call today for more information.



Commerce Financial Advisors
Investments • Retirement • Insurance

¹ FINRA, "Establishing a Trusted Contact," <https://www.finra.org/investors/learn-to-invest/brokerage-accounts/establish-trusted-contact>, accessed October 6, 2022.

² Consumer Financial Protection Bureau, "Choosing a trusted contact person can help you protect your money," https://files.consumerfinance.gov/f/documents/cfpb_trusted-contacts-consumers_2021-11.pdf

Commerce does not provide tax advice or legal advice to customers. While we may provide information or express general opinions from time to time, such information or opinions are not offered as professional tax or legal advice. Consult a tax specialist regarding tax implications related to any product and specific financial situation.

This material is intended to provide general information only, may be of value to the reader and audience, and is reflective of the opinions of Commerce Trust.

Commerce Trust is a division of Commerce Bank. Securities and Advisory services provided through Commerce Brokerage Services, Inc., member FINRA, SIPC, and a registered investment advisor. Insurance products are offered through Commerce Insurance Services, Inc. Both entities are subsidiaries of Commerce Bank.

This material is not a recommendation of any particular security, is not based on any particular financial situation or need, and is not intended to replace the advice of a qualified attorney, tax advisor or investment professional. The information in this commentary should not be construed as an individual recommendation of any kind. Strategies discussed here in a general manner may not be appropriate for everyone.

Diversification does not guarantee a profit or protect against all risk. Past performance is no guarantee of future results, and the opinions and other information in the investment commentary are as of November 2, 2022.

Commerce does not provide tax advice or legal advice to customers. Consult a tax specialist regarding tax implications related to any product or specific financial situation. Data contained herein from third-party providers is obtained from what are considered reliable sources. However, its accuracy, completeness or reliability cannot be guaranteed, and is subject to change rapidly as additional information regarding global conditions may change. All expressions of opinion are subject to change without notice depending upon worldwide market, economic or political conditions.



Commerce Financial Advisors

Investments • Retirement • Insurance

commercebank.com/brokerage

1.800.772.7283

Securities and Advisory services provided through Commerce Brokerage Services, Inc., member FINRA, SIPC, and a registered investment advisor. Insurance products are offered through Commerce Insurance Services, Inc. Both entities are subsidiaries of Commerce Bank.

Not FDIC Insured | May Lose Value | Not Bank Guaranteed | Not Insured by Any Federal Government Agency



Christopher Smith

Vice President, Private Client Advisor

Chris is a private client advisor for Commerce Trust. He serves as a consultant and relationship manager providing clients with personalized objective advice and oversight across all our services, including trust administration, financial advisory services, private banking, and investment management. Chris facilitates all aspects of relationship management for the client team, including administering complex trusts, maintaining client communication, and coordinating with internal and external partners to deliver a superior client experience. Prior to joining Commerce Trust in 2018, Chris was a manager in the Estate, Trust & Fiduciary Services group for eight years at Argos Family Office, LLC. While at Argos, Chris was active in all areas of trust, estate, and tax law along with income tax planning, wealth management, wealth preservation, insurance, and foundation advisory services for high net worth clients. Prior to Argos, Chris began his career working as a tax accountant with UHY Advisors, Inc. Chris received his juris doctorate from Saint Louis University of Law in 2015 and his masters of accountancy from University of Missouri, Columbia in 2007. He is a member of the Missouri Bar Association as well as the American Institute of Certified Public Accountants and the Missouri Society of Certified Public Accountants.



Commerce Financial Advisors

Investments • Retirement • Insurance

commercebank.com/brokerage

1.800.772.7283

Securities and Advisory services provided through Commerce Brokerage Services, Inc., member FINRA, SIPC, and a registered investment advisor. Insurance products are offered through Commerce Insurance Services, Inc. Both entities are subsidiaries of Commerce Bank.

Not FDIC Insured | May Lose Value | Not Bank Guaranteed | Not Insured by Any Federal Government Agency