

CENTRAL BANK OF EGYPT
Egyptian Banking Institute



62.432

البنك المركزي المصري
المعهد المصرفي المصري

35.715

85.204

35.254

AUGUST 2025

24.725

Age Friendly Banking

Current Trend

12.751



AUGUST 2025

Current Trends

| Definition

Age-friendly banking is defined as financial services, products, and facilities that remain accessible and easy-to-use as people age, while protecting older adults from financial exploitation. This concept emphasizes accessibility, security, and tailored services that accommodate the unique financial situations and preferences of seniors. It integrates customer service, product design, and system innovation to ensure inclusivity, while recognizing the specific vulnerabilities of aging populations such as restricted mobility, sensory decline, or cognitive impairments.

One of the insights of age-friendly banking is that if a bank can provide good service for its oldest customers, it can provide excellent service for all.

| Background

With the rapid development of mobile internet and artificial intelligence, young and middle-aged people are enjoying the convenience of online shopping, ordering food, buying groceries, transferring money and so on, while at the same time the elderly are suffering from difficulties in payment, traveling, medical care, shopping, which represent a "digital divide" in front of the elderly. Accordingly, solving the problem the "digital divide" problem of the elderly group has become an urgent task for financial institutions. Due to the digital transformation and the banks shift from offline branches to online mobile banking. The elderly who are used to doing transactions only offline and less capable of accepting new digital tools will be on the verge of digitization. In some cases, there may be implicit biases against older borrowers, leading to less favorable treatment during loan application processes for example.

The fast pace of technological change in financial services is difficult for many people to adjust to. The background context emphasizes: The shift from cash to digital payments, the closure of a number of bank branches, the increased risks of fraud and scams targeting seniors, as they may hold significant assets but may face declining cognitive ability.

Bank branch closures, for example can be particularly challenging for socially or digitally excluded older people. New technologies bring convenience, but also new threats of fraud and scams. These challenges are compounded by the fact that a significant percentage of old people become victims of financial exploitation every day. Older people are targeted not only because they may have built up a lifetime of savings, but also because those who suffer cognitive decline are more vulnerable to exploitation. By protecting and empowering all customers, banks can minimize their own risk and exposure to losses from financial exploitation, while increasing brand distinction, strengthening customer trust, and improving employee morale.

| Importance

Applying Age Friendly approaches in banks is linked with several benefits:

Financial Inclusion: Age friendly banks ensure that older adults have access to essential banking services, promoting financial inclusion and helping them manage their finances effectively.

Security: Age-friendly banking practices can help protect seniors from fraud and financial exploitation.

Continuous Improvement: Age friendly helps bank to develop systems and products that better suit all customers, regardless of age, younger customers also benefit from clearer systems and better service design.

Customer Loyalty: Banks that cater to the needs of older customers can build strong relationships, leading to increased customer loyalty and retention.

Competitive Advantage: Banks that implement age-friendly practices can differentiate themselves in a crowded market. Generally, building a reputation for age-friendly services give a competitive advantage for banks.

Human Rights Due Diligence: Age friendly approach supports banks compliance efforts to meet equality and human rights obligations.

| Challenges

Elderly people have poorer risk-tolerance ability with higher liquidity requirements for financial products, and are mainly inclined to capital preservation and products with certain investment returns. the financial products that are widely liked by the elderly are regular savings and large certificates of deposit. However, due to poor risk awareness and the lack of financial knowledge of the elderly, this category is easy to be targeted by criminals. This lack of awareness lead to the leakage of personal information, causing significant losses and serious crimes. In response to this form of fraud, efforts should be deployed to improve the elderly financial security.

To work on the problem of digital divide, simplicity and ease of use are important means of promoting the participation of older persons in digital inclusive finance. The digital capabilities of older people are weaker than those of younger groups, and how to design digital inclusive financial products that are more suitable for older people has not been considered enough by banks and other financial institutions in the past. Existing product design is often considered from the perspective of maximizing the straight-through rate or process completion rate. Elderly clientele are not active in the digital space and are often overlooked by product designers, ultimately leading to an awkward situation where older people find it difficult to use the product even if they are willing to do so. It is important to highlight that once older people feel insecure during the online process, they will almost certainly give up using digital financial products.

Multiple challenges can be reported for old customers:

Digital Divide or exclusion: Many older adults may lack the skills or confidence to use online banking services.

ATM security concerns: Fears of theft, tampering, or difficulty retrieving cards.

Memory and security difficulties: challenge of remembering PINs, passwords, and navigating automated phone menus.

Physical Accessibility: Bank branches may not be equipped to accommodate seniors with mobility issues.

Fraud Risks: “social engineering” scams pretending to be police or bank staff are a major threat. Seniors are often targeted by scammers, necessitating enhanced security measures.

Product exclusion: Older people defaulted to low interest savings accounts or denied access to mortgages/insurance due to age limits.

Customer service gaps: Lack of patience, rushed communication, or poor handling of sensitive situations.

| Practices

Practically, financial institutions should firstly identify the needs of different customers for financial services and carry out aging-adapted innovation of financial products and services on the basis of fully respecting the consumption habits of the elderly group. The elderly group is mainly concerned about the safety of their own deposited money in the bank and bank card. The elderly pay attention to the rate of return, and to the financial institution brand, their most purchased products are regular savings and pensions products, and they like to compare the yield, risk and liquidity of financial products with other alternatives. Creating an age-friendly bank is about customer service, physical design, systems and products. It is also about the overall way in which a bank thinks about itself as an organization in relation to its customers.

Measures by commercial banks to promote age-friendly banking:

1. Tailored Financial Products

Equally, in the rapidly digitizing world, banks should ensure that older people are not left behind by designing new financial products and services that consider their unique needs. This can be assured by:

- Developing financial products specifically designed for older adults, such as retirement accounts, pensions, and low-fee banking options.
- Remove arbitrary age limits and design financial products to fit the shape of later life: The issue of age discrimination in loan granting, for instance, could be addressed by financial institutions ensuring that customers' risk profiles are thoroughly assessed to consider a broader range of factors besides just their age.

2. Accessibility Enhancements

Physical design – design branches to be easily accessible; Older people are sensitive to branch design and want banks to keep the main branch functions on the ground floor, avoid playing loud background music, help with use of in-branch banking machines, manage queues and provide comfortable chairs to sit on while waiting. This can be assured by:

- Improving physical accessibility in bank branches, including wheelchair access and seating accommodations.
- Offering online banking platforms that are user-friendly for seniors, with larger text and simplified navigation.

3. Financial Literacy

Promoting financial literacy and creating a culture of saving are all essential elements in preparing populations for old age. Financial education and literacy programs can prepare the elderly with the necessary know-how and skills to choose and make use of financial products and services appropriate to their needs and financial status. Additionally, populations should be made aware of the importance of saving from a young age. This could help encourage long-term saving – an essential part of asset management throughout life. This can be assured by:

- Providing financial literacy programs tailored to older adults, focusing on managing finances, understanding digital banking and avoiding scams.
- Workshops and seminars to educate seniors about their financial options and rights.

4. Personalized Customer Service

Banks should make sure that staff are trained to recognize the specific needs of older people, to listen to what older customers say to them and to respond appropriately. This can be assured by

- Training staff to be more sensitive to the needs of older clients, including patience and clear communication.
- Offering dedicated customer service lines for seniors to address their specific concerns.

5. Technology Assistance

Systems – make sure information is handled reliably and processes (call centers, branches, postal, Internet and mobile) are carried out in ways that meet the needs of older customers. Deliver better overall reliability by offering a range of access channels. This can be assured by:

- Providing support for older adults in using digital banking tools, including one-on-one assistance and tutorials.
- Implementing secure and straightforward online banking systems that cater to varying levels of tech proficiency.

6. Community Engagement

This is a responsibility that lies on everyone's shoulders, but by doing their part, financial service providers can help ease the burden of growing old, while sustaining economic activity among elderly sectors of the population. This can be assured by:

- Collaborating with local organizations to reach out to seniors and understand their financial needs better.
- Sponsoring community events that focus on financial health and well-being for older adults.

Cases

Case 1: Bank of American Fork (USA):

In order to prevent financial exploitation and improve older clients' banking experience bank of America Fork:

- **Account Smart Toolkit:** The bank provides the option of third party online monitoring and a view-only feature, which allows a trusted loved one to track account movements without giving them access to the funds.
- **Age-Friendly Champions:** every branch has Champions who are employees dedicated to older clients' needs.
- **Training:** Every employee receives yearly training on detecting abuse.
- **Reporting:** Bank of American Fork updated its reporting policies with formal step-by-step procedures for employees to follow if they suspect a customer has become a victim of fraud or abuse.

Case 2: Lloyds Banking Group (UK)

Many older customers rely on family members or carers to help manage their finances. Traditionally, registering a Power of Attorney (PoA) with banks was slow, complex, and inconsistent. This caused stress for carers and serious risks for older people who needed urgent support with money (e.g., paying care home fees, handling bills). Lloyds Banking Group introduced a series of improvements to their PoA process:

- Streamlined Registration
 - Simplified the way PoA documents were submitted and processed.
 - Reduced waiting times for activation.
- Specialist Support Teams
 - Created a dedicated unit trained to deal with Powers of Attorney, Court of Protection orders, and third-party access requests.
 - Staff received specific training on how to support carers sensitively.
- Clearer Guidance
 - Produced step-by-step guidance explaining:
 - How to set up a Power of Attorney
 - What documents were needed
 - How attorneys could use the authority once registered
 - Consistency Across Channels
 - Ensured that whether a carer came to a branch, called the helpline, or submitted forms by post, the process was the same and consistently applied.

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Current Trends

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