

Banking Guide for Survivors of Domestic Abuse

If you don't have safe access to a bank account of your own, you're not alone. According to the Federal Reserve, over 63 million Americans were unbanked or underbanked in 2020. Many of these people are survivors of domestic abuse.

When facing a situation involving domestic abuse, it can be challenging to navigate government regulations and financial institutions' policies to safely open an account. Furthermore, we understand that many survivors face additional obstacles because of the abuse they have endured.

If you don't have safe access to a home mailing address, your ID card, identifying documents, or transportation, we want you to know there may still be banking options that will work for you.

Banking policies, procedures, and exceptions

If you cannot safely verify your identity through traditional methods, it is common for financial institutions to have procedures that are designed to help frontline staff open accounts for vulnerable people. These procedures act as an exception when the standard use of driver's license, passport or other form of identification is not possible.

Sometimes, these exceptions require the financial institution and staff to take additional steps to mitigate risks of identity theft or other potential criminal activity. These steps could include asking for multiple documents, asking identity questions or restricting account access until certain conditions are met. That's why it is important to be ready to express your financial needs clearly, and ensure the financial institution is using all of their available resources in order to assist you in your situation.

Why banks and credit unions need to verify your identity

Frontline staff members may be able to apply a built-in exception to your case, which will allow you to open an account without certain identifying information and documents. However, they may need additional information regarding your situation.

The legal requirement for financial institutions is to know the "true identity of your customer". If traditional documentation is unavailable or there are inconsistencies in the information provided (such as an address on a utility bill doesn't match the address on the application), frontline staff are required to explain discrepancies to mitigate risks of ID theft or use of fake information.

Additional insight

The verification process helps prevent customers from concealing their true identity from law enforcement to conduct illegal activities like money laundering. If the financial institution doesn't document the steps they took to verify a person's identity or document why they accepted alternative documentation, regulators and law enforcement can find them negligent.

Actions you can take

If you feel comfortable, you can share reasons why you are unable to provide certain information or why there might be discrepancies. Being open about the unique challenges you are facing can help reduce risk for the financial institution, and give staff the information they need to support you. The right banker and the right financial institution will try to work with you to determine how best to verify your identity.

Preparing to open an account:

- 1. Understand ChexSystems report risks** (*If your harm doer knows the following information about you, they might be able to access your ChexSystems report: full name, date of birth, social security number, and current address. This report may include the names of financial institutions you have applied to open an account with in the last five years. If you suspect your harm doer will view your report, you may want to consider getting a prepaid debit card instead of opening an account.)
- 2. Determine a safe mailing address**
- 3. Determine a safe physical address for your application** (*typically needs to be a residence, a location where people live*)
- 4. Get a safe email**
- 5. Review financial institutions and their customer verification policies**
- 6. Save money for account minimums**
- 7. Collect documents and information to open an account**

How to open an account

There are two primary methods for opening an account. The first is in-person at a branch location, in a direct meeting with a representative. The second is online, which does not usually involve interacting directly with financial institution personnel. Both methods present unique advantages and challenges.

In-person:

Opening an account in-person can be difficult emotionally and logistically. To make the process smoother, here are some considerations and preparations you can take:

- **Be transparent and honest:** Because of certain regulations, bank staff cannot open an account if they suspect you are being untruthful about your identity or personal information. It is natural to be nervous opening a bank account when experiencing

domestic abuse, and unfortunately, nerves can be misinterpreted by someone who doesn't know your situation. As much as you're comfortable, explain your situation early in the meeting and outline any limitations you might have. If applicable, ask about their policy regarding Address Confidentiality Programs. This will help ensure that the person assisting you understands your situation and understands what policies and exceptions might apply.

- **Consider bringing an advocate:** If you are uncomfortable going to the branch by yourself, you can always bring an advocate. If you do bring an advocate, make sure to explain who they are and why they are with you. This will help prevent bank staff from suspecting a person is being coerced into opening an account. One red flag that representatives are trained to look for is when a companion speaks for the prospective customer too much, especially if the customer seems nervous, scared, and does not have certain identification information. Transparency is the best way to prevent concerns that could arise from the presence of an advocate. If the advocate is from a survivor support organization, providing a business card and encouraging the representative to quickly research the group may also help the situation.
- **Confirm the information you previously received:** If you previously called ahead, share what information you learned at the beginning of the process to confirm that the information you received is correct. If you did not call ahead, ask at the beginning of the meeting what information is needed and whether they allow for accommodations relevant to your situation. Specifically mentioning identification documentation limitations and the need to use an alternative physical address can be important to make sure the process goes smoothly
- **Bring your documentation:** Be sure to bring all documentation and information needed to avoid having to make a second trip. If you called the bank or credit union ahead of time, be sure to bring all documentation they outlined. Some basic documentation that may be reviewed or requested includes:
 - a. Driver's License or other photo ID
 - b. Social Security Card
 - c. Utility Bill or Mail
 - d. Paystub
 - e. Birth Certificate

Survivor tip

If you do not have these identity documents, it is recommended that you call the bank or credit union before heading to a branch to see if they can make accommodations. Each bank and credit union is different in its exception process and representatives can tell you what alternative documentation can be used.

8. **Allow enough time:** The time needed to open an account can vary widely and may take up to a couple of hours depending on how busy the branch is and what the account opening process is.

9. Go paperless: Once your account is open, consider asking your banker to make your account “paperless”. This will minimize the amount of mail you receive at both your physical and mailing address.

Online:

Opening an account online offers convenience, but it has its own unique set of challenges. Here are some considerations to make the process of opening an account online go smoothly:

- **Have all your information on hand:** Just like when opening an account in-person, you will be asked to provide your identity information, including name, physical address, date of birth, and social security number. Additionally, you will need to have an email address to do this.
- **Identification requests aren’t so different:** While you may not have to provide a copy or show identification when opening an account online, the application will likely ask for the number on an identification document, such as a driver’s license or passport. In some cases, you might be able to bypass this requirement; however, this could trigger a requirement to provide additional information and that request for additional information may be sent via email after you submit your application. Be sure to ask how the bank or credit union will contact you for alternative verification methods.
- **Identity verification is still required:** You may be asked to verify questions based on information from your credit report. Additionally, opening an account online may trigger verification practices such as mailing a card, emailing a welcome letter, and calling to ensure the contact information of the individual is accurate. If your identity cannot be verified, your account application may be denied.
- **Funding of the account:** Opening an account requires funds to be deposited into the account. When opening an account online, you may need to transfer from another account or source. You’ll need to have information on the account and routing number from where the initial deposit will come.

What’s next?

Regardless of the method you choose for opening an account (online or in-person), it’s important to know what additional actions may be taken after the account is opened. Some financial institutions may:

- Send cards or make phone calls to new members after the account is opened to further verify identity
- Mail you your ATM card and checks
- Email you to allow for online banking registration
- Send you text alerts

For these reasons, it's important to ensure that all contact information provided at account opening leads to safe locations, accounts and devices. While some institutions may be able to disable some of these features, be aware that it is not always foolproof.

Additional considerations:

- **Address confidentiality:** The US Department of the Treasury, which enforces laws on account opening requirements, issued a ruling that allows those participating in Address Confidentiality Programs to open a bank account without providing their physical address. Institutions that follow this ruling will ask for the safe address provided under the program, as well as a physical address for the Address Confidentiality Program itself. To meet this requirement, you'll want to have both addresses before starting the account opening process.
- **1099-INT tax forms:** If you earn more than \$10 in interest from your interest-bearing account, you will be receiving a 1099-INT tax form. This can be a concern for people filing joint taxes with an abusive person. A way to mitigate this risk is to keep your account(s) balance lower than the threshold it takes to incur interest (ask your financial institution about this) or to choose an interest-free account.

Conclusion

We hope this serves as a helpful guide on your journey to opening a bank account and achieving your financial goals. For more information about financial resources for survivors of domestic abuse, visit [FinAbility](#).