



Search and Location Services

Banks and credit unions lose millions of customer assets to escheatment every year!

Every year, banking institutions and credit unions report and remit hundreds of millions of dollars by conforming to state unclaimed property laws. The most common types of unclaimed property in the banking industry include checking and savings accounts, CDs, and IRAs. Additionally, other property types include safe deposit boxes and property held in escrow. States have further induced the receipt of unclaimed property through increased audit activity and the consistent trend of shortening state dormancy periods. These factors have caused the banking industry to report more unclaimed property than ever before, despite the advances in research tools, improved technologies, and available risk and loss mitigation strategies.

Potential Risks and Losses to Protect Against

Some of the negative potential impacts of reporting and remitting unclaimed property encompass:

- ▶ **Customer Loss:** When banks report and remit customer accounts, the likelihood impacted customers will remain with the institution is notably reduced.
- ▶ **Loss of Customer Goodwill:** Customers often become disgruntled and blame institutions for reporting and remitting their property, due to a lack of understanding institutions' legal and compliance requirements.
- ▶ **Potential Revenue Loss:** Institutions risk losing the opportunity to expand the relationship when the customer's property is turned over to the appropriate state. It's been reported that existing banking customers account for 62% of new growth revenue.
- ▶ **Reputational Risk:** Disgruntled customers often share their stories through social media channels and even media outlets, often creating a distrustful, damaging image of the institution.
- ▶ **Financial Risk:** When institutions perform "win-back" strategies to recapture customers that have left, estimated expenses are typically 15 times the cost of new customer acquisition.
- ▶ **Loss of Loan Interest Potential:** A reduction of asset under management impacts an institution's ability to loan funds to maintain required ratios. Additionally, it can also necessitate a need for greater cash on hand, further impacting an institution's flexibility.
- ▶ **Reduce Fraud Risk:** Safeguarding customers' assets is paramount; extra protection and scrutiny should be given to protect high-risk accounts and reduce liability.
- ▶ **Financial Penalties:** Banks may face fines and penalties for reporting late or incorrectly stating dormant accounts. Acquiring banks may face unknown liabilities from previous mergers or acquisitions.



Most states require banks to perform owner outreach, but is it enough?

Institutions holding unclaimed property have a small window of statutorily defined due diligence to reunite owners with their assets, before the assets must be reported and remitted to the appropriate state.

Most states mandate for institutions to perform owner outreach in the form of mailing a due diligence letter to an owner at the address of record in a final attempt to reunite assets with their owners. Historically, due diligence mailings might reunite 10–15% of total unclaimed property. This percentage can be greatly influenced by the demographic of the owners and their propensity to be transitory.

Ryan's Solution

Pre-Eschat Asset Recovery

Mitigation efforts are available to reduce risks and potential losses. Ryan's Pre-Eschat Asset Recovery (PEAR) program is designed to help institutions reestablish contact on inactive accounts or accounts with returned mail to reactivate customer's accounts before any property is surrendered to states. Our service is designed to help you retain more assets under management and grow customer relationships. Our consultants will work with you to design a custom program that not only meets your approval but reduces risks and losses. With more than 9,000 public and proprietary research tools at our disposal, we will exhaust all available efforts prior to unclaimed property reporting deadlines to retain your customers' valuable assets, protect your reputation, and reduce your liabilities.

Consistently, our clients see the tremendous benefits of our services to keep customers intact while reducing the reporting and remitting of unclaimed property, based on our proven record, with success rates ranging from 60–70% for account reactivation. Other risks/issues to be aware of include reputational risk, financial risk, loss of loan interest potential, financial penalties, and fraud risk.

Why Ryan

Ryan's team has decades of collective experience and an unparalleled reputation as a trusted advocate. We aid numerous corporations with complex unclaimed property compliance initiatives, positioning Ryan as the only true full service provider of abandoned and unclaimed property solutions. Ryan's Abandoned and Unclaimed Property practice is comprised of former unclaimed property auditors, certified public accountants, certified fraud examiners, and attorneys. Our Search and Location experts employ proven methodologies to data-mine, locate, and assist claimants in recovering their unclaimed property. In doing so, we mitigate client risk and protect client profitability.

Banking Customers and Unclaimed Property Challenges

Millions of dollars are spent annually acquiring new customers. The highest costs per acquisition belonged to:

Technology

\$395
PER ACCOUNT

Telecom

\$315
PER ACCOUNT

Insurance

\$303
PER ACCOUNT

Banking

\$303
PER ACCOUNT

Award-Winning Tax Services

For additional information
1.855.RYAN.TAX
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