



### Why Do We Ask Questions?

When you are conducting bank transactions, we ask you questions concerning the source, use, or purpose of the transaction. We do this for two very important reasons.

#### TO PREVENT FRAUD

Most importantly, we ask these questions to ensure you have not been a victim of a fraud attempt. Unfortunately, fraud is constantly evolving.

Fraudsters may promise to send you money, products or services or even ask for your assistance to help law enforcement catch thieves.

Grandparent Scam – scammers will pose as a relative in distress. The scammer calls you purporting to be a grandchild or relative asking you to wire or transfer money or send gift cards to help them get out of trouble. Read more about other ways to protect older adults from fraud and financial exploitation at:

<https://www.consumerfinance.gov/consumer-tools/fraud/>

Imposter Scam – imposters will try to convince you to send money, pretending to be someone you know or trust like a sheriff, local, state, or federal government employee, or charity organization. Remember, call ID can be faked. You can always call the organization and ask if the person works for them before giving any money or personal information. Read more about imposter scams at:

<https://www.consumerfinance.gov/consumer-tools/fraud/>

Scammers take advantage of the trust people place in cashier's checks. Some common cashier's check scam scenarios are:

- Excess of Purchase Price – a buyer sends you a cashier's check for more than the purchase price and asks you to return the excess, sometimes to a third party. Often, you are asked to purchase gift or pre-paid cards to return.

- Unexpected Windfall – you receive a letter informing you that you may have won a foreign lottery or are the beneficiary of someone's estate. You will be told to pay a processing or transfer fee, but they will send you a cashier's check to cover that fee. You will be directed to deposit the check and then send the fee back or to a third party.
- Mystery Shopping – you receive a letter informing you that you have been chosen to act as a mystery shopper. The letter includes a cashier's check, and you are told to deposit the check into your account. You are told to use a portion of the funds to purchase merchandise and to return the balance, usually to a third party.

#### When that check is returned as counterfeit, it is **you** who is out the money.

These are just a few examples of the many ways fraudsters may try to take advantage of you. At Highpoint Community Bank we take our role seriously in trying to prevent you from becoming a victim of fraud. Often fraudsters will tell you what to tell the bank, as they know we will ask questions. The best course of action is to be truthful. There are many resources online to help you stay safe. One of these is the Federal Trade Commission, [www.ftc.gov](http://www.ftc.gov).

#### TO COMPLY WITH REGULATIONS

The Bank Secrecy Act requires all banks to have "know your customer" procedures. This includes identification requirements, along with the bank understanding the expected nature of your banking transactions.

We hope this information explains why we ask questions about your banking activities. If you would like more information, please speak with a Customer Service Representative.

