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CFP Board Statement for the Record

Hearing on

“The AI Deception Machine: Deepfakes, Chatbots, and the New Frontier of Senior Fraud”

Before the

Senate Special Committee on Aging

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Chairman Scott, Ranking Member Gillibrand, and Members of the Committee:

I am pleased to submit this statement for the record on behalf of CFP Board, the professional body that certifies over 109,000 CERTIFIED FINANCIAL PLANNER® professionals in all 50 states and U.S. territories. Since 1985, CFP Board has set the standard for competent and ethical financial planning in the United States. Today, more than one-third of retail financial professionals are CFP® professionals who commit to CFP Board, as part of their certification, to act as a fiduciary, and therefore, to act in the best interests of the client at all times when providing financial advice. CFP® professionals provide professional services on behalf of investment advisers, broker-dealers, and insurance companies, among other business types.

We thank the Committee for holding this hearing and for its sustained bipartisan attention to the financial exploitation of older Americans. Increasing protections and education for consumers is one of CFP Board's core public policy priorities. CFP® professionals see the consequences of fraud in their clients' lives, often before anyone else does, and we appreciate the opportunity to share what our research and CFP® professionals are telling us about how artificial intelligence is changing this threat.

Financial fraud, scams and exploitation threaten to derail Americans' financial security and, ultimately, their confidence in achieving their long-term financial goals. This problem is not going away. It is accelerating, and the nature of the fraud itself is changing rapidly, making it harder than ever to detect. Scammers are now deploying artificial intelligence-generated voice fraud to impersonate family members and government officials, deepfake videos to fabricate trusted faces, and highly personalized phishing messages that bypass the telltale signs people typically spot. The guidance older consumers have been given for two decades, which is to listen or watch for an unfamiliar voice or be aware of awkward phrasing and poor grammar, no longer holds. Generative tools remove precisely the friction that consumer education has relied upon.

As Scott Kahan, CFP® testified before this Committee in April, older Americans are disproportionately targeted by fraud and relationship scams. Too often, victims of such fraud and scams lose a substantial portion of their life savings - money they were relying upon for retirement or to help their families. Unlike younger victims, older Americans frequently do not have the time or the income to recover if they are victimized, which makes prevention and early intervention so important in this population.

CFP Board's June 2026 research report, *Don't Fall For It: Guarding Against Financial Fraud*, documents a widening gap between fraud awareness and fraud preparedness. Sixty-two percent of Americans have encountered financial fraud or know someone who has in the past three years, and 55% expect that they or someone close to them will be targeted in the next 12 months. Yet only 37% are confident they could identify every form fraud takes, and 29% are unsure they could detect an attempt before it is too late. Fraud is now an expected event that most Americans do not feel equipped to handle. The prevention gap is widest exactly where this Committee is focused. Only 6% of Americans report having spoken with their grandparents in the past year about recognizing or avoiding financial fraud, and fewer than one-third have had that conversation with their parents. Family conversation is the least expensive defense available, and it is not happening.

Our research also found that victims face real, practical barriers after an incident, including confusion about who to contact and uncertainty about the process. Many stay silent out of embarrassment or shame, which suppresses reporting and delays law enforcement response at the moment when funds are still recoverable.

This is where competent and ethical financial planning matters. CFP® professionals often serve as a client's first or only meaningful financial educator, providing skills that extend beyond individual transactions. In this role, CFP® professionals can provide guidance that can serve as the first line of defense against fraud, like a financial first responder. They may also observe early warning signs of financial distress or fraud, such as unusual account activity, manipulative schemes and scams, or financial exploitation, and are uniquely positioned with their firms to help detect and combat it with tools available through measures like report and hold laws.

That role depends on planners having clear legal authority to pause a transaction and confidence that using it will not expose them to liability. The point of transfer is frequently the last moment at which funds can still be recovered. Today that authority is uneven across products and account types, and a criminal using a cloned voice does not care which type of account the money leaves from.

CFP Board respectfully offers the following recommendations for the Committee's consideration.

Pass the Financial Exploitation Prevention Act (S. 2840). CFP Board supports this bipartisan legislation, which the House passed as H.R. 2478. The bill provides a vital "hold" by allowing for the delay of mutual fund redemption requests when elder financial abuse or exploitation is suspected. It also directs the Securities and Exchange Commission, in consultation with other agencies, to report to Congress on the regulatory and legislative changes needed to address the financial exploitation of seniors and other vulnerable adults. Comparable protections already exist under FINRA rules and other state and federal laws. Extending them to mutual fund redemptions closes a gap that criminals exploit, and it is a straightforward step the Senate can take this Congress.

Close the remaining gaps in delayed disbursement authority and trusted contact designation. Report and hold protections should be consistent across the products older Americans actually use, including bank transfers, wire instructions and payment applications. Congress should also consider making trusted contact designation a routine and portable feature across financial account types rather than a firm-by-firm practice.

Modernize federal consumer education to reflect how fraud works now. Federal financial education materials should account for new and trending scams that utilize artificial intelligence and online cloning. CFP Board maintains a public resource library on financial fraud, scams and misinformation. Many older Americans do not seek out professional guidance because they feel they do not have enough money or they assume they can access free help online, which unfortunately is often false or misleading at best. CFP® professionals help close that gap directly. In 2025, CFP® professionals performed nearly 435,000 pro bono hours. We are prepared to support the Committee's efforts.

Pass the Tax Relief for Victims of Crimes, Scams, and Disasters Act (S. 1773). Because the current tax code provides little recourse for losses from financial fraud, many seniors and other victims face a loss of their assets followed by a lack of tax relief, which can be a second hit, further deepening the financial wound. We again thank Chairman Scott, Ranking Member Gillibrand and Senators Jim Justice (R-WV) and Ashley Moody (R-FL) of this Committee for cosponsoring this CFP Board-endorsed legislation, which would help mitigate the devastating impact of fraud on seniors' retirement security and provide a measure of justice and financial stability for victims of crime and those most vulnerable to predatory actors. A retiree whose savings are stolen through a deepfake impersonation scheme should not then owe income tax on money they no longer have.

Increase access to competent and ethical financial planning. A consumer working with a CFP® professional has a professional in their corner who is trained to recognize exploitation, obligated to act in that consumer's best interest, and acts as a "financial first responder." CFP Board's *Financial Planning Longitudinal Study* found that 83% of individuals working with a CFP® professional report having at least three months of emergency savings (compared to just 46% of adults nationally according to the FINRA Foundation) and that 94% have confidence in achieving their financial goals. Households with that kind of margin are more resilient when fraud does occur. CFP Board supports federal tax incentives to make professional financial advice more accessible and affordable, particularly for middle-income and lower-income Americans. By making expert financial guidance more easily reached, we can help harden the defenses of vulnerable populations before a single dollar is lost to fraud.

Thank you for the opportunity to provide these comments. If you have any questions or would like to discuss these issues further, please contact me.

Respectfully submitted,

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