

HB 1049 -- FINANCIAL INSTITUTIONS

SPONSOR: Owen

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Financial Institutions by a vote of 10 to 0. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 10 to 0.

This bill authorizes a bank to offer a "trusted contact" program, as defined in the bill, to customers who can designate one or more trusted contacts for the bank to contact in the event of an emergency, loss of contact with the customer or suspected third-party fraud activity or financial exploitation targeting the customer. Under the bill, a bank is not liable for the actions of a trusted contact. Neither is the bank liable for declining to interact with a trusted contact if the bank determines such trusted contact is not acting in the best interests of the customer. The bill also allows a customer to withdraw the appointment of a trusted contact. The bank can ask for documentation that supports the withdrawal or termination of a trusted contact.

The bill allows a credit union to offer a trusted contact program to members similar to that offered by a bank.

This bill is the same as HB 229 (2025).

PROPOSERS: Supporters say that this bill helps protect against scams targeting vulnerable people. Financial institutions are on the hook when the scams occur. The bill includes safe harbors and protections to contact persons identified as contacts.

Testifying in person for the bill were Representative Owen; Missouri Bankers Association; Mo Credit Union Association; and Missouri Independent Bankers Association.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say trusted contacts were created in the securities industry which has proved beneficial in overcoming scams. This bill protects citizens in financial institutions setting.

Testifying in person on the bill was Michael O'Donnell, Missouri State Securities Division.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.