

## Crying All the Way Out of the Bank: How Banks Are Alerted to Red Notices

By Michelle A. Estlund on July 04, 2011

Continuing with the issue addressed in the last post, today's post addresses banking and the effect of a Red Notice on a person's ability to maintain an account at a financial institution. Specifically, how does a financial institution know about a pending Red Notice?

A majority of banks, credit unions, and other financial institutions subscribe to one or more services that allow them to check the financial history and activity of new customer applicants and existing customers. They might use a service such as [IntelliCorp](#), or [Accurate Background, Inc.](#) Think of the services as CARFAX for automobiles, or Equifax for credit history. They provide information from an array of sources, thus allowing an entity to make an informed decision about whether it should do business with an individual based on her history.

If an applicant's name search reveals any information which renders her undesirable as a customer, the application to open the account may be denied. Likewise, if information of any suspicious activity by existing customers comes to the attention of banking officials, that customer may become undesirable.

Suspicious activity may include:

- [Check kiting](#) from one bank to another
- Repeated transfers to nations with heavy fraud activity such as [Nigeria](#)
- A customer being the subject of a [Red Notice](#)

Any one of these grounds, among others, may cause a bank to advise the customer that they need to find a new financial home. Finding a bank that will accept such a customer could prove difficult and may necessitate a challenge to the problematic Notice.

As always, comments and thoughts are welcomed.