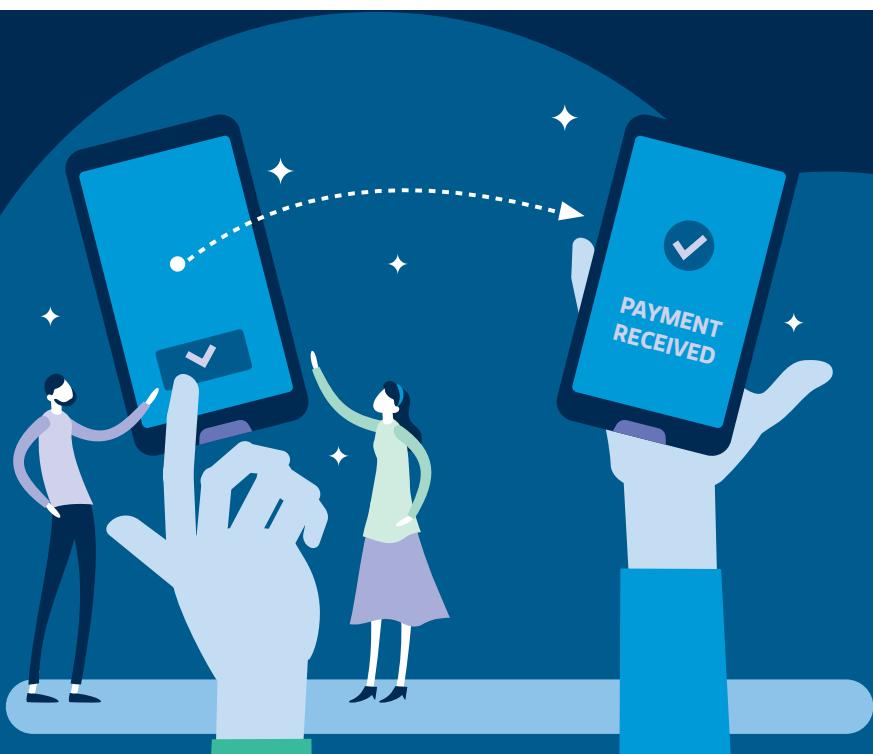


Peer-to-Peer (P2P) Payment Scams



More and more people are using mobile payment apps like Zelle®, Venmo® or CashApp®. P2P payments can make splitting the bill or paying for a service simple and convenient, but vigilance is key.

How P2P Scams Work

You've been looking for a beach-front property to rent over the holiday weekend to no avail. Then, you see a post on a social media page advertising your family's dream rental. You want to snag it before someone else does, so you strike up an email correspondence with the owner and send over the down payment requested via a P2P app. After that, all communication ceases and you're left with no vacation rental or way to retrieve your money.



Fraudsters like utilizing P2P apps in their scams because the transactions are often instantaneous and irreversible.

P2P apps are designed for users who know and trust each other—and those are the only circumstances under which you should use them.



Tips and Best Practices

DO read the fine print of the app's terms and conditions. Review their fraud protection policies and how they will help you recover payments if something goes wrong.

DON'T send or accept P2P payments from someone you don't know. Consider asking your friend to send you a request first to ensure you are exchanging funds with the right person.

DO double check the payment recipient's information. Look out for incorrect phone numbers or misspellings to be sure your funds are going to the right person.

DON'T reuse the same password for your P2P app or bank account that you use elsewhere. Always create unique, strong passwords, enable multi-factor authentication, disable automatic logins and keep your apps up-to-date.

DO link your payment app to a credit card rather than a debit card to take advantage of greater fraud protections.

DON'T send money to a charity via a P2P app before first checking the charity's legitimate website, to ensure they accept donations that way and you have the correct recipient name.

DO think twice about businesses that only accept payment via P2P apps — this could be a warning sign.

DON'T make your P2P payment transactions visible to the public. This could give fraudsters intel to target you better in the future.

If you've fallen for a P2P Scam, there's a good chance that your funds are lost for good, but it's still important to respond quickly to limit damage and help others from being similarly targeted.

Action Steps

1

Immediately contact the P2P app or your financial institution to explain that the transaction was fraudulent and seek assistance with retrieval.

2

If you do not receive the support you need, contact the Consumer Financial Protection Bureau at consumerfinance.gov and file a complaint.

Sources:

<https://www.fcc.gov/more-consumers-adopt-payment-apps-scammers-follow>

<https://www.consumerfinance.gov/about-us/blog/helpful-tips-using-mobile-payment-services-and-avoiding-risky-mistakes/>

Send Money with Zelle® is available on the Morgan Stanley Mobile App for iPhone and Android. Enrollment is required and dollar and frequency limits may apply. Domestic fund transfers must be made from an eligible account at Morgan Stanley Smith Barney LLC (Morgan Stanley) to a US-based account at another financial institution. Morgan Stanley maintains arrangements with JP Morgan Chase Bank, N.A. and UMB Bank, N.A. as NACHA-participating depository financial institutions for the processing of transfers on Zelle. Data connection required, and message and data rates may apply, including those from your communications service provider. Must have an eligible account in the U.S. to use Zelle. Transactions typically occur in minutes when the recipient's email address or U.S. mobile number is already enrolled with Zelle. See the Send Money with Zelle® terms for details. Zelle and the Zelle related marks are wholly owned by Early Warning Services, LLC and are used herein under license. Morgan Stanley is not affiliated with Zelle.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

This material may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the material refers to website material of Morgan Stanley Wealth Management, the firm has not reviewed the linked site. Equally, except to the extent to which the material refers to website material of Morgan Stanley Wealth Management, the firm takes no responsibility for, and makes no representations or warranties whatsoever as to, the data and information contained therein. Such address or hyperlink (including addresses or hyperlinks to website material of Morgan Stanley Wealth Management) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through the material or the website of the firm shall be at your own risk and we shall have no liability arising out of, or in connection with, any such referenced website. Morgan Stanley Wealth Management is a business of Morgan Stanley Smith Barney LLC.