

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

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| <ul style="list-style-type: none">✓ 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. | <ul style="list-style-type: none">✓ 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. |
| <ul style="list-style-type: none">✓ 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. | <ul style="list-style-type: none">✓ 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/>

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