

United States Senate

WASHINGTON, DC 20510

September 22, 2022

Jamie Dimon
Chairman and Chief Executive Officer
JPMorgan Chase & Co.
383 Madison Avenue
New York, NY, 10179

Dear Mr. Dimon,

We write to follow-up on your commitment to provide information today regarding fraud and scams on Zelle, the peer-to-peer platform that your bank both operates on and jointly owns through Early Warning Services, LLC (EWS). During this morning's hearing before the Senate Committee on Banking, Housing, and Urban Affairs, in response to our questions, you committed to sharing information about the rate and total number of fraud and scams on Zelle "by the end of the day."¹ This data is crucial for the American people to understand the scope of the problem and for regulators to best understand how to protect consumers.

With instant transfers and limited transparency, Zelle, a "favorite of fraudsters," has given bad actors an ideal weapon with which to defraud consumers.² Nearly 18 million consumers were victimized through scams involving digital wallets and peer-to-peer payment platforms in 2020.³ In turn, both your bank and EWS have abdicated responsibility for making consumers whole, leaving consumers with little recourse.⁴

In April 2022, we wrote to EWS regarding reports of "widespread" fraud on the platform,⁵ and after EWS failed to provide substantive answers,⁶ we wrote to your bank and the other owners of the platform.⁷ Your bank, as well as five of the other six owners, did not provide data useful for understanding the scope of Zelle's fraud problem, a response that you "deeply apologize[d]" for

¹ Senate Committee on Banking, Housing, and Urban Affairs, "Annual Oversight of the Nation's Largest Banks," September 22, 2022, <https://www.banking.senate.gov/hearings/annual-oversight-of-the-nations-largest-banks>.

² New York Times, "Fraud Is Flourishing on Zelle. The Banks Say It's Not Their Problem.," Stacy Cowley and Lananh Nguyen, March 6, 2022, <https://www.nytimes.com/2022/03/06/business/payments-fraud-zelle-banks.html>.

³ *Id.*

⁴ WBS-TV, "Zelle warns about scams, says it's not responsible for funds stolen through app," Ashli Lincoln, March 28, 2022, <https://www.wsbtv.com/news/local/zelle-warns-about-scams-says-its-not-responsible-funds-stolen-through-app/ZTCNAVOTTNG5RNTAOAXPWELXB4/>.

⁵ Letter from Senators Warren, Menendez, and Reed to Early Warning Services, LLC CEO Al Ko, April 29, 2022, <https://www.warren.senate.gov/imo/media/doc/2022.04.29%20Letter%20to%20Early%20Warning%20Systems%20LLC.pdf>.

⁶ Letter from Early Warning Services to Senator Elizabeth Warren, May 13, 2022, [On file with the Office of U.S. Senator Elizabeth Warren].

⁷ Letters from Senators Menendez, Warren, Reed, Brown, Van Hollen, Whitehouse, Sanders, and Duckworth to Richard Fairbank, Chairman and CEO of Capital One Financial Corporation, Charles Scharf, CEO and President, Wells Fargo & Co., William S. Demchak, CEO, PNC Financial Services Group. William H. Rogers Jr., CEO, Truist Financial Corporation, Brian T. Moynihan, Chairman and CEO, Bank of America, Andrew J. Cecere, CEO, U.S. Bancorp, Jamie Dimon, Chairman and CEO, JPMorgan Chase & Co., July 7, 2022, <https://www.warren.senate.gov/imo/media/doc/Letters%20to%20Banks%20re%20Zelle.pdf>.

and promised to rectify at today's hearing. Given your commitment, we are reiterating our request that you provide the follow information immediately:

1. How many reports of fraud – as defined by Regulation E – has your bank received from consumers using the Zelle platform for each of the last five full calendar years, and from January 1, 2022, to the present? For each year, and for the period from January 1, 2022, to the present, please provide:
 - a. The total number of reported cases of fraud from your customers using Zelle.
 - b. The total dollar value of reported fraud.
 - c. The number of cases where your bank provided refunds to customers.
 - d. The total value of these refunds.
 - e. The number of cases where your bank referred fraud to law enforcement or to federal or state bank regulators.

2. How many reports of scams (transactions “authorized and initiated by a consumer” and thus not unauthorized) but that were induced through deception (e.g., where a third party convinces the consumer to transfer money based on a false pretext, such as an offer to sell nonexistent goods)” has your bank received from consumers using the Zelle platform for each of the last five full calendar years, and from January 1, 2022, to the present? For each year, and for the period from January 1, 2022, to the present, please provide:
 - a. The total number of reported cases of scams from your customers using Zelle.
 - b. The total dollar value of reported scams.
 - c. The number of these scams where your bank provided refunds to customers.
 - d. The total value of these refunds.
 - e. The number of these scams cases where your bank referred the incident to law enforcement or to federal or state bank regulators,

Thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
United States Senator



Robert Menendez
United States Senator

United States Senate

WASHINGTON, DC 20510

September 22, 2022

Charles Scharf
Chief Executive Officer and President
Wells Fargo & Company
420 Montgomery Street
San Francisco, CA, 94104

Dear Mr. Scharf,

We write to follow-up on your commitment to provide information to us today regarding fraud and scams on Zelle, the peer-to-peer platform that your bank both operates on and jointly owns through Early Warning Services, LLC (EWS). During this morning's hearing before the Senate Committee on Banking, Housing, and Urban Affairs, in response to our questions, you and several other CEOs committed to sharing information about the rate and total number of fraud and scams on Zelle "immediately."¹ This data is crucial for the American people to understand the scope of the problem and for regulators to best understand how to protect consumers.

With instant transfers and limited transparency, Zelle, a "favorite of fraudsters," has given bad actors an ideal weapon to defraud consumers.² Nearly 18 million consumers were victimized through scams involving digital wallets and peer-to-peer payment platforms in 2020.³ In turn, both your bank and EWS have abdicated responsibility for making consumers whole, leaving consumers with little recourse.⁴

In April 2022, we wrote to EWS regarding reports of "widespread" fraud on the platform,⁵ and after EWS failed to provide substantive answers,⁶ we wrote to your bank and the other owners of the platform.⁷ Your bank, as well as five of the other six owners, did not provide data useful for understanding the scope of Zelle's fraud problem, a response that you apologized for and

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⁵ Letter from Senators Warren, Menendez, and Reed to Early Warning Services, LLC CEO Al Ko, April 29, 2022, <https://www.warren.senate.gov/imo/media/doc/2022.04.29%20Letter%20to%20Early%20Warning%20Systems%20LLC.pdf>.

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promised to rectify at today’s hearing. Given your commitment, we are reiterating our request that you provide the follow information immediately:

1. How many reports of fraud – as defined by Regulation E – has your bank received from consumers using the Zelle platform for each of the last five full calendar years, and from January 1, 2022, to the present? For each year, and for the period from January 1, 2022, to the present, please provide:
 - a. The total number of reported cases of fraud from your customers using Zelle.
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Thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
United States Senator



Robert Menendez
United States Senator

United States Senate

WASHINGTON, DC 20510

September 22, 2022

Brian T. Moynihan
Chairman and Chief Executive Officer
Bank of America
100 North Tryon Street
Charlotte, NC, 28255

Dear Mr. Moynihan,

We write to follow-up on bank CEOs commitment to provide information to us today regarding fraud and scams on Zelle, the peer-to-peer platform that your bank both operates on and jointly owns through Early Warning Services, LLC (EWS). During this morning's hearing before the Senate Committee on Banking, Housing, and Urban Affairs, in response to our questions, several CEO's committed to sharing information about the rate and total number of fraud and scams on Zelle "by the end of the day."¹ This data is crucial for the American people to understand the scope of the problem and for regulators to best understand how to protect consumers.

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rectify at today's hearing. Given your bank's stated commitment to addressing widespread fraud and scams on Zelle, we are reiterating our request that you provide the follow information immediately:

1. How many reports of fraud – as defined by Regulation E – has your bank received from consumers using the Zelle platform for each of the last five full calendar years, and from January 1, 2022, to the present? For each year, and for the period from January 1, 2022, to the present, please provide:
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Sincerely,



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