

Fraud Becoming An Issue for P2P

With the rise of P2P (person-to-person) payment services like Venmo, splitting the check with friends or reminding your sibling to pay you back isn't as tiresome as it once was.



Venmo is the most popular P2P service, beloved for its highly rated iOS and Android apps, which add a little social fun to effortless transactions, and allow users to split checks.

These services, which allow users to send money to others online or through apps, continue to gain popularity in the U.S. for their convenience (and the fact that fewer people carry cash these days).

While you may only be familiar with popular apps like PayPal, Apple Pay, Zelle, Google Wallet or Venmo, there are countless other services available.

You can either use a credit card, debit card, checking account or your Venmo balance (a collection of money you've received from others or manually added yourself).

However, using a credit or non-major debit card will yield a fee. Though Google Wallet has the highest

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daily spending limits, the service also charges the highest fees. Adding money using a credit or debit card will cost users 2.9 percent, compared to Venmo's 3 percent tax on credit cards only.

Venmo also offers a nudge feature in which users can remind friends about missing payments without having to ask flat-out.

However **Security** can be a major issue if you're not careful. Apps like these do not automatically log you out, so it's important to make sure your phone has a solid security passcode. You are dealing with your financial accounts (your money and information) here. There are also noted drawbacks to using P2P apps. Your money won't go directly to your bank account, it stays within the app you are using and requires manually transferring the money to your financial institution.

One user has called this app usage "a psychological trick to keep you spending." Critics also warn users to only use P2P with people they know well as many of

these apps do not have fraud protection protocols. Also beware of people coming up to you in a public place asking to use your cell phone. These scammers are fast and can transfer funds to their account within seconds.

In the last 12 months, more than 375 million transactions valued at \$106 billion have gone thru P2P users. That is an increase of 83 percent, while transaction value has grown 67 percent.

The growth comes amid ever increasing pressure on merchants and financial services providers to offer sophisticated mobile tools for consumers—especially younger consumers. Mobile-order ahead for food and beverages, along with more mobile control over finances and transactions, are among the ways that the mobile channels keeps gaining importance. Now, P2P payments are boosting the mobile push.

Research what happens if any fraud does occur. Each P2P app has different rules and customer service can be hard to reach. Something to think about when agreeing to a P2P Terms of Service.

Refinance your Auto Loan with us today, and we'll pay you \$100.



The advertisement features a dark blue background. On the left, a white thought bubble contains the words "HONK HONK" in blue and red. To the right of the bubble is a white outline of a car. In the top right corner, the Texas People Federal Credit Union logo is displayed. At the bottom left, white text reads: "Refinance your Auto Loan with us today, and we'll pay you \$100".

We're giving you the opportunity to refinance your auto loan from another lender to Texas People Federal Credit Union, and you could receive up to 2% off your current rate. We will also give you \$100 cash to drive away with. It's an offer that's easy to get excited (and HONK) about.

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