

# Zelle users have been scammed out of thousands. How to avoid being targeted on money apps

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Money transfer apps are a convenient way to send and receive money, but scammers can use them to steal your funds.

Bank of America customers earlier this month filed a class-action lawsuit against the bank claiming its use of Zelle comes with a high risk of fraud, The Charlotte Observer reported.

In October, U.S. Sen. Elizabeth Warren released a report that found there were more than 190,000 cases of scams reported from January 2021-June 2022 among four of the banks that partly own Zelle.

Data also show that people have fallen victim to scams on other [money](#) transfer apps.

According to a recent Pew Research Center survey, 13% of people who used Paypal, Zelle, Venmo or Cash App said they have sent money to someone and later realized it was a [scam](#). Another 11% reported their accounts had been hacked.

## Common scams on money transfer apps

While it's easy to mistype a username and send money to the wrong person, someone who sends you a payment by mistake could be trying to deceive you.

According to the Better Business Bureau, scammers connect stolen [credit cards](#) to their digital wallets and use them to transfer money. Once you send money back to the scammer, they will delete the stolen [credit card](#) and add their [personal information](#), ensuring the funds will be deposited into their account.

Here are some other common scams to look out for, according to the BBB:

- Canceled payments: Since some money transfer apps take days to process a transaction, some scammers will cancel them before

they go through.

- Fake official emails: Scammers may send spoofed emails asking you to enter your password on a fraudulent website to prevent your account from being suspended.
- Overpayment for an item: If you use money transfer apps to sell an item, scammers may claim they paid more than you were owed and ask you to send the extra money back.

## How to avoid scams

Here are some ways you can avoid fraud, according to the BBB:

- Only use money transfer apps to send payments to people you personally know
- If someone sends you money by mistake, ask them to cancel the transaction.
- Protect your account with additional security measures, such as multi-factor authentication, Touch ID and Face ID.
- Link your account to a credit card. Credit cards typically provide additional security if you don't receive goods or services you paid for.
- Use a strong password.
- If you use money transfer apps to sell something, make sure the transaction has cleared before sending the item.

## What to do if you suspect fraud

If you fall victim to a scam, the Federal Trade Commission advises that you should report the transaction to the company and ask to reverse the payment. If the app is linked to your credit card or [debit card](#), you should report the scam to your bank.

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