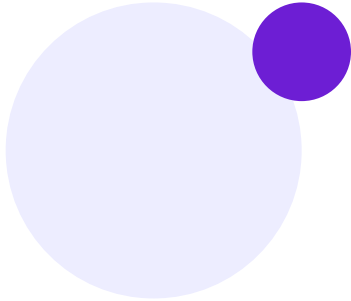




**Zelle**<sup>®</sup>: Bringing Together  
Community Financial Institutions  
and Consumers to Help Prevent  
P2P Payment Fraud and Scams

# Consumers Want *Convenience and Speed*



Peer-to-peer (P2P) payments are quickly becoming the preferred way for people to exchange money, with nearly 80% of consumers saying speedy payments are the most important feature their bank could offer.<sup>1</sup>

## Why the growth in digital payments?

- Technological advances
- Reduced use of cash and checks
- Younger generations maturing into the financial system
- Increased demand for seamless payments

<sup>1</sup> EPAM, [Consumer Banking Report 2024](#), February 2024

Consumers and small businesses sent 2.9 billion transactions with Zelle® totaling \$806 billion in 2023, both up 28% year-over-year.<sup>2</sup>

2.9

billion transactions

\$806

billion in transactions in 2023

<sup>2</sup> Zelle®, Zelle® soars with \$806 billion transaction volume, up 28% from prior year, March 2024



# Uncompromising Commitment to Fraud Prevention

In 2023, 99.95% of Zelle® transactions were completed without a report of fraud or scam – a 50% reduction of incidents when compared to the year prior. That’s because protecting Zelle® users from fraud and scams is and has always been a top priority for Early Warning®, the owner and operator of the Zelle® network.

We are committed to bringing together participant banks and credit unions, Resellers and consumers to help everyone pay it safe.

# 5 Facts About the Zelle® network

1

For 30+ years, Early Warning, owner and operator of the Zelle® network, has been helping banks and credit unions make confident decisions, enable payments and mitigate fraud

2

99.9% of Zelle® payments have been successfully completed with no reports of fraud or scam

3

Zelle® usage has grown significantly since its launch, from 247 million transactions in 2017 to 2.9 billion in 2023, while the proportion of transactions reported as fraud and scams continues to decrease

4

Only 2.5% of the FTC's fraud and scam reports in 2023 involved payment apps or services<sup>3</sup>

5

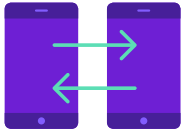
Early Warning is continuously evolving and adapting consumer education measures to address the dynamic nature of deceptive activities and raise awareness of current trends and best practices for avoiding fraud and scams

<sup>3</sup> FTC: [Fraud Reports by Payment Method](#), 2023

# What Makes Zelle® Fast, Safe and Easy to Use with *People You Know and Trust?*



People access it through their banking app to send to friends, family and those they know and trust



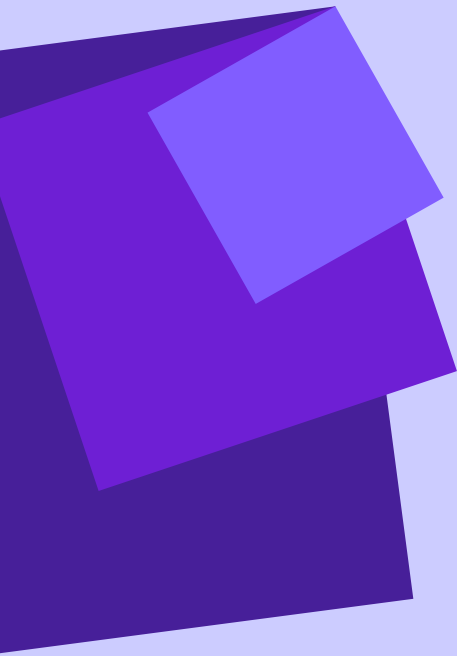
Payments are made directly from the sender's bank account and received in the recipient's bank account within minutes<sup>4</sup> without the exchange of sensitive information



Early Warning built the Zelle® network with the safety of your FI and customers/members top of mind

<sup>4</sup> Eligible U.S. checking or savings account required to use Zelle®. Transactions between enrolled users typically occur in minutes.

Zelle® is for financial institutions of all sizes, including community banks and credit unions.



Early Warning took its three decades of experience protecting the financial services industry and built Zelle® to enable fast and easy P2P and small business (C2b) payments for your customers and members.

# How is This Accomplished?

Early Warning built the Zelle® network with these foundational elements to keep your FI and your customers and members safe:



**Network rules** that are regularly updated and often **go above and beyond** federal regulations



A **shared directory** of alias-based data from contributing banks and credit unions to authenticate customers – account information stays only with the FI that the payer knows and trusts



**System monitoring** with

- real-time notifications to alert possible victims
- proactive preventative measures to preempt potential bad actors



**Risk Insights for Zelle®**, a service that delivers comprehensive network insights about the intended recipient to better help your FI make risk-based decisions



**Compelling education campaigns** and customizable, ready-to-use communications



# Fraud vs. Scam: *What's the Difference?*

A basic way to differentiate fraud and scams is **unauthorized** vs. **authorized** transactions:

## FRAUD

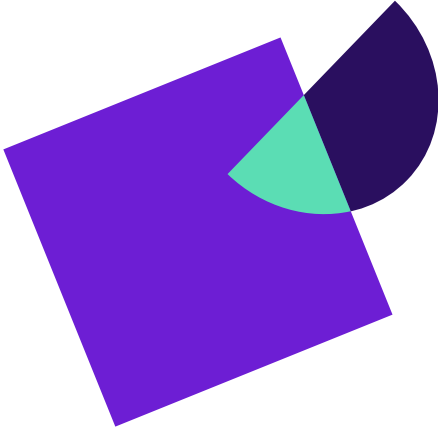
Someone gains **unauthorized access** to a bank account and makes a payment/steals money without the account owner's permission or involvement in the transaction.

## SCAM

An account owner is knowingly involved in a transaction and **authorizes** a payment to be sent. Even if an account owner is tricked or persuaded into authorizing a payment for a good or service they never receive, this is considered a scam.

[LEARN MORE ABOUT FRAUD AND SCAMS](#)

# Zelle® + Community Banks & Credit Unions



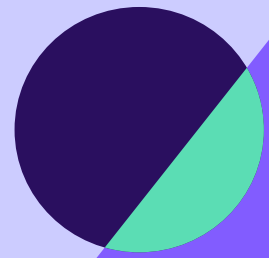
Community FIs play a critical front-line role in helping their customers, members and communities avoid fraud and scams. They can partner with their Reseller and Early Warning to promote safe Zelle® P2P payments through:

**Meeting network requirements** and rules and **participating** in Zelle® webinars as well as any fraud forums offered by their Reseller

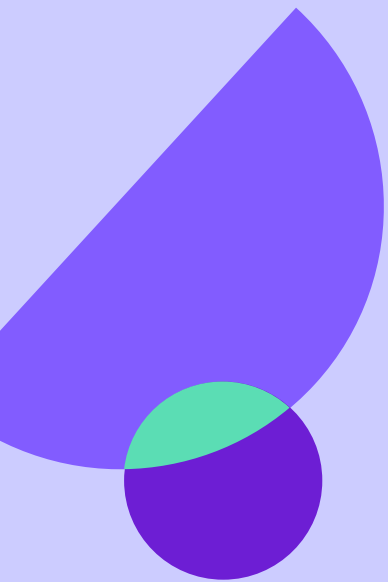
**Leveraging Reseller fraud tools**, including those powered with Risk Insights for Zelle®, to better predict transaction risk

**Educating their customers and members** through in-app messages and pop-ups, account activity notifications, emails, blogs, videos and in-branch communications

Early Warning proactively collaborates with its advisory committees, made up of community FIs, Resellers and its owner banks, to continue improving fraud and scam identification, prevention and mitigation efforts.



In addition, Early Warning is committed to working with policymakers, regulatory agencies, consumer groups, law enforcement agencies, and banking and credit union trade associations to proactively and collaboratively address fraud and scams that impact consumers in the U.S.



# Consumer Education: *The Key to Success*

Empowering consumers with the right information is one of the most effective ways to combat fraud and scams. Zelle®, our participant FIs, and our Resellers, play a critical role in this educational effort, ensuring the most up-to-date safety information is continuously delivered to consumers through a wide variety of formats and channels.

Participant FIs have access to a **vast library** of customizable ready-to-use communications and can link to the [Zelle® Financial Education Center](#) that houses a wealth of content around safe digital payments and avoiding fraud and scams.

**Zelle® leverages numerous partnerships** to reach as many consumers as possible with compelling educational content with prominent outlets and organizations such as:



[Vox Media – S.A.F.E. Squad](#)



[BBB and Zelle® warn of the red flags of scams](#)



[National Council on Aging \(NCOA\)](#)



[Utilities United Against Scams](#)

# Paying it Safe: *A Scam is Averted*

Susan, a Zelle® user, got a fraud alert text message from what looked like her FI, Amazing Credit Union. When she responded to the text, she received a phone call from “Amazing Credit Union” offering to stop the fraud. This is how teamwork stopped this scammer in their tracks:

## BEHIND THE SCENES

### Zelle®

Maintains network rules and a shared directory of bank-contributed data. Fraud monitoring and close collaboration with Resellers and FIs help to ensure bad actors are flagged and removed from the network.

### Reseller

Implements their own fraud prevention strategies, including Risk Insights for Zelle® and

Collaborates with Zelle® fraud analysts and works closely with their customer FIs to help detect and prevent fraud and scams before they

## ON THE SCENE

### Amazing Credit Union

Sends Susan a pop-up warning in her app before she confirms the transaction. This healthy friction gives Susan a moment of pause to consider if this is a transaction she wants to complete.

### Susan

Remembers the helpful blogs and emails from her credit union and a [YouTube video](#) she ran across teaching her how to avoid fraud and scams. After she receives the pop-up warning from her FI, she ends the call, relieved that she avoided being scammed.

While media coverage around the danger of P2P payments is escalating, the reality is that Zelle® fraud and scams have materially declined year-over-year relative to the network's growth,

**with 99.9% of transactions completed with no report of fraud or scam.**

# What Can Zelle® Do for Your Community Bank or Credit Union?



Attract and retain more customers or members



Reduce cash and check management costs



Drive repeated banking app usage

**EXPLORE THE VALUE OF ZELLE®**

**zelle®**

Early Warning Services, LLC, a financial services technology leader, has been empowering and protecting consumers, small businesses, and the U.S. financial system with cutting-edge fraud and payment solutions for more than three decades. We are also the company behind Zelle®, and Paze<sup>SM</sup>, a digital wallet that reimagines online checkout. Early Warning partners with more than 2,500 banks and credit union brands to increase access to financial services and products, and protect financial transactions. Learn more at [www.earlywarning.com](http://www.earlywarning.com) and connect on [LinkedIn](#).