Tutorial Tuesdays
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How to Safely Use Cash App, Venmo & Other Peer-to-Peer Apps

In today's world of social distancing, paying someone, whether a vendor selling a craft or your babysitter, can involve a transaction using a Peer-to-Peer (P2P) App, such as the most popular ones like Venmo, Zelle or Cash App. Although convenient and fast, these types of payment apps have recently seen an increase in fraud.

For those who are not familiar with P2P payment apps, it's when one person pays another person through an electronic transaction (online or mobile app) using their account or debit or credit card information. These payments have recently seen an increase in fraud as people begin to use them more often since it limits face-to-face interaction, the necessity to handle cash and the transactions are instantaneous. Scams have been heightened during the COVID-19 pandemic, as many fraudsters find themselves in need of fast cash. Scammers may often claim to be influencers or say that they want to help other people during a difficult time and give back, only to take advantage of unknowing individuals. If you use these payment apps, here are some things to consider:

How do I prevent P2P payment fraud?

1. Never send money to someone you haven't met in person.
2. Double check the username or phone number of the person you are sending money to.
3. Always OPT IN for stronger security like a PIN or facial recognition.
4. Before using a P2P app, search the customer service information so you know where to go if you have a dispute.
5. Make sure any P2P apps are up to date, so they always shave the latest protection and security features.
6. Set up transaction alerts so you are notified immediately anytime your account is used. If you use Nymeo Online or Mobile Banking, you can set up alerts. More information here.
7. Consider linking your credit card instead of your debit card.
8. Do not let strangers borrow your phone.
9. If you suspect fraud, freeze your card immediately.
10. If this happens to you, you can submit a complaint at fraud.org.

Common P2P app frauds

- Online schemes where the victim purchases a product or service with a P2P payment app, then the money disappears, and the service or product never arrives.

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- Fraudsters steal credit card information and create P2P app accounts with the info.
- Fraudsters call victims and impersonate fraud departments while asking for personal information. They then use this personal info to create P2P app accounts and take the money.
- Fraudsters may ask to use a victim’s phone, stating it’s an emergency. While pretending to send a text, instead they go to a P2P app and transfer funds.
- Highly skilled fraudsters can hack into a victim’s phone and gain access to apps where the username and password are stored.

Don't forget!
Remember, money transfer apps are convenient, but don't have FDIC or NCUA insurance or all the protections a credit union or bank offers. As a reminder, no one representing a financial institution or a respectable company should ever ask for your password information over the phone, on social media, or through any other medium. This should be a red flag if they do!

At Nymeo, we want to make sure our members’ information is secure and doesn’t end up in the wrong hands. If you have any questions or concerns about fraud, we are happy to help you. We also offer a secure person-to-person payment option in Nymeo online banking. More information on how to set this up can be found in online banking.

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