

Congress of the United States

Washington, DC 20515

July 1, 2025

Richard D. Fairbank
Chairman, Chief Executive Officer
Capital One Financial Corporation
1600 Capital One Drive
McLean, VA 22102

Dear Mr. Fairbank:

We write to request information regarding Capital One's most recent efforts to protect consumers from scams and fraud on peer-to-peer (P2P) payment platforms, including Zelle.

Zelle is a P2P payment platform associated with significant scams and fraud, as demonstrated in a 2022 investigation by Senator Warren's staff,¹ an investigation conducted last year by the Senate Permanent Subcommittee on Investigations (PSI),² oversight conducted by the House Financial Services Committee,³ and a December 2024 lawsuit filed by the Consumer Financial Protection Bureau (CFPB) against JPMorgan Chase, Wells Fargo, Bank of America, and the fintech company that operates Zelle, Early Warning Services.⁴ Zelle is owned by seven U.S. banks. JPMorgan Chase, Wells Fargo, and Bank of America are the largest banks on the Zelle network and accounted for 73% of transactions on Zelle in 2023.⁵ The CFPB's lawsuit alleged that Zelle and its owners did not equip the platform with appropriate safeguards against fraud and systematically denied relief to consumers who were the victims of fraud, leading to more than \$870 million in losses for hundreds of thousands of consumers.⁶

¹ Office of Senator Elizabeth Warren, "Facilitating Fraud: How Consumers Defrauded on Zelle are Left High and Dry by the Banks that Created It," October 2022, <https://www.warren.senate.gov/imo/media/doc/ZELLE%20REPORT%20OCTOBER%202022.pdf>.

² Permanent Subcommittee on Investigations, Majority Staff Report, "A Fast and Easy Way to Lose Money: Insufficient Consumer Protection on the Zelle Network," July 23, 2024, <https://www.hsgac.senate.gov/wp-content/uploads/2024.7.23-PSI-Majority-Staff-Report-on-Zelle.pdf>.

³ House Financial Services Committee's Task Force on Financial Technology hearing, "What's in Your Digital Wallet? A Review of Recent Trends in Mobile Banking and Payments," April 28, 2022, <https://democrats-financialservices.house.gov/events/eventsingle.aspx?EventID=409260>; House Financial Services Committee hearing, "Holding Megabanks Accountable: Oversight of America's Largest Consumer Facing Banks," September 21, 2022, <https://democrats-financialservices.house.gov/events/eventsingle.aspx?EventID=409764>. House Financial Services Committee, press release, "Ranking Member Waters, Senator Blumenthal, and Senator Warren Introduce 'Protecting Consumers from Payment Scams Act'," August 2, 2024, <https://democrats-financialservices.house.gov/news/documentsingle.aspx?DocumentID=412650>.

⁴ Consumer Financial Protection Bureau, "CFPB Sues JPMorgan Chase, Bank of America, and Wells Fargo for Allowing Fraud to Fester on Zelle," December 20, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-sues-jpmorgan-chase-bank-of-america-and-wells-fargo-for-allowing-fraud-to-fester-on-zelle/>.

⁵ *Id.*

⁶ *Id.*

In March 2025, JPMorgan Chase began blocking Zelle payments originating on social media.⁷ According to a JPMorgan Chase alert on the new policy, “Nearly 50% of scams reported to Chase originate on social media.” Without much explanation, the alert continued, “It’s highly unlikely you’ll get your money back if something goes wrong.”⁸ And, as the alert noted, “Zelle® is meant to pay friends, family and other trusted recipients you know, not for others you meet on social media.”

JPMorgan Chase’s decision to block Zelle transactions originating on social media comes as transaction volumes on the platform are exploding. Zelle facilitated over \$1 trillion in payments in 2024, a 27% increase from the year prior.⁹ And as the use of the platform grows, so does the opportunity for fraud and scams.¹⁰ And as JPMorgan Chase confirmed: a bulk of those scams are starting on social media.¹¹ The Federal Trade Commission (FTC) has said the same: “more money was reported lost to fraud originating on social media than by any other method of contact.”¹² Accordingly, federal banking regulators recently sought public comment on ways to mitigate the rise in payments fraud.¹³

JPMorgan Chase’s decision also comes as the Trump Administration dismantles federal efforts to protect consumers from P2P scams and fraud. In March, the Trump Administration dropped the CFPB’s 2024 lawsuit,¹⁴ leaving harmed consumers without a federal watchdog in their corner as scams continue to proliferate on the Zelle platform. The Trump Administration also stopped the CFPB’s supervisory work to ensure that big banks are complying with federal consumer financial law and has sought to fire most of the agency’s staff.¹⁵ Under the Biden Administration, the CFPB finalized a rulemaking to begin regularly supervising large P2P apps for compliance with federal consumer financial protection laws, instead of relying on its enforcement authority

⁷ Chase, “Alert: For your protection, Chase will not allow you to send Zelle® payments identified as originating from contact through social media,” <https://www.chase.com/digital/resources/privacy-security/security/social-media-scams>.

⁸ Id.

⁹ American Banker, “Zelle passes \$1T in 2024, with a boost from small businesses,” Joey Pizzolato, February 12, 2025, <https://www.americanbanker.com/payments/news/zelle-passes-1t-in-2024-with-a-boost-from-small-businesses>.

¹⁰ Office of Senator Elizabeth Warren, “Facilitating Fraud: How Consumers Defrauded on Zelle are Left High and Dry by the Banks that Created It,” October 2022, <https://www.warren.senate.gov/imo/media/doc/ZELLE%20REPORT%20OCTOBER%202022.pdf>.

¹¹ Chase, “Alert: For your protection, Chase will not allow you to send Zelle® payments identified as originating from contact through social media,” <https://www.chase.com/digital/resources/privacy-security/security/social-media-scams>.

¹² Federal Trade Commission, “Social media: a golden goose for scammers,” October 6, 2023, <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2023/10/social-media-golden-goose-scammers>.

¹³ Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, “Federal bank regulatory agencies seek comment to address payments and check fraud,” June 16, 2025, <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20250616a.htm>.

¹⁴ AP, “CFPB drops lawsuit against Bank of America, JPMorgan Chase and Wells Fargo over Zelle fraud,” Michelle Chapman, March 5, 2025, <https://apnews.com/article/cfpb-zelle-trump-wells-fargo-jpmorgan-chase-c70332d2b16d733e9c4e72622d4c25f9..>

¹⁵ New York Times, “Federal Financial Watchdog Ordered to Cease Activity,” February 8, 2025, <https://www.nytimes.com/2025/02/08/us/politics/cfpb-vought-staff-finance-watchdog.html>; New York Times, “Mass Layoffs Hit Consumer Financial Protection Bureau,” April 17, 2025, <https://www.nytimes.com/2025/04/17/us/politics/consumer-financial-protection-bureau-layoffs.html>.

to pursue actions against individual violations of those laws.¹⁶ Your bank is a member of industry trade groups that were generally supportive of this effort to improve oversight.¹⁷ However, Congressional Republicans vacated the CFPB rulemaking, and in May, President Trump signed into law the measure overturning the rule,¹⁸ again leaving consumers to fend for themselves against widespread fraud and scams on P2P platforms.

Banks, including JPMorgan Chase, have historically failed to protect consumers from Zelle fraud and scams. According to the CFPB's lawsuit, for example, since Zelle was created, the banks that run the payment service have not meaningfully improved their ability to detect and prevent fraud or increased their reimbursements to customers defrauded on Zelle to match the increase in fraud rates. Indeed, according to PSI's investigation, JPMorgan Chase, Bank of America, and Wells Fargo dramatically decreased their reimbursement rate over time—from 62% of disputed transactions in 2019 to 38% in 2023.¹⁹

To help us better understand Capital One's policies regarding scams and fraud on P2P payment platforms, including Zelle, we request answers to the following questions no later than July 16, 2025:

1. JPMorgan Chase noted that “50% of scams reported to Chase originate on social media.”²⁰
 - a. For each of the past 5 calendar years, what percentage of Zelle scams and fraud reported to Capital One have originated on social media? If Capital One does not collect this data, why not?
 - b. For each of the past 5 calendar years, what percentage of P2P payment platform scams and fraud, including but not limited to scams and fraud on Zelle, have originated on social media? If Capital One does not collect this data, why not?
 - c. What trends, if any, has Capital One identified in the past 5 calendar years from reports of scams and fraud associated with Zelle?
 - d. What trends, if any, has Capital One identified in the past 5 calendar years from reports of scams and fraud associated with P2P payment platforms, including but not limited to Zelle?

¹⁶ Consumer Financial Protection Bureau, Defining Larger Participants of a Market for General-Use Digital Consumer Payment Applications, November 21, 2024, <https://www.consumerfinance.gov/rules-policy/final-rules/defining-larger-participants-of-a-market-for-general-use-digital-consumer-payment-applications/>.

¹⁷ See Bank Policy Institute, BPI Response to CFPB Proposal to Improve Oversight of Big Tech, November 7, 2023, <https://bpi.com/bpi-response-to-cfpb-proposal-to-improve-oversight-of-big-tech/>; ABA Banking Journal, “CFPB finalizes rule to regulate nonbank payments providers,” November 21, 2024, <https://bankingjournal.aba.com/2024/11/cfpb-finalizes-rule-to-regulate-nonbank-payments-providers/>.

¹⁸ American Banker, “Trump signs CRAs for overdraft, larger participant rules,” Claire Williams, May 12, 2025, <https://www.americanbanker.com/news/trump-signs-cras-for-overdraft-larger-participant-rules>.

¹⁹ Permanent Subcommittee on Investigations, Majority Staff Report, “A Fast and Easy Way to Lose Money: Insufficient Consumer Protection on the Zelle Network,” July 23, 2024, <https://www.hsgac.senate.gov/wp-content/uploads/2024.7.23-PSI-Majority-Staff-Report-on-Zelle.pdf>.

²⁰ Chase, “Alert: For your protection, Chase will not allow you to send Zelle® payments identified as originating from contact through social media,” <https://www.chase.com/digital/resources/privacy-security/security/social-media-scams>.

2. In its notification to consumers, JPMorgan Chase stated, “It's highly unlikely you'll get your money back if something goes wrong.”²¹
 - a. Please provide copies of your most recent policies and procedures, including internal policies and procedures provided to employees, regarding reimbursing consumers who report fraud or scams associated with P2P payment platforms to Capital One.
 - b. Does Capital One reimburse consumers who are defrauded or scammed by malicious actors using P2P payment platforms on social media? If not, why not?
3. What additional steps, if any, is Capital One taking to protect consumers from Zelle scams and fraud originating on social media?

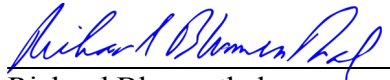
Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs



Maxine Waters
Ranking Member
Committee on Financial
Services



Richard Blumenthal
United States Senator
Ranking Member, Permanent
Subcommittee on
Investigations

²¹ *Id.*