

CFPB sues biggest banks over alleged fraud on Zelle

The CFPB Friday sued JPMorgan Chase, Bank of America, and Wells Fargo, **alleging** they have failed to protect consumers who use the Zelle peer-to-peer payment network. America's Credit Unions has engaged with Congress and policymakers over expanded liabilities for financial institutions under the Electronic Funds Transfer Act and Regulation E.

"While the CFPB's lawsuit targets the practices of large banks and a shared payments platform, the premise of the CFPB's allegations should be unsettling for credit unions," said America's Credit Unions President/CEO Jim Nussle. "The CFPB wants to make it harder for all financial institutions to raise defenses against liability for fraud, even when there may be compelling evidence that bears upon the question of who is ultimately responsible. Credit unions are committed to protecting consumers from bad actors, but this is an overstep by the bureau. America's Credit Unions will continue to fight against regulatory overreach."

America's Credit Unions **previously wrote** for the record of several congressional hearings examining Zelle, noting that credit unions and community banks make up 95% of Zelle's participating financial institutions, and a framework of laws and regulations govern these participants.

The organization has repeatedly reiterated that in order to provide convenient, affordable services while combating fraud, credit unions must have confidence that longstanding limits on financial institution liability will not suddenly change.