

Elizabeth Ireland Discusses CFPB's Zelle Scrutiny and What Banks Can Do to Prepare in Law360

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Winston & Strawn partner Elizabeth Ireland spoke to Law360 about the Consumer Financial Protection Bureau (CFPB)'s increased scrutiny of banks regarding fraud and scams on Zelle, the largest peer-to-peer payment platform in the U.S., and what banks can do to prepare for a possible investigation.

While the CFPB has initially targeted major banks' handling of customer disputes involving fraud, with over 2,100 banks in Zelle's network, Elizabeth told Law360 that small and regional banks should also be vigilant. "The CFPB hasn't been afraid to go after these banks as long as they're within its jurisdiction, so I think that is a definite risk," she said.

The CFPB is focusing on whether banks are properly reimbursing customers for fraudulent payments and whether they are adequately preventing scammer-controlled accounts. Currently, banks are only required to reimburse customers for unauthorized transactions, but not for payments willingly sent to scammers, which has led to controversy and calls for reform from consumers, public interest groups, and Democratic lawmakers.

Elizabeth also encouraged banks to consider commissioning an independent, third-party audit of their EFTA compliance processes and procedures to provide both an added layer of protection against CFPB scrutiny and a holistic view of compliance processes. "Not only can they help you summarize and explain what your processes are, but often there's a lot of useful information that they can provide for demonstrating all the ways you are in fact complying with the laws and regulations," she said.

[Read the full article here.](#)

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