

BROKEN ARROW

CHAMBER of COMMERCE

Peer-to-peer Payment Apps

By: Nicole Ponteri, Risk Management Specialist, TTCU Federal Credit Union

Q: I've been hearing about peer-to-peer payment apps everywhere. How can I make sure I use them safely?

Great question! Peer-to-peer payment apps (think CashApp or similar services) are becoming more and more popular. They allow you to quickly send money to friends and family without the hassle of cash or a check. They're super convenient for when you're splitting a check at a restaurant or buying a joint gift for a celebration. But they do come with some risks, too.

How can you make sure you're using them safely? A good rule of thumb is: If you wouldn't hand cash to that person, you probably shouldn't use a P2P app.

Here are my top tips to avoid fraud and safely use P2P apps.

- Double-check the email or phone number of the person you're sending money to. If you are off a digit or letter, you could accidentally send the money to the wrong person, and you might not be able to get your money back.
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- Don't send money to someone you don't know and have never met. Also, avoid paying for transactions on Facebook marketplace with P2P apps. Most of the time, the money is sent instantly, and you cannot get it back.
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- If someone says they've accidentally sent you money and want you to send it back, it's most likely a scam. It may be funds from a stolen card, and when the transaction is reversed, you'll lose both the money you sent and the money you received. Visit with your bank or credit union instead of making any transfers on your own.
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- It's also most likely a scam if someone overpays or would like money sent back to them from a check deposit. The check likely will not be valid, and you will be out the money. Visit with your financial institution before agreeing to anything like that.
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- Be wary of moving funds for a 'friend.' If someone asks you to send money to someone else, you could become involved in a scam, as the money could be stolen or from illegal activities.
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- Never give out any type of confirmation code sent to your phone to anyone other than your financial institution. If given out, this code could allow someone else access to your account.
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- Never share your username or password or allow anyone to access your online banking. No one will ever need access to your online banking account to send you money.

When used safely, P2P apps can be a great option to easily share costs with friends and family. As always, it's a great idea to pause and double-check all the details before hitting "send." This will help keep you safe from errors or scams.



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