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United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

June 15, 2023

Mr. Brian Grassadonia
Chief Executive Officer
Cash App
1955 Broadway Suite 600
Oakland, CA 94612

Dear Mr. Grassadonia:

We write in response to reports of widespread fraud and scams on Cash App, a peer-to-peer (P2P) instant payments platform.¹ We seek to understand how Cash App has allowed fraud and scams to proliferate on its platform and the steps that Cash App takes to keep users' money safe.

Cash App's consumer protection policies have not kept pace with the explosion in customer interest in the platform. According to Cash App's annual report,² more than 51 million active monthly users have funded their accounts with more than \$200 billion. Two out of three users transact every week. And yet, the company has not taken sufficient steps to protect consumers from the harm that its services have enabled. The annual report notes that although Cash App's peer-to-peer payment services make customers targets for "illegal or improper uses, including scams and fraud directed at our customers," the company's risk management policies and procedures "may not be sufficient to...prevent or mitigate" the risks of scams and fraud.

While Cash App has not made its own data on scams and fraud publicly available, independent reports indicate widespread consumer harm. A Consumer Reports survey found that 9% of frequent users of P2P apps were victims of fraudulently induced transactions—meaning that a consumer was deceived into initiating a payment via a scam—and 12% accidentally sent money to the wrong person. According to a 2022 Pew survey, Black and Hispanic Americans are twice as likely as their white counterparts to be victimized on these apps.³ In other words, millions of Americans have likely been defrauded or scammed using Cash App without sufficient recourse to recover their lost or stolen funds.

Americans deserve a payments system that provides them with speed and convenience, but above all, that keeps their money safe. In light of these concerns, we would like to understand the specific steps you are taking to detect and prevent fraudulent transactions, including fraudulently

¹ Consumer Reports, [Consumer Reports Finds Peer-to-Peer Payment Apps Offer Ease and Convenience but Pose Potential Financial and Privacy Risks for Users](#) (January 24, 2023)

² See SEC Filing, [Block Inc. Form 10-K](#) (February 23, 2023)

³ Pew Research Center, [Payment apps like Venmo and Cash App bring convenience – and security concerns – to some users](#) (September 8, 2022)

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induced transactions, on Cash App. We ask that you provide answers to the following questions by June 30, 2023:

1. How many reports of fraud have you received from Cash App customers for each of the last five full calendar years, and in 2023? For each year, and for the period from January 1 to May 1, 2023, please provide:
 - a. The total number of transactions reported as unauthorized by customers using Cash App, and the total dollar value of these transactions.
 - b. The total number of cases where Cash App provided refunds to customers who reported unauthorized transactions, and the total dollar value of these refunds.
2. How many reports of customer-initiated transactions that were fraudulently induced (i.e. induced through deception or scam) have you received from Cash App customers for each of the last five full calendar years, and in 2023? For each year, and for the period from January 1 to May 1, 2023, please provide:
 - a. The total number of transactions reported by customers as fraudulently induced, and the total dollar value of these transactions.
 - b. The total number of cases where Cash App provided refunds to customers who reported fraudulently induced transactions, and the total dollar value of these refunds.
3. How many accounts used to receive fraudulently induced transactions has Cash App identified for each of the last five full calendar years, and in 2023? Please provide the total number of accounts for each year, and for the period from January 1 to May 1, 2023.
 - a. Please also describe Cash App's policy for determining what action to take when identifying an account receiving payments through fraudulent transactions.
4. Describe Cash App's current practices and policies aimed at detecting and eliminating fraud committed through Cash App. Specifically:
 - a. Describe the measures Cash App is taking to detect and eliminate unauthorized transactions.
 - b. Describe the measures Cash App is taking to detect and eliminate any attempts by account holders to induce fraudulent payments from other account holders, especially Black and Hispanic Americans, who are at higher risk of falling victim as described above.

Thank you for your attention to this request, and we look forward to your timely reply.

Sincerely,

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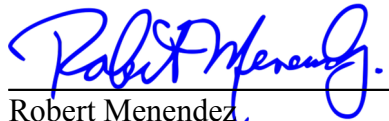
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