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December 20, 2021

VIA ELECTRONIC SUBMISSION

Rohit Chopra
Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

RE: Request for Comments: Big Tech Payment Platforms
Docket No. CFPB-2021-0017

Dear Director Chopra:

The undersigned Attorneys General submit this comment in response to the Consumer Financial Protection Bureau's Request for Comments on its inquiry into Big Tech Payment Platforms.¹

The Attorneys General encourage and support innovation from real-time payment platform providers, particularly because their platforms can provide faster, easier, and cheaper payment systems to consumers, workers, their families, and small businesses in the United States. The potential benefits of immediate money transfers are vast, but with those benefits come an increased risk of user error and fraud. In addition to these risks, payment platform users may not fully understand that, except under very specific circumstances, their account balances are not federally insured and do not have the same protections that consumers have come to expect from their traditional bank accounts. Consequently, it is essential that platform providers ensure baseline consumer protections to guard against the substantial harm that can result from user mistakes, fraudulent acts of unscrupulous third parties, and the platforms' business operations.

We share the CFPB's goal of safeguarding consumers. To do so in this context, we believe it is particularly important to ensure that real-time payment platform providers employ appropriate safeguards to protect consumers from fraud, effectively manage complaints, disputes, and errors,

¹ See Notice and Request for Comment Regarding the CFPB's Inquiry Into Big Tech Payment Platforms, 86 Fed. Reg. 61182 (November 5, 2021), Agency/Docket Number CFPB-2021-0017, Document Number: 2021-24176.

and provide responsive customer service when things go wrong. These comments seek to provide additional context on the current state of consumer complaints related to real-time payment platforms, stress the importance of prioritizing consumer protection challenges, and encourage all regulators, policymakers, and stakeholders to work collaboratively to tackle this issue.

Many of our states have seen a notable rise in the number of consumer complaints related to real-time payment platforms, particularly since the beginning of the pandemic. The complaints we have received raise three common issues: 1) difficulties accessing a customer service representative; 2) inability to access and retrieve funds; and 3) fraudulent money transfers often caused by 3rd party scams.

Customer Service

Complainants often say that they are unable to locate customer support contact information, and, when they do, they face long hold times or have difficulty contacting a human representative. A customer service email address or chat function is often difficult to find or requires navigating multiple layers to access. When consumers can contact customer service, they are often unable to speak with customer service directly and must wait to be called back. Speaking directly with a customer service representative is an important feature that is still desired by many, and one that should not be overlooked even with advances in technology.

Account Access

Other complaints focus on consumers' inability to access or transfer money, including funds directly deposited into their accounts by their employer or the government, e.g., paychecks, unemployment benefits, and CARES Act funds. Such issues prevent consumers from using their own funds, and these problems are exacerbated by not being able to easily connect with customer service. If a consumer cannot access their account because it has been locked, sometimes without warning or explanation, or because the consumer has a problem with their email address or phone number, the consumer may be left without any further recourse. Additionally, real-time payment platforms are often marketed as a solution for consumers without access to traditional banks – a population that is especially impacted by the inability to access funds.

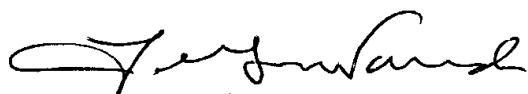
Third-Party Scams

Many consumers have been scammed out of hundreds or thousands of dollars by other users of these payment platforms. Scammers are attracted to real-time payment platforms, in large part, because they do not need to reveal their true identity to set up an account. The complaints describe a wide range of scams. In some, third parties contacted consumers through social media offering investment opportunities or prize entries in exchange for payment. In others, scammers pose as family members and request money from unsuspecting consumers. In some cases, fraudsters take advantage of the platforms' limited customer support systems. Because it may be difficult to find contact information for customer service, many consumers resort to trying to find a phone number through an internet search. This leads to consumers encountering fake customer service phone numbers, which direct consumers to scammers who engage in tech support scams.

The perpetrators of such scams offer to assist consumers for a fee (processed through the payment platform) or convince the consumer to allow them access to their device or their account, allowing the perpetrator to quickly drain the account of funds.

In short, our offices support the CFPB's efforts to ensure consumer protections in light of the increasing utilization of payment platforms. We hope that our comments will further help guide regulators and policymakers to craft efficient solutions to these issues.

Respectfully submitted,



Lawrence Wasden
Idaho Attorney General



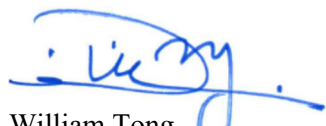
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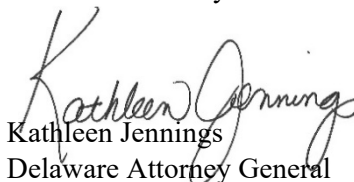
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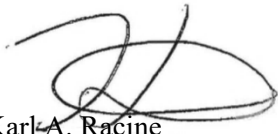
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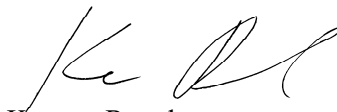
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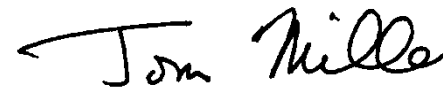
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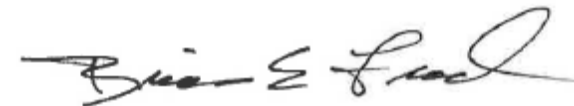
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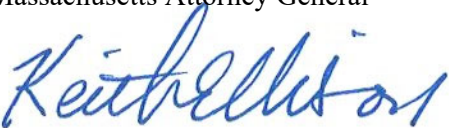


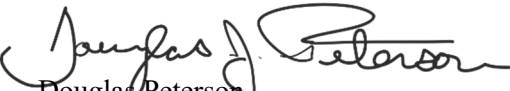
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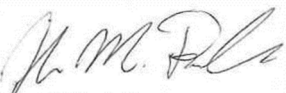



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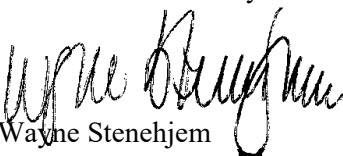

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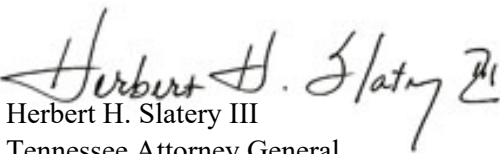

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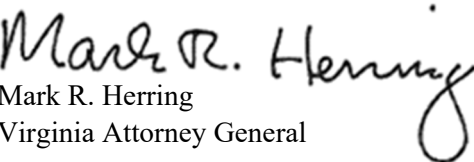

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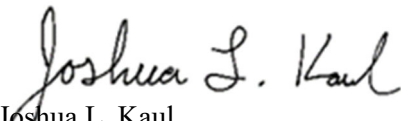

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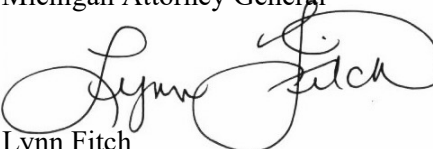

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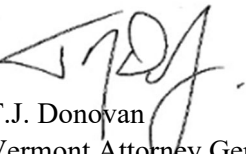

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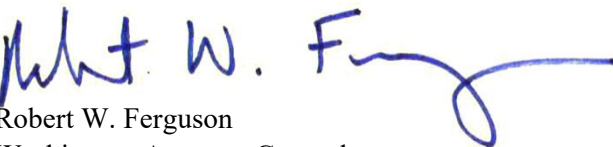

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