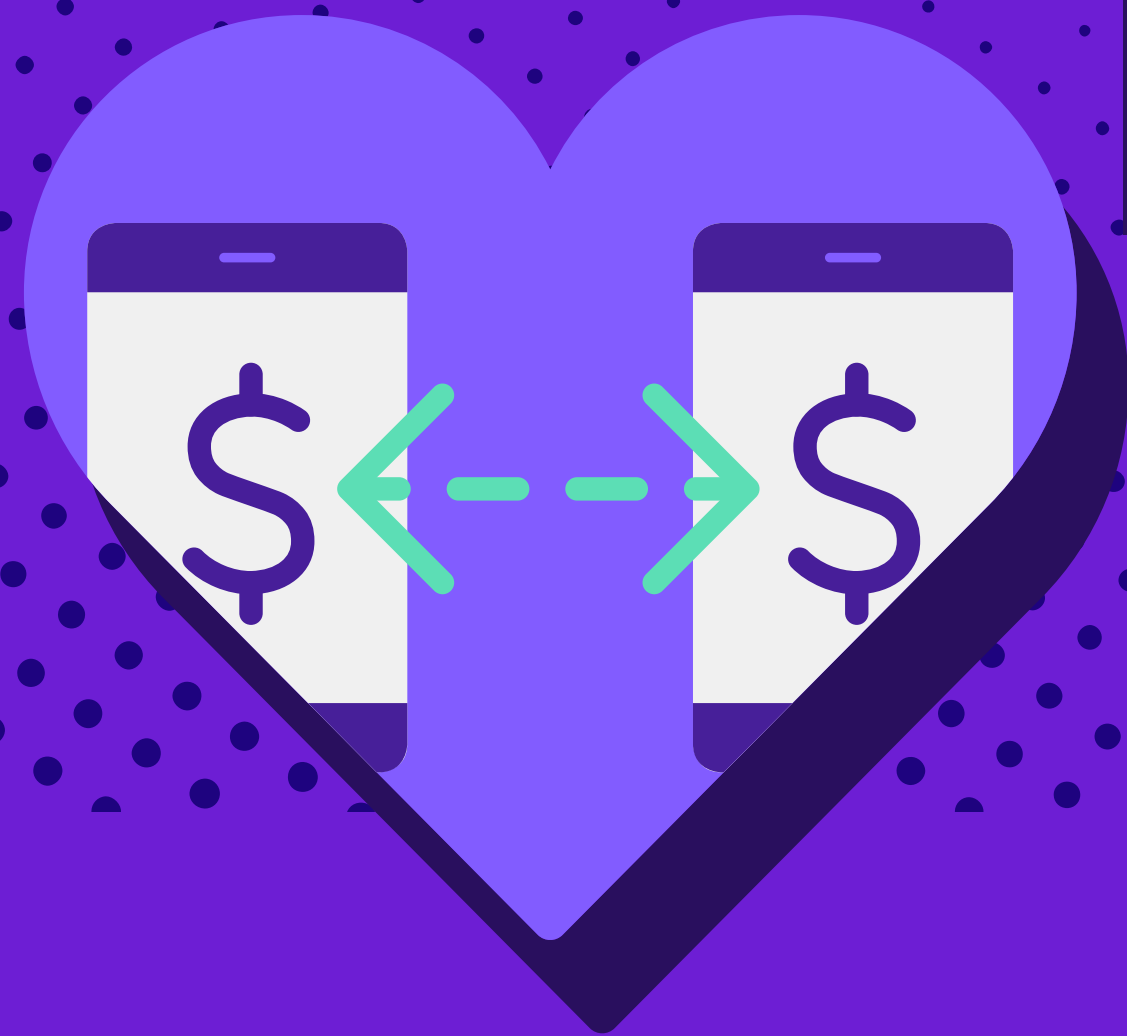




Bringing Together Financial Institutions and Consumers to Stop P2P Payment Fraud and Scams



The Payments Industry is Moving Fast

Peer-to-peer (P2P) payments are quickly becoming the preferred way for people to exchange money, with the global P2P payment market size projected to reach north of \$9 billion by 2030.*

Why the rush?

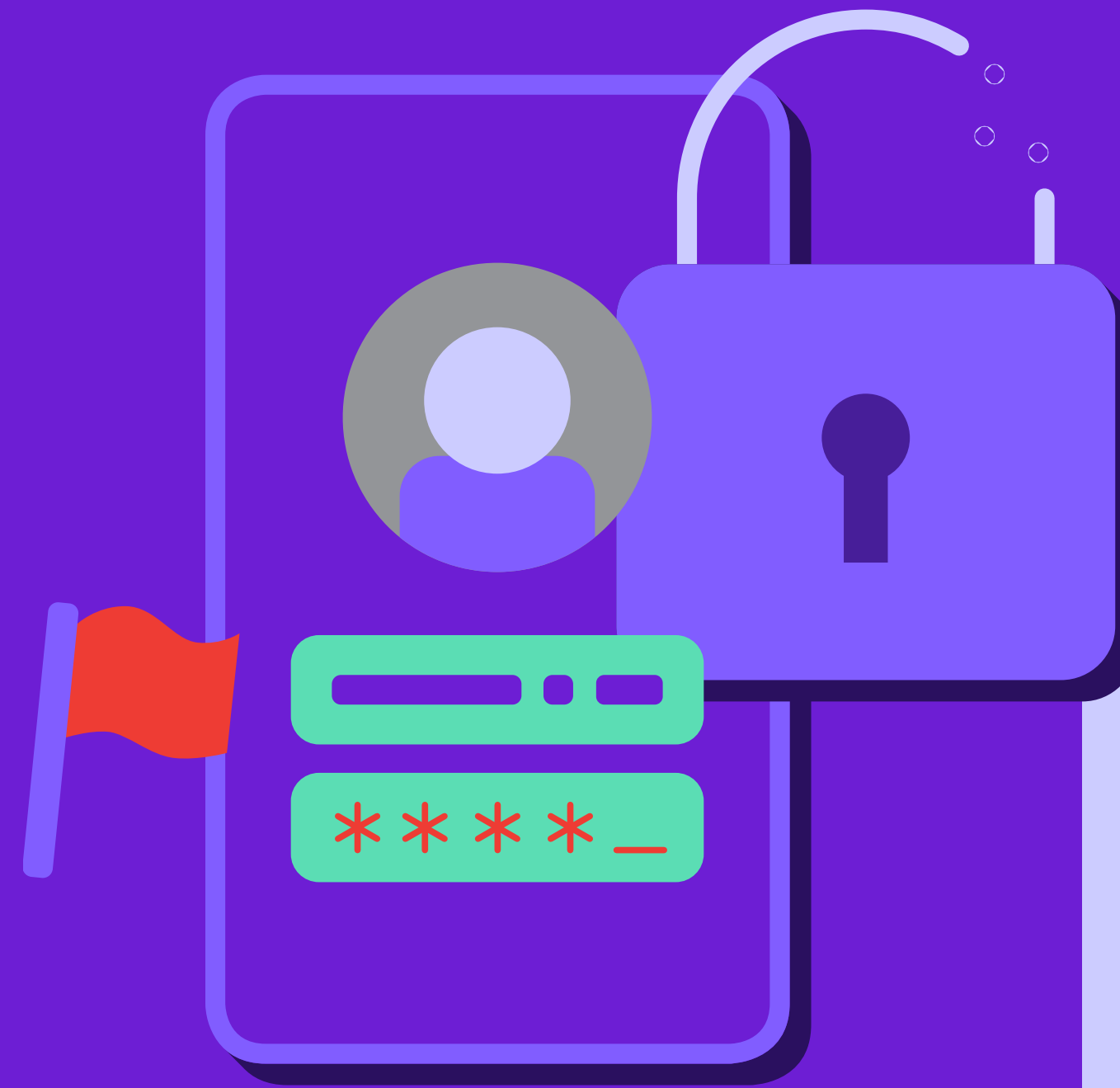
- Disruptions from COVID-19
- Increased demand for convenience
- Technology advances
- Maturing millennials
- Heading toward a cashless society



5 Billion
SUCCESSFUL
TRANSACTIONS

In only five years, Zelle®, together with participating financial institutions (FIs) and resellers, has become a leader in P2P payments, enabling more than five billion fast, easy and safe transactions worth nearly \$1.5 trillion.

Fraudsters, Scammers and Cybercriminals, Oh My!



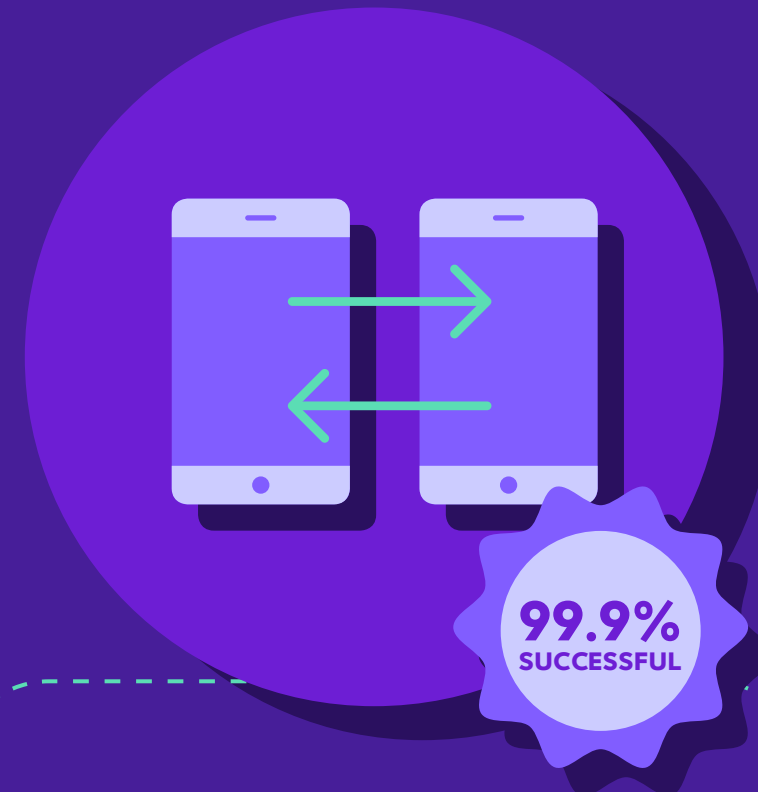
As with any technologies, especially those having to do with money, cybercriminals are lurking and looking for ways to exploit the system and consumers. That's why protecting Zelle® users from fraud and scams has always been a top priority for Early Warning®, the owner and operator of the Zelle Network®.

It's why we're working to bring together participant banks and credit unions, resellers and consumers to pay it safe.

Zelle®: 5 Facts About Fraud and Scams



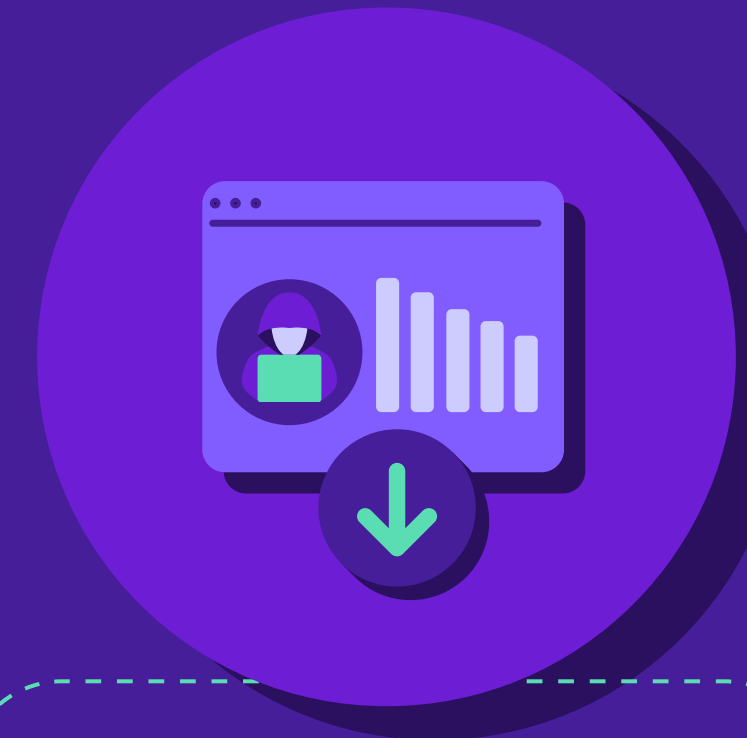
For 30+ years, Early Warning, owner and operator of the Zelle Network®, has been helping banks and credit unions make confident decisions, enable payments and mitigate fraud



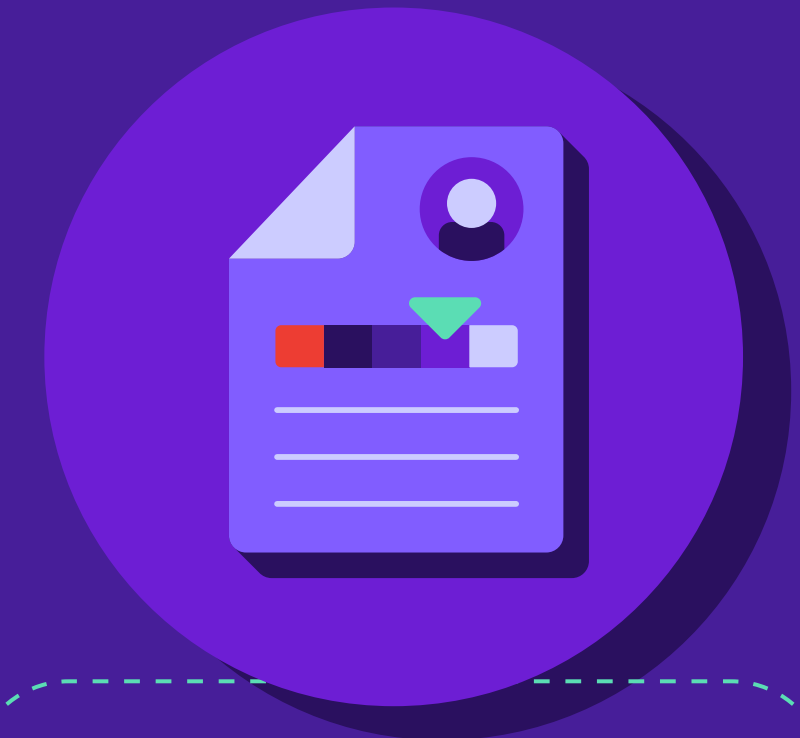
99.9+% of Zelle® payments have been successfully completed with no reports of fraud or scam



Zelle® usage has grown significantly since its launch, from 247 million transactions in 2017 to 1.8 billion in 2021, while the proportion of fraud and scams has significantly decreased



Zelle® has a lower share of disputed transactions, including alleged fraud, compared to 3rd party payment apps, according to the Bank Policy Institute*



Early Warning is continuously evolving and adapting consumer protection measures to address the dynamic nature of deceptive activities and react to current trends and evolving fraud vectors

What Makes Zelle® Fast, Safe and Easy to Use?



People access it through their banking app to send to those they know and trust



Payments are made directly from the sender's bank account and received in the recipient's bank account within minutes* without the exchange of sensitive information



Early Warning built the Zelle Network® with the safety of your FI and customers/members top of mind



Zelle® is for banks of all sizes, including community banks and credit unions. Early Warning took its three decades of experience protecting the financial services industry and built Zelle® to enable fast, safe and easy P2P and small business (C2B) payments for your customers and members.

How is This Accomplished?

Early Warning built the Zelle Network® with these foundational elements to keep your FI and your customers and members safe:

- Network rules that are regularly updated
- A shared directory of data from contributing banks and credit unions to authenticate customers and secure transactions; the directory is alias-based and contains no account information – that stays with the FI that the payer knows and trusts
- System monitoring with
 - real-time notifications to alert suspected victims
 - proactive preventative measures to preempt potential bad actors
- Risk Insights for Zelle®, a new service that delivers comprehensive network insights about the intended recipient to better help your FI make risk-based decisions
- Compelling education campaigns and customizable, ready-to-use communications

Fraud vs. Scam: What's the Difference?

A basic way to differentiate fraud and scams is **unauthorized** vs. **authorized** transactions:

Fraud

Someone gains **unauthorized access** to a bank account and makes a payment/steals money without the account owner's permission or involvement in the transaction.

Scam

An account owner is knowingly involved in a transaction and authorizes a payment to be sent. Even if an account owner is tricked or persuaded into **authorizing a payment** for a good or service they never receive, this is considered a scam.

[Learn more about frauds and scams](#)



Partnering with Resellers to **Ensure Safe Payments**

Resellers are a crucial part of the team working hard to maintain P2P payment safety. Each reseller manages its own fraud prevention strategies to mitigate fraud and scams. Additionally, the Zelle® fraud prevention team provides metric results and ensures network requirements are met. The Zelle Network® also hosts frequent fraud forums for resellers as well as webinars to provide continuous updates and education.

Zelle® + Community Banks & Credit Unions

Community FIs play a critical front-line role in helping their customers, members and communities avoid fraud and scams. They can partner with their reseller and Early Warning to promote safe Zelle® P2P payments through:

- Meeting network requirements and rules and participating in quarterly Zelle® webinars as well as any fraud forums offered by their reseller
- Leverage reseller fraud tools, especially those powered with Risk Insights for Zelle®, to better predict transaction risk
- Educating their customers and members through in-app messages and pop-ups, account activity notifications, emails, blogs, videos and in-branch communications



Early Warning proactively collaborates with one of its advisory committees made up of community FIs, resellers and its owner banks, as well as the government, CFPB and trade associations such as the Credit Union National Association (CUNA) to continue improving fraud and scam identification, prevention and mitigation efforts.

Consumer Education: The Key to Success

Empowering consumers with the right information is one of the most effective ways to combat fraud and scams. Zelle®, our participant FIs and resellers, play a critical role in this educational effort, ensuring the most up-to-date safety information is continuously delivered to consumers through a wide variety of formats and channels.

Participant FIs have access to a vast library of customizable ready-to-use communications and can link to the [Zelle® Financial Education Center](#) that houses a wealth of content around safe digital payments and avoiding fraud and scams.

Zelle® leverages numerous partnerships to reach as many consumers as possible with compelling educational content:

- Campaigns with outlets such as [Vox Media](#)
- Social media efforts with influencers like Nev Shulman, producer and host of the TV series Catfish
- Educational outreach with non-profits like [The Knoble](#), consumer safety organizations such as The Cybercrime Support Network and edtech organizations like EVERFI

Paying it Safe: A Scam is Averted

Susan, a Zelle® user, got a fraud alert text message from what looked like her FI, Amazing Credit Union. When she responded to the text, she received a phone call from “Amazing Credit Union” offering to stop the fraud. This is how teamwork stopped this scammer in their tracks:



Zelle®

Behind the scenes

Maintains network rules, a shared directory of bank-contributed data, fraud monitoring and close collaboration with resellers and FIs to ensure safe P2P payments.



Reseller

Behind the scenes

Implements their own fraud prevention strategies, implements Risk Insights for Zelle®, collaborates with Zelle® fraud analysts and works closely with their customer FIs to help prevent fraud and scams.



Amazing Credit Union

On the scene

Leverages Risk Insights for Zelle® offered by their reseller to identify the recipient as a potential scammer on the 'negative list' of known bad actors and sends Susan a pop-up warning in her app before she confirms the transaction.



Susan

On the scene

Remembers the helpful blogs and emails from her credit union and a [YouTube video](#) she ran across teaching her how to avoid fraud and scams. After she received the pop-up warning from her FI, she hung up, relieved that she avoided being scammed.



**MORE THAN
99.9%
OF PAYMENTS ARE
COMPLETED WITHOUT
ANY REPORT OF
FRAUD OR SCAM.**

While media coverage around the danger of P2P payments is escalating, the reality is that Zelle® fraud and scams have materially declined over the last five years relative to the network's growth, and more than 99.9% of transactions have been completed with no report of fraud or scam.

What Can Zelle® do for Your Community Bank or Credit Union?



Attract and retain more
customers or members



Reduce cash and check
management costs



Drive repeated
banking app usage

Explore the Value of Zelle®

Early Warning Services, LLC, is a fintech company owned by seven of the country's largest banks. For 30+ years, our identity, risk and payment solutions have been empowering financial institutions to make confident decisions, enable payments and mitigate fraud. Today, Early Warning is best known as the owner and operator of the Zelle Network®, a financial services network focused on transforming payment experiences. Learn more at www.earlywarning.com.