

**HEARING BEFORE THE UNITED STATES SENATE
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS**

**Testimony of Adam Vancini, Executive Vice President,
Head of Payments for Consumer, Small & Business Banking
Wells Fargo & Company
July 23, 2024**

Chairman Blumenthal, Ranking Member Johnson, Members of the Subcommittee: thank you for the opportunity to be here today on behalf of Wells Fargo. My name is Adam Vancini, and I am an Executive Vice President and the Head of Payments for Consumer, Small & Business Banking, which includes oversight of our Zelle service. I have been with Wells Fargo for over 25 years. We take fraud and scams very seriously at Wells Fargo, and we work hard every day to protect our customers from criminals. We also work with stakeholders across government and industry as we strive to deliver convenience and security, protect customers, and promote inclusion in the U.S. financial system.

At Wells Fargo, we create innovative banking experiences that help our customers achieve their financial goals. Zelle is one such innovation. Zelle enables our customers across the country, including in your home states, to send and receive money safely and nearly instantly—for free. Over 16 million Wells Fargo customers use Zelle to pay rent, split bills, send money to friends and family, and much more. Our small business customers also use Zelle to get paid for their services and pay their employees. We regularly hear from customers that they love Zelle, and they appreciate the speed, security, and convenience it offers. Zelle also allows users to send and receive money safely within their bank's authenticated digital experience. Zelle transfers do not leave the FDIC-insured banking ecosystem, unlike other peer-to-peer payment services.

Unfortunately, fraud and scams are not unique to Zelle. Criminals have always looked for ways to take advantage of consumers across all different payment methods, including both fraud (meaning, transactions that are unauthorized) and scams (meaning, transactions that are authorized but induced through deception). Zelle is no exception. That is why we have developed customer-facing and behind-the-scenes strategies to detect and prevent fraud and scams. And our strategies are working. Over 99.9% of Zelle transfers by Wells Fargo customers are completed successfully without a fraud or scam claim.

We also have introduced alerts and other points of friction to prompt customers to slow down and think carefully before sending money. The best scenario is one in which our customer recognizes the scam and simply hangs up the phone or deletes the text. To help achieve that result, we provide multiple warnings and authentication steps each time customers send money with Zelle. We remind customers to double-check the recipient and only use Zelle to send money to people and businesses they trust. And after a customer hits send, we keep working to identify possible scams and stop them before they go through. In 2023, we detected and blocked over a million potentially risky transactions before they left the bank.

We also work hard to raise awareness and help customers recognize and avoid fraud and scams before they transfer money. We include alerts in online and mobile banking sessions; we

email customers and post on social media; and we also coordinate with mainstream media outlets to broadcast fraud protection information and advice. These efforts are particularly important with regard to scams. Unfortunately, we don't always have enough information to detect a scam ourselves. For example, a customer may be communicating with a scammer in an email or on a phone call that does not include Wells Fargo. So we work to make sure customers themselves have the information they need to recognize and avoid a fraud or scam.

When customers report to us that they unfortunately have been victimized by a fraudster or scammer, we take action. Our analysts diligently investigate fraud and scam claims, and we work with the other banks and Early Warning Services (EWS) to remove criminals from the Zelle network. We also reimburse customers where appropriate, including in all cases where we identify a valid fraud claim. While the law does not require us to pay scam claims, we reimburse customers for certain scams anyway.

Wells Fargo remains steadfast in our efforts to protect customers. Zelle has grown quickly and now serves millions of customers at more than 2,100 large and small financial institutions. As digital payments evolve and money moves faster, we recognize our shared responsibility to help prevent fraud and scams. Achieving that goal will also require stakeholders across industry and government to work together and share accountability. We welcome the opportunity to coordinate with Congress, law enforcement, and other stakeholders on these important issues.

Thank you again, I look forward to answering your questions.