

## Payment Apps

Payment apps are a common way to avoid carrying cash. These digital wallets can be linked to a bank account or credit card to allow you to send & receive money the way you use a credit card or used to write a check.

An example of when you might use one is a lunch date with friends. Instead of trying to get separate checks, or handing the server multiple credit cards with notes as to which meal goes on which card, you have one person pay the whole thing, and then everyone else sends the person who paid the bill money via a cash app.

Some landlords only take payment through apps, since it means they no longer have to deal with checks (and the associated “the check is in the mail”). Additionally, these apps don’t have the overhead of credit cards, so many small vendors and businesses use them to avoid high fees.

Some payment apps:

Apple Pay (Apple)

Cash App (Square Inc)

Google Pay (Google LLC)

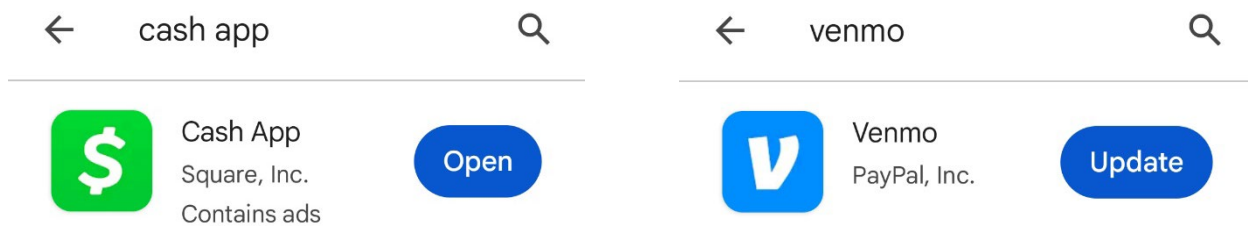
Venmo (PayPal Inc)

Zelle (Early Warning Services LLC)

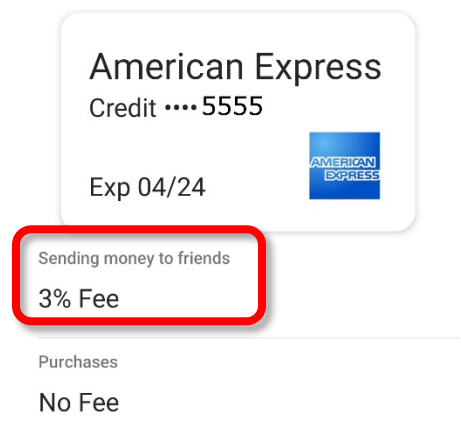


All of these apps are reputable and can be linked to either your bank account or credit card. In fact, Zelle is used by several major banks as their preferred transfer app.

You also want to double check before installing a payment app, to make sure you have selected the real app and not a fake or decoy. The real apps will have the correct icons and the correct associated company (see above)



You also want to pay attention to any associated costs for fees. For example, most apps charge you a percentage fee to use your linked credit card, or to send money to strangers, but not to family or using your bank account. Check carefully before deciding which apps you want to use—and what accounts you link to those apps.

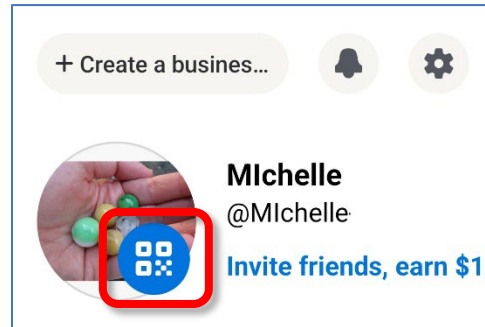
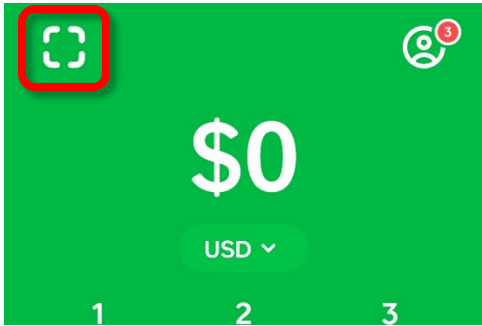


How do these apps work?

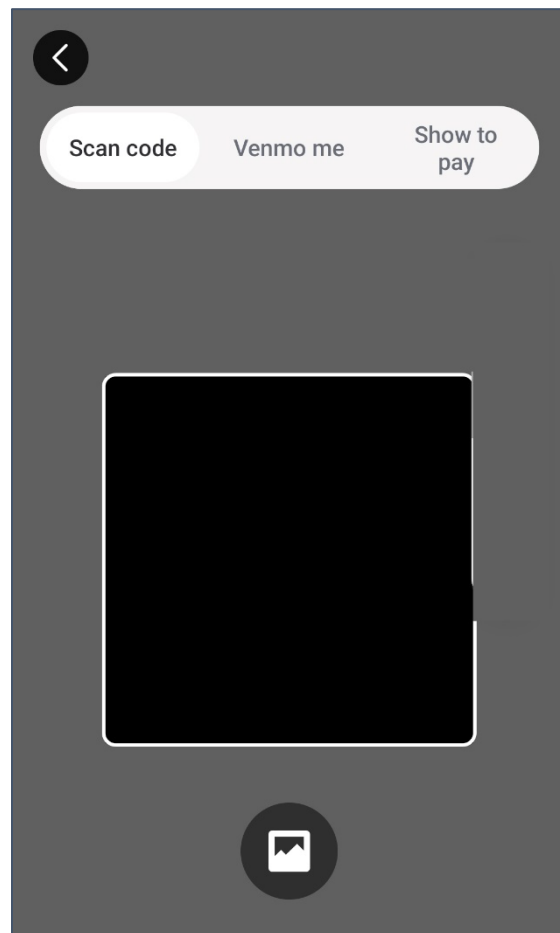
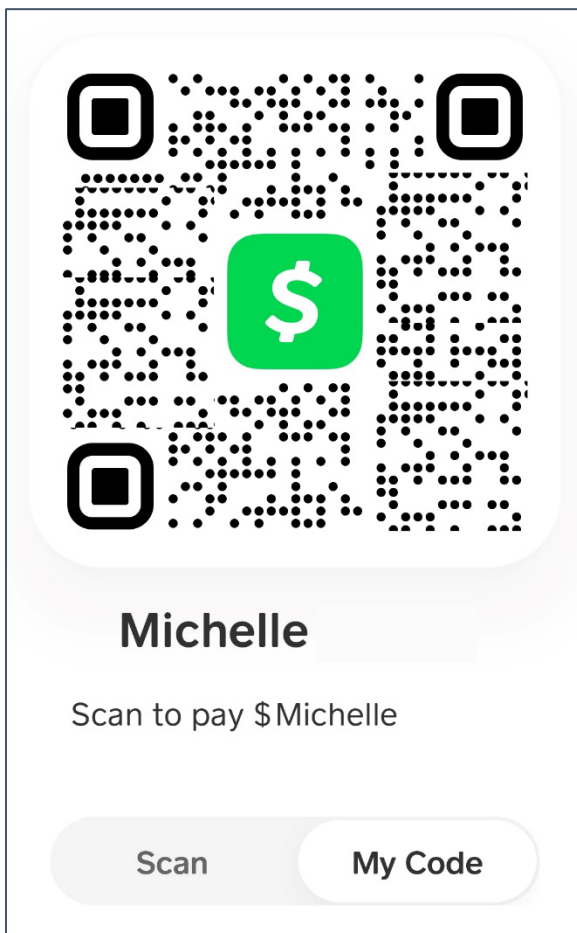
You create an account and then you have the ability link to one or more bank accounts or credit cards. For some apps, like Zelle, the money is transferred directly from one bank account to another. For other apps, like Venmo, money sits in an account until you do something with it.

How do you pay someone?

The most secure way to set up a payment connection with someone is to use the QR codes within the system. When you open the app, look for the QR code icon.



When you tap this icon, the screen should give you an option to display your own QR code or scan someone else's code.



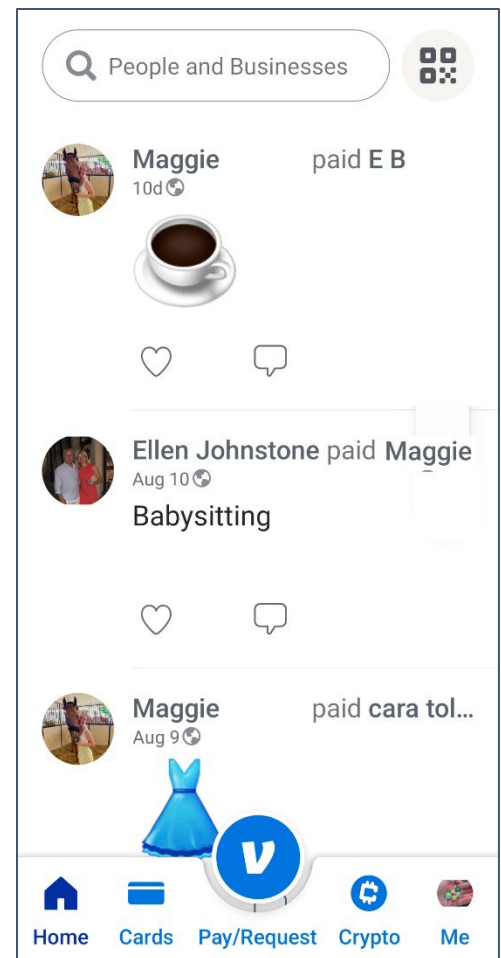
As with everything technology related, there are of course, security considerations.

These apps share your personal data, are not fully protected by the FDIC, and are not required to fully reimburse victims of fraud—or if a payment is sent to the wrong person.

Be aware your payments may be public unless you choose to change their visibility. This is how reporters for BuzzFeed discovered that President Biden had a Venmo account—he gave a grandchild birthday money, and that transaction was public.

Are payment apps something you should be afraid of? Not at all. They are widely used and have a lot of advantages. But are payment apps something you should be careful with? Absolutely. You should treat them with the same respect you do a check book or credit card.

And of course, make sure you password protect your phone!



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

[CFPB Finds that Billions of Dollars Stored on Popular Payment Apps May Lack Federal Insurance \(2023\)](#)

[Is It Safe to Store Money on Payment Apps? \(2023, Experian\)](#)

[Your Venmo Privacy Could Be Compromised. How to Protect Your Account \(2023, CNET\)](#)

[We Found Joe Biden's Secret Venmo. Here's Why That's A Privacy Nightmare For Everyone \(2021, Buzzfeed\)](#)