

Farnoosh: [00:00:00] This episode is brought to us in partnership with Zell. When was the last time you used cash or even pulled out your wallet to pay for something the pandemic has led to a higher adoption of payment apps and has only accelerated the growth in the industry, cash, maybe king or queen but paper money is going the way of the dinosaur fast. According to a new survey by Zell today, more than 80% of consumers, [00:00:30] either use or plan to use P2P services and nearly one out of five or 19 percent of consumers, began or plan to use. Happy during the pandemic, you're probably familiar with many of the PDP payments currently on the market including Zell. So when I use often and while convenient, I think we need to be careful. According to a recent study from Zell people have grown more concerned about being targeted by scammers during the pandemic. Our Guest is the CEO of Zella, [00:01:00] Lana Turner and she's going to help walk us through the safe ways to use peer to peer payments. And we'll also touch on some of the unfortunate scams that have made. Made the news recently fraud cases that have victimized users, and how to avoid them. Or Seeker resolution, Donna, welcome to the show.

Donna: Thank you, appreciate it. Thanks for having me.

Farnoosh: Yeah, this is an important topic. I think you know with anything that becomes a trend and widely adopted there's there's pros and cons. We need to stay vigilant. Let's begin with. Just an overview [00:01:30] of the rise in using payment apps. Like zel, what have you seen in the last year in terms of usage?

Donna: Well, I mean for us the growth Been spectacular. If you look at it you're over here. Like if you just take our first quarter results, 392 million transactions over a hundred billion dollars and that's 61 percent on the number of transactions and 74% on the dollar. So I think digital payments are real thing [00:02:00] and I think they're here to stay and I think the the pandemic really kind of a woken up an underpinning. Of just feeling safer. And our research says 72 percent of those surveyed feel safer with digital payments in the wake of the pandemic.

Farnoosh: Hmm. Yeah, I mean it's just a common sense, you know, we don't want to be dealing with with paper currency. I've read other surveys or people call it icky, you know, for lack of a better word and I guess, [00:02:30] you know, so given that everyone is sort of on board, a lot of people more than ever are on board with this. There is a lot of choice in the market for someone. Listening who's yet to me begin using a payment service or just wants to be more educated about what's out there. How do you decide what is a smart approach? Because it is, at this point, there's a lot to choose from.

Donna: There are there are probably, you know, when we work with the banks to create Zelle our Focus was on, you know, easy [00:03:00] safe, convenient, you know fast. So I think those are all things that we kind of take for granted and a payment solution. So, it should be where you start your search. Is it really simple to use is a convenient right for us? 99% of our transactions are come right there in your banking app. So defines convenient, and then, you know, partnering with the banks to create a lot of digital experiences, digital awareness, [00:03:30] digital education to make sure that you're knowledgeable. So it's as safe as possible.

Farnoosh: Also and you mentioned, you know, the Partnerships that I'll has with banks, and that's something that's quite a differentiator against all these other tools and services. Walk us through the experience of using Zell, for those of us who aren't familiar.

Donna: I go into my bank app, the form, a, I'm a Bank of America customer. So I the bottom, it says transfer /I, I [00:04:00] click on that. So if I'm a first-time user, the first thing I want to establish for myself, is what account do I want to send and receive Save money. So take, it's just checking account. So I go into the checking account. Then I say, okay, well, how do I want people to identify me will refer to it as your token. So for me, that's my cell phone number could be my email. So I go in and I associate the bank says you know enter your phone number or email here. You just type it in and that's [00:04:30] it at that point for a new shift. You and I want to split the bill for dinner and I say sure just just tell me just sell it. Cell phone number. And it's as simple as that, it goes from your bank account, right? To my bank account. There's no intermediary, no paying for instant transfer fees is just bank to bank, and it's there.

Farnoosh: Just Zell me. That's when, you know, your your technology when it becomes a verb. It's definitely in the mainstream. Let's let's shift gears a little bit to the [00:05:00] news. Unfortunately, things can go awry. We've been reading about it and there are risks to using any sort of payment service. And in fact Gazelle, found that consumer concerned about scams and fraud has jumped throughout the pandemic. Can you tell us about? You know, what are some of the things to look out for?

Donna: Yeah, there's a couple ways to really think about. Hey, men sin in general, in really comes down to when you're talking P2P Solutions, right? Only pay people, you know, and trust think about it with cash, [00:05:30] think about it as cash, think about it as we did with cash, right? And then you want to think about it in two different ways unauthorized. Just, I didn't do that transaction, right? Then, you immediately contact your bank, you tell them, and they follow all their normal protocols, to make sure that that tree searched and reimbursed if that's accurate. And then you think about really authorized but unintended okay. Yeah, I did send that money but the outcome was not what I intended. [00:06:00] I thought I was going to get a puppy out of that. Yeah. So those are really where your scams full, you know. So there's for unauthorized think about Out everything. Your bank has available to you right. They know you make sure you have a strong password you know and unique log on take advantage of all their alerts. Take advantage of everything they have. It's there for a reason and they know you when you think about, I did it, but it was unintended, you know, education [00:06:30] skepticism and research. This is really what it comes down to and I can't emphasize those three things enough.

Farnoosh: Yeah, you talked about those puppies, we're going to get to that headline in a moment. But just to keep with this point, this very important point for a little bit longer. You know, I think you're right about whatever you can do to basically fortify your especially with Zell if you're if you're if it's mostly accessed through your bank's app. You know if your bank is offering you, your bank's app is [00:07:00] offering you face recognition or an extra layer of security before you can get into the app, sign up for it now more than ever. Never especially it's

like if you lose your phone which or I've done that, that's happens to the best of us. We do leave our phones in places.

Donna: Yeah, you know again your bank knows you so sending money through your bangs app, they know your behaviors right? They know your balances they know whether or not you've ever sent money to me before whether you've ever [00:07:30] sent money to any token before. So you're really just taking advantage of that relationship. You have with your bank and and that adds to their You to help keep an eye out for you beyond that? What you hit on, right? Do I have a strong password? Am I following those protocols? Am I using facial recognition when I go into the alerts and settings? Am I signing up for alerts around suspicious activity? I set my alerts to send me a transaction. All our / anytime, there's [00:08:00] more than a dollar. I'm also a fraud geek and it drives. My husband Stark raving and saying that I do this but I'm the extremists on alerts in. The news, just good old-fashioned, monitoring your transactions. You have to go out there on a regular basis because again, if it wasn't you, if it was an unauthorized transaction, you just immediately you tell you bank and you're protected.

Farnoosh: what does happen if you accidentally, send money to the wrong person, I have done this. I've actually sent money to the wrong Dan and I never [00:08:30] will never again, will see that two hundred dollars again. I tried reaching out to this person and saying, oh my gosh, that was a mistake. Please like refund me but Happen. I don't know. I want to give him the benefit of the doubt, and think he wasn't stealing my money. You know, maybe he just didn't realize it. Because again, this has become such commonplace, maybe he thought, another farnoosh was sending him to \$200 legitimately, but tell us about that because I think that, you know, with the fastness of our lives today and just the ease [00:09:00] of using us not allow these apps. There can be some human error naturally.

Donna: Yeah, so I think one of the things the banker going to do for you, you know, immediately And that we learned early on was, hey, that happens. Maybe you've got two dams in your contacts, maybe you miss Kia digit, and happens to belong to someone else. And now you, when you go to initiate a payment to me, you should get a response back that said this \$200 just going to Donna. Are you sure? So that kind of [00:09:30] weeded out everything except the real edge cases where one Dan gets another Dan and they happen to have the you know the odds of you having it How can that's one number off. But the same not name. We really feel like we covered 99.999% of that verification. And then, there's some things that happen behind the scenes that again look for. Hey, you've never sent to this damned before and those are things. I think that we're going to try and really power through and have [00:10:00] all the bank's be able to bring the life here in the coming months. You know, I think beyond that though, because they'll is powered by the Banks. Ex you call your bank and you say, hey, I didn't intend it. There is, there is protocols where they can reach out to that other bank, okay. And say, hey farnoosh didn't mean to send that money. Can you retrieve that money? Now, it's dependent on erroneous Dan to cooperate.

Farnoosh: Maybe he'll take the bank more seriously than me.

Donna: [00:10:30] have an advocate in the bank, on your side, at least.

Farnoosh: And yeah, I also find it helpful. Even if you know, who you're sending the money to. You and it's but it's your first time and you just want to be like a thousand percent. Sure, send something nominal like two dollars, right? And just say, hey, did that go through? And then if it did obviously, you know, you can feel much more comfortable about that.

Donna: A hundred percent agree with you, I'd tell people send it out. I do exactly the same thing, you know, send it all. Our hey even if you're just like, how does this thing work? [00:11:00] It's a great way to just test drive it, send a dollar Cameron and then you know, request it back.

Farnoosh: So really quick here is you know you talked about all these additional users since the pandemic which makes a lot of sense. But what was the hesitation before? Perhaps like what was the what was it about the pandemic? Other than just people not wanting to obviously deal with cash that got those who are may be on the fence to go. Okay. Yeah, this this is fine. I can do this.

Donna: I think it's where our awareness meets demand, [00:11:30] you know, and you can argue which came first a pandemic, her clearly increased demand. You know, I needed to, you know, what we saw was people were continuing to pay rent, split rent, but we saw instead of splitting the dinner bill, people were splitting grocery bills, so you had to have a way to do this. That didn't no longer involved cash and checks. So I think the awareness of alternative solutions met with obviously a surge in demand. And hey, the good news for all of us is that, you know, there are solutions [00:12:00] like zel out there available to fill that need.

Farnoosh: I want to turn to some of the major headlines related to to the topic of payment services and fraud. There was that famous piece in the New York Times about how some innocent folks. We're getting scammed believing, they were being awarded, grant money from McKenzie, Scott's Foundation. You know she is the billionaire, novelist philanthropist formerly Jeff Bezos is wife. So long story short in that piece, scammers were pretending to be Mackenzie Scott [00:12:30] or at least people from her team and contacting those who were already out there, you know, asking for money for various things may be raising money for a medical bill or charity drive and finding oh wow. I qualified for you know some grant money which at the time she was out there giving away a lot of money so didn't really seem unlikely perhaps but then of course to get the money these people were asked to you know login and log into a sort of foreign bank and create [00:13:00] a tax number and pay fees which is I feel like whenever there's a request form money to receive money. That's like to me the biggest red flag and you know, it tell us about you know what what could have gone better for these folks who unfortunately became victims. There was one woman who was out \$7,900 at the end of it. And it was it's sad because she was trying to raise money for her son's illness and now she's further in the hole [00:13:31] and was unable to reclaim it with the help of her bank or credit card company. So this is sleep, very elaborate. And I think this was probably like for her a conversation with these fraudsters, that lasted like long time and she did some research, she

said in the article, you know, I did a little bit of background checking and it seemed really legit to me. There was a legitimate Bank name that they use, what more could she have done to avoid this?

Donna: you know, part of his comeback to skepticism Education and Research. [00:14:01] I think skepticism here and a couple different fronts, just the reality of the world, we live in. So I was chosen. Well, why was I chosen? You know, if I go out a channel and I do research is this kind of fit the profile of where funds were being channeled to? So that kind of gets into the education and gets into a bit of research, but it's funneled by skepticism and you clicked on a really big thing, right? We always say, go out of Channel. Educate yourself [00:14:31] in different ways, is this kind of methodology in this case that they would have followed To pick a recipient to flow the funds there and then you hit on the big red flag. The skepticism, why are they asking me to pay money to get money? Why is it a foreign account? Well, that, you know, things that you should just listen to that inner voice inside of you? When something's too good to be true, it really odds are it is? Yeah, so, skepticism research and education. [00:15:01] We can't drive it home enough.

Farnoosh: Yeah. I feel for this woman because, you know, she was really wanting it to be true. Because already she and they know who to go after, right? If you have to also understand yourself like are you putting yourself out there as somebody who is in financial need, you know, because then scams like this or going to come, right to your doorstep or more likely to come to your doorstep because these researchers, these scammers, I should say, they do their research, like they know what they're targeting and they know what works.

Donna: I mean, if you go back to 20 years [00:15:31] ago, the Nigeria and Uncle who email, you never knew. You had who arouse you and says But if you'll just pay the taxes, right, if you think about it over time, the scam really hasn't changed. How it presents itself in the context of what's going on in our lives and the world today, they continue to shift their methodology because they know us and they're playing on that mask, you know PPE. All those types of things vaccines [00:16:01] in the early days is the list goes on and on, but if you really think back, The scam itself hasn't changed, which would fuel that skepticism. It should say, hey I know this.

Farnoosh: a personal story recently. So I'm selling some furniture online and on Facebook Marketplace and a woman was interested in one of my dining tables and she wanted to reserve it and I said, great can you please sell me like 50 bucks to hold it for you because I have a lot of [00:16:31] demand and there was another guy that was going to come see it. And then she went dark and I felt like I might have scared her off by asking her for a deposit. Well, lo and behold, she came back a couple hours later and I'd like to think that she was doing some research. Like maybe she looked me up. She's like, okay, farnoosh, like she's the financial author, like he's not really in the business of scamming people, perhaps all my history on Facebook Marketplace, like I'm pretty good for the, for the, for the deal, but I thought about that I said, you know, it's [00:17:01] I can tell where I may have stepped on a boundary by asking her to You know, we don't know each other, send me money, you know, it's a little unsure, but I would hope that she did some research and I, of course, would have given her

more information if she'd asked for it, but were just picking up that table tomorrow night. So it all worked out.

Donna: How do we really prove? We know each other and I digital, right?

Farnoosh: Yeah, it's so easy to create a fake persona so really important to like you said go off, go off Channel online, [00:17:31] search some buzzwords. Like maybe there was Mackenzie Scott fraud. Something like that already reported even if it was like in a chat room somewhere maybe you could have found it. Yeah. Okay. So you talked about puppies, those were also very popular in the pandemic, people were very interested in purchasing and adopting pets. So, I was reading about this online puppy sale scam, which also involved some P2P Services. It was in Money Magazine and it said that [00:18:01] the trend was filled by the pandemic. Many people were stuck at home craving canine companions, Chip and then sending money via a payment service to fraudsters posing as breeders and truly. I feel like I would have fallen for this. What should we do to prevent getting scammed in cases? Like these? Where again, maybe this puppy adoption center. Created a fake website, looks legit had their own Zell account. Right. So how do you know I mean because you have [00:18:31] put a down payment this is protocol for a lot of times getting a puppy or any sort of pet. So, What's the advice?

Donna: You know, I think I'm going to come back to write skepticism research and yeah, education. And I've had a handful of friends over the last year, reach out to me and say, Hey, you know, I thought I was getting a puppy and literally the first thing I'll say to them farnoosh is. Okay, so you thought there hasn't been insert the breed here available for [00:19:01] years, but all this sudden there was a litter available that didn't have a waiting list. Unless that was also a great price, right? Right step to sysm. So, which then says he did, you do your research go often Google puppy scams, puppy demand, availability Hobbies, you know, near me the Better Business Bureau and I think, you know, that website and scams your odds are, you're not the first mmm, so great, [00:19:31] a little bit of research and education about the availability of that breed. About the legitimacy of that so-called breeder. And then I'm going to come back to what, you know, we talked about before. So often it's not just a down payment but all of a sudden it becomes shipping fees and it starts the price tag begins to grow and grow and grow, right? Because you've already made even a virtual connection with this puppy. And so now you're on the hook and in those things [00:20:01] should all just like we talked about before different scam. Same methodology. Why am I having to do this? This doesn't seem right. So healthy, skepticism do your research, make sure you're educated. That's a best possible defense.

Farnoosh: So Donna before we go any insights into the future of this space, right? And how the technology may get stronger, what are the areas that companies like Sal are looking to increasing to increase [00:20:31] fortification or where is the education Gap. Right? What what are some of the things that are on your to-do list in 2021 with regards to security and payment services?

Donna: You know, I think some of the things we're going to continue to do with this rule, kind of Surge and digital awareness. Digital payment usage is continued, the importance of digital education, you know. We do a lot of work with alts. Older adult technology around. [00:21:01] Hey this is your banking app. This is how you use it. All those things we talked about earlier take advantage of everything. Your bank has available to you. Then I think there's just broadly our pay a safe campaign comes back to Broad awareness broad education, only pay people, you know and trust. Listen digital payments are awesome like you said I couldn't tell you the last time I had cash but understand it know how to use it safely. So it Really an effective tool for you. And then I think [00:21:31] because of the power of the collaboration of banks coming together to offers, I'll continue to do more and more behind the scenes. Have I ever seen for a noose even though I'm not sending within the same bank, but beginning to work across Banks to say, listen, we've never seen. Farnoosh get a payment from that person before we sure, you know and you'll probably see some changes coming around that more and more ways to To use I more and more places to use [00:22:01] I. But it really comes down to, you know, again that experience that confidence, you have in it and taking advantage of the fact that it's brought to you by your bank. So they know you and it's going to be easy, it's going to be fast, it's going to be safe.

Farnoosh: Donna Turner. Thanks so much for spending some of your day with us and educating us. It's been a pleasure.

Donna: Thank you so much Farnoosh. Really appreciate it.

Farnoosh: And everyone listening for more information. Check out [Zellpay.com/ pay-it-safe](https://zellpay.com/pay-it-safe). We'll have that on our website.