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Submitted electronically via the Federal eRulemaking Portal

Plaid Comment re Request for Information on Potential Actions To Address Payments Fraud (Docket ID OCC–2025–0009; Docket No. OP–1866; RIN 3064–ZA49)

Plaid appreciates the opportunity to provide comments to the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), and the Federal Deposit Insurance Corporation (FDIC) in response to RFI Docket No. OCC-2025-0009-0001. As the agencies develop a comprehensive plan to help the American people, businesses, and financial institutions mitigate payments fraud, Plaid believes accelerating the transition to secure digital payments is critical to sustaining America's economic leadership. Plaid is committed to supporting this transformation through collaboration, innovation, and the development of trusted solutions that strengthen both resilience and consumer confidence in the U.S. payments ecosystem.

Today, 87% of Americans use digital financial services with the expectation to send and receive money effortlessly through smartphone apps and websites[1]. The modernization efforts of the OCC, Board, and FDIC present a timely and critical opportunity to align public infrastructure with the more efficient, consumer-centric technologies and systems people already use and trust.

Plaid sits at the center of this digital finance ecosystem, as one in two U.S. adults with a bank account have used Plaid to connect their account to an app or service, enabling fintech apps of all sizes (including Venmo, Cash App, and Chime), major financial institutions (such as Citi and Western Union), and large enterprises (like H&R Block, Experian, and Rocket Money). Plaid is also used alongside over 100 data processors such as Fiserv, FIS, Adyen, Dwolla, and Stripe.

Strengthening Public-Private Collaboration to Combat Payments Fraud

Plaid has actively engaged with agencies at the federal, state, and local level to understand public sector needs and challenges. We believe stronger public-private collaboration is essential to building a secure, scalable payment ecosystem that benefits all Americans. Our ongoing partnerships with major payment

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[1] Morning Consult. State of Fintech Survey. June 2025.

processors and financial platforms further deepen our expertise in designing and operating such systems.

Government agencies can strengthen fraud prevention efforts by co-developing toolkits with fintech partners to identify and mitigate fraud risks. Today, fintechs and banks share extensive networks of data; integrating federal agencies into these existing information flows would enhance the government's ability to respond swiftly to fraud and help the broader ecosystem prevent it. For example, if fraudsters gain access to stolen driver's license images, those identities can be exploited across both private and public channels – ranging from buy-now-pay-later services to government benefits programs such as SNAP, TANF, and Medicaid. By fostering deeper collaboration between the public and private sectors, suspicious behavior can be identified earlier, and fraud across multiple use cases can be detected and stopped more effectively.

The OCC, Board, and FDIC can expand collaborative models by leveraging Plaid's vast partnership network to convene industry participants around fraud classification standards, promote interoperability between payment providers, and strengthen fraud detection across states and localities – ensuring consistent protection for consumers nationwide.

Effective Education Strategies to Reduce Payments Fraud

Broad adoption of digital payments depends on both public confidence and effective education. To build trust, messaging should be delivered across multiple channels – TV, radio, online video, billboards, and social media – in multiple languages and endorsed by credible public and private sector voices.

Education should also be integrated into everyday financial touchpoints, such as banking apps, tax filing platforms, and benefits portals, and reinforced through trusted community organizations including libraries and nonprofits. Agencies could further support adoption by maintaining clear, accessible FAQs across both digital and physical platforms.

While many Americans have adopted digital finances, a significant segment continues to rely on less secure payment methods such as paper checks due to habit, distrust, limited awareness or fear of alternatives. Reaching this audience requires behaviorally informed, accessible communication that makes the shift to digital straightforward and reassuring. For example, printed check stubs can include QR codes or survey links directing recipients to explainer videos or enrollment portals. To reach older populations, the OCC, Board, and FDIC can leverage platforms such as Facebook, local newspapers, and USPS mailers. Trusted intermediaries like credit unions, community centers, and government benefits offices can provide in-person guidance and support.

These efforts should be framed not just as outreach but also tools for behavior change. By reducing friction, building trust, and guiding long-time check users through a safe and supported transition, the OCC, Board, and FDIC can accelerate adoption of secure, digital payments. Embedding clear, consistent, and behaviorally informed education across consumer and industry touchpoints will both expand usage of digital payments and strengthen defenses against payments fraud – ensuring all stakeholders are better equipped to prevent, detect, and respond to threats.

Ensuring Consumer Data Access to Reduce Payments Fraud

Regulation can play a pivotal role in advancing a secure and scalable digital payments ecosystem in the United States, which relies on consumers' ability to access and permission their own financial data. Restricting this access removes a critical mechanism for real-time account verification, hindering the ability to confirm account ownership, balances, and account status. Such limitations increase vulnerability in pay-by-bank transactions, drive up ACH returns, and create opportunities for fraudsters to exploit stolen or synthetic account credentials. Ensuring secure, permissioned consumer data access is therefore essential not only to foster competition and innovation, but also to strengthen fraud prevention. Direct-from-bank verification of identity, account details, and balances further enhances safeguards by preventing fraud at the outset, minimizing errors, enabling faster disbursements, and building trust across the payments ecosystem.

Additionally, continuing to shift away from paper checks present significant cost savings and fraud reduction opportunities by mitigating lost payments and reducing check theft. Digital payments are more efficient, less costly, and less vulnerable to fraud[2]. From a consumer perspective, receiving funds electronically represents a faster and more secure experience, and is becoming more commonplace. This is evidenced by the growth in digital fund acceptance rates, which have climbed from 82% to 99% since 2005[3]. As consumer trust has grown, so too must government tools to facilitate that shift. The additional benefit with electronic funds is it's easier to track and mitigate fraud by keeping the funds and transfer process completely digital. The Treasury will be better equipped to ensure funds are received by the proper recipient with identity checks against the bank account ownership details and the intended recipient – for both pay-in and pay-out use cases.

Additional Policy Initiatives to Reduce Fraud and Support Digital Payments Adoption

A modern digital payments system benefits from clear policy levers that directly address fraud risks while promoting adoption of faster, safer digital options. By focusing on practical measures that improve verification, reduce friction, and increase reliability, regulators can help ensure consumers and businesses experience the benefits of digital payments with greater confidence. Key strategies include:

- **Default to Digital**: Offer digital payments as the norm, with opt-out options, rather than requiring citizens to opt in.
- **Use Trusted Verification**: Utilize private sector solutions for account and identity verification to prevent misdirected payments and reduce fraud, such as matching the beneficiary name with the bank account owner's name to prevent account takeovers.
- **Leverage Private-Sector Networks:** Access the scale and intelligence of private-sector digital payment networks and identify high-risk patterns - such as suspicious account behavior – before fraudulent transactions occur. This shared visibility across industries and jurisdictions reduces

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[2] Exec. Order No. 14247, 90 Fed. Reg. 14,001, § 1 (Mar. 28, 2025).
[3] Social Security Administration, https://www.ssa.gov/deposit/trendenv.shtml

silos, strengthens program integrity, and makes it significantly harder for fraudsters to exploit public benefits.

- **Simplify Interfaces**: Promote clear, user-friendly interfaces for bank account linking.
- **Prevent Errors and Delays**: As previously mentioned, access to verified account and routing numbers, along with real-time account insights, eliminates delays and reduces payment failures.
- **Modernize Payment Rails**: Support technologies that enable instant payments, minimize overdrafts and NSF fees, and improve access to funds.

Taken together, these strategies highlight the role of targeted policy in reducing fraud, improving efficiency, and supporting the widespread transition to secure digital payments. They complement supervisory guidance by providing practical, consumer-focused measures that directly strengthen trust in the financial system.

Building a Unified Approach to Payments Fraud Data

Today, payments fraud data is collected in fragmented and inconsistent ways, making it difficult to compare across institutions or payment rails. By encouraging the adoption of bank-account-based payments, including both ACH and instant options such as FedNow and RTP, the Treasury can support modern safeguards. One effective safeguard is direct-from-bank verification of identity, account details, and balances, which can help prevent fraud at the outset. Additionally, bank details that have been verified instantly by the bank reduce the likelihood of user errors, enabling faster disbursements and fostering greater trust in the system. Promoting broader use of such technologies can support the modernization of U.S. payment infrastructure while reducing costs, enhancing security, and providing the streamlined experience citizens increasingly expect.

Access to account and routing numbers has long underpinned the U.S. financial system by enabling bill payments, fund transfers, and access to digital financial tools. Continued access to this information ensures choice, competition, and convenience, especially as fintech platforms help bring modern finance to underserved communities. Emerging innovations like Tokenized Account Numbers (TANs) build on this foundation by replacing sensitive account or transaction data with app-specific, revocable tokens. Even if compromised, these tokens protect consumers' real information, like a smart key offering limited, secure access. To be effective, TANs must be interoperable, allowing institutions and platforms to work together seamlessly, and be implemented in such a way that ensures uninterrupted payment experiences for consumers.

By partnering with private sector companies like Plaid, the Treasury can leverage Plaid's network which has allowed nearly 150 million Americans to connect to the financial services they need, and tap into a platform connected to over 7,000 apps/services and 12,000 financial institutions. This partnership can enable the OCC, Board, and FDIC to play a leading role in promoting standardized definitions of fraud categories, supporting shared negative lists, and encouraging adoption of models such as FraudClassifier and ScamClassifier across the industry.

PLAID

By bringing proven private-sector expertise in consumer finance, risk mitigation, and digital identity verification, Plaid is uniquely positioned to support the federal government in building the next generation of secure, scalable, and inclusive digital payments.

Sincerely,

Brian Dammeir
Head of Payments
Plaid