

February 1, 2024

The Honorable Tim Scott
Chairman
Senate Committee on Banking, Housing,
& Urban Affairs
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member
Senate Committee on Banking, Housing,
& Urban Affairs
Washington, DC 20510

Dear Chairman Scott and Ranking Member Brown:

On behalf of the Electronic Transactions Association (ETA), I am pleased to highlight the proactive steps the payments industry is taking to protect consumers from scams and fraud in the financial system. As our payments become increasingly digitized, ETA members remain vigilant in developing and implementing robust strategies to protect consumers and enhance the overall security of financial transactions.

ETA is the world's leading advocacy and trade association for the payments industry. Our members span the breadth of significant payments and fintech companies, from the largest incumbent players to the emerging disruptors in the U.S and in more than a dozen countries around the world. ETA members make commerce possible by processing approximately \$44 trillion annually in purchases worldwide and deploying payments innovation to merchants and consumers.

The transactions processed by these market participants run over a payments infrastructure that is sophisticated, secure, and fast - processing more than 1.29 million credit card transactions per minute around the globe in 2022.¹ The electronic payments system is also reliable; it operates without interruption all year round in the U.S. and worldwide.

Critically, the ecosystem is highly secure. From January to June 2023, Visa blocked \$30 billion in attempted fraudulent transactions over that period.² That's equivalent to the annual GDP of a country like Cyprus, Cambodia, or Iceland.³ ETA's members are constantly developing and deploying new technology and tools to facilitate secure payments and detect, deter, and eliminate fraud. Some of these key initiatives include:

- **Advanced Authentication and Authorization:**
Biometric authentication, tokenization, and multi-factor authentication are integrated into various products and services to ensure only authorized individuals access sensitive financial information. These measures not only enhance security but also provide a seamless and user-friendly experience for consumers.
- **Real-time Fraud Monitoring and Detection:**
Sophisticated algorithms analyze transaction patterns and behaviors to identify anomalies and suspicious activities in real-time. This allows for prompt intervention and risk mitigation, protecting consumers from potential harm. The payments industry is committed to investing in

¹ Capital One Shopping. (2023, June 9). *Number of Credit Card Transactions per Second, Day & Year.*
<https://capitaloneshopping.com/research/number-of-credit-card-transactions/>

² Visa Inc. (2023, September 7). *Visa Research Highlights Emerging Fraud Schemes in Retail and eCommerce.*
<https://investor.visa.com/news/news-details/2023/Visa-Research-Highlights-Emerging-Fraud-Schemes-in-Retail-and-eCommerce/default.aspx>

³ World Bank. <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

cutting-edge technologies to stay ahead of evolving fraud tactics.

- **Education and Awareness Campaigns:**

Collaboration with regulatory bodies and consumer advocacy groups fosters financial literacy through educational campaigns. By raising awareness about common scams and fraud schemes, consumers are empowered to recognize potential threats and take appropriate actions to safeguard their assets. While the threat landscape is more complicated than ever, the payments industry works closely with law enforcement and government agencies to investigate and prosecute fraudulent activities, ensuring a swift and coordinated response to emerging threats.

- **Secure Payment Solutions and Continuous Innovation:**

Secure digital wallets, virtual card numbers, and EMV technologies further fortify consumer protections and ensure the integrity of the payments ecosystem. Continuous research and development efforts are underway to explore technologies like artificial intelligence to enhance security measures even further.

While the fight against scams and fraud is ongoing, the payments industry's efforts have been remarkably successful in reducing fraud while ensuring consumers have access to fast, reliable, and safe payment options. The payments industry remains committed to investing in cutting-edge technologies, fostering industry-wide collaboration, and empowering consumers with knowledge and tools. Through continuous innovation and adaptation, the payments industry will continue to safeguard the financial ecosystem for all, ensuring a secure and trusted environment for consumers and businesses alike.

Thank you for your leadership on this important issue. If you have any questions, please contact me or ETA's Executive Vice President, Scott Talbott, at stalbott@electran.org.

Sincerely,



Jeff Patchen
Director of Government Affairs
Electronic Transactions Association