



Peer-to-Peer Payment Services

Surveys on This Topic From Four Months
of The Nationally Representative
American Experiences Survey Across 2022

CONSUMER REPORTS SURVEY GROUP

JANUARY 10, 2023

INTRODUCTION

Consumer Reports conducts surveys on a regular basis to understand consumer concerns, attitudes, opinions, and experiences. These surveys add rich information about consumer experiences and opinions to Consumer Reports' well-known reporting and advocacy on behalf of consumers. One part of that survey work is our monthly omnibus American Experiences Survey (AES). Each AES survey covers multiple topics and goes out to a nationally representative sample of at least 2,000 U.S. adults by internet and phone and is offered in both English and Spanish.

Peer-to-peer payment services are digital applications that deliver the core service of enabling individuals to digitally transfer money to, and receive money from, other individuals. As our research shows, P2P payment services are deeply integrated into consumer life in the U.S. These popular apps are often used to split a bill, send cash as a gift, or lend or borrow money among friends and family.

We surveyed consumers on different aspects of their experiences and opinions about peer-to-peer (P2P) payment services on four occasions in the American Experiences Survey in 2022: in March, August, September, and October. Taken together, these four AES sections yield an informative and insightful picture of how consumers use and think about P2P services in 2022. This report compiles the relevant sections from each of those four surveys.

AES MARCH 2022: P2P PREVALENCE AND USER ISSUES

We began this section with an explanation of the topic.

This section asks about peer-to-peer payment services, also called money transfer apps, such as PayPal, Venmo, Apple Pay, Google Pay, or Zelle. These services allow users to send and receive money to one another directly through their smartphones, tablets, or computers without using cash or checks.

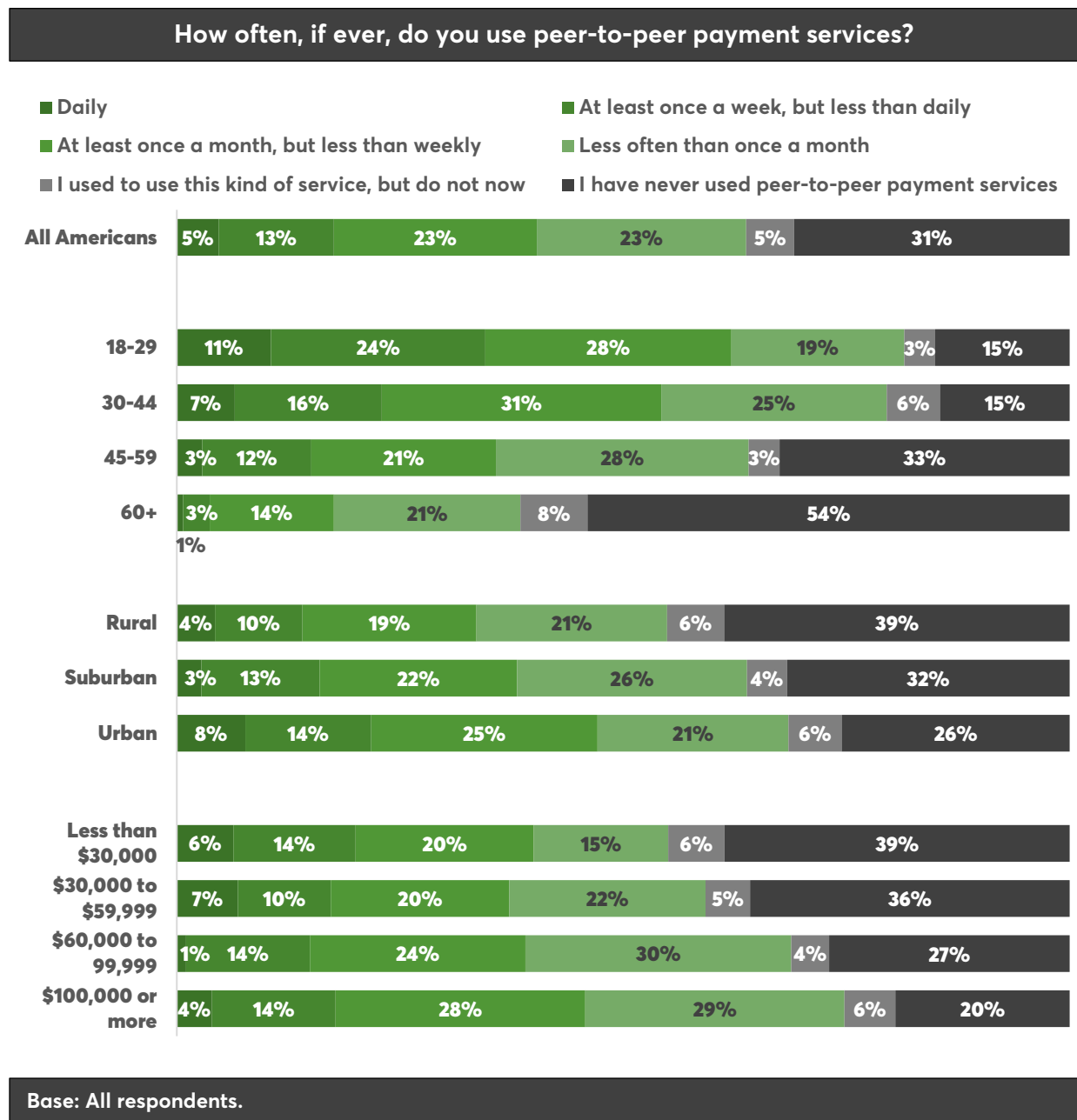
Some of these services can also be used to pay in stores or online. However, in this section, *we are only interested in person-to-person payments, not payments to businesses.* We are interested in payments for services, such as for babysitting or home repair.

HOW FREQUENTLY DO AMERICANS USE P2P SERVICES?

Four in ten Americans (40%) say they use P2P services at least once a month; 18% use them at least once a week. **Three in ten (31%) have never used P2P services.**

Some Americans are less likely to have ever used P2P services. While just 15% of Americans under 45 say they have never used P2P services, this more than doubles to 33% among those 45 to 59 and rises to 54% of those 60 and up. Similarly, Americans in rural and suburban areas are more likely to have

never used P2P services than those in urban areas, and Americans with lower annual household income are more likely to have never used P2P services than those with higher annual household incomes.¹



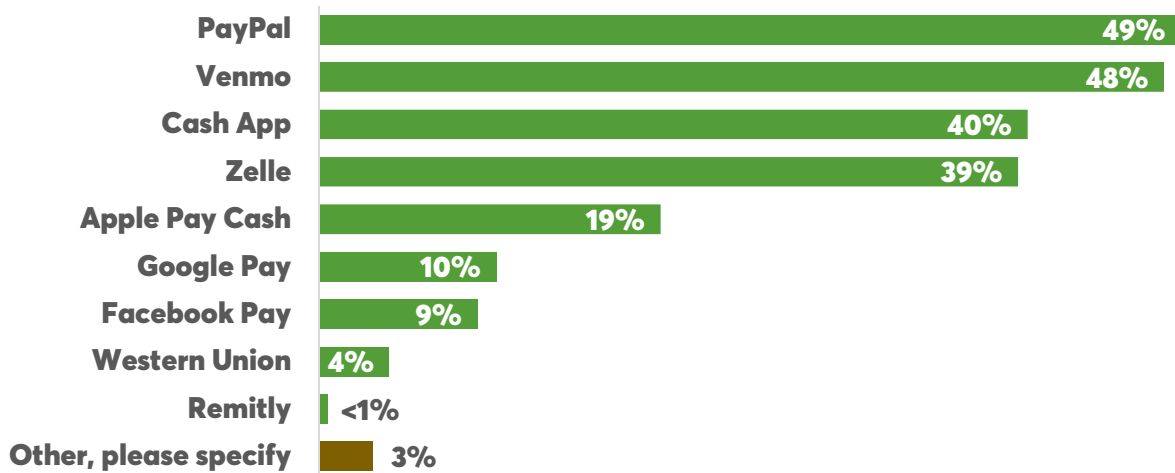
¹ Differences are significant controlling for race/ethnicity, gender, age, income, region, and urbanicity.

MOST COMMON P2P SERVICES

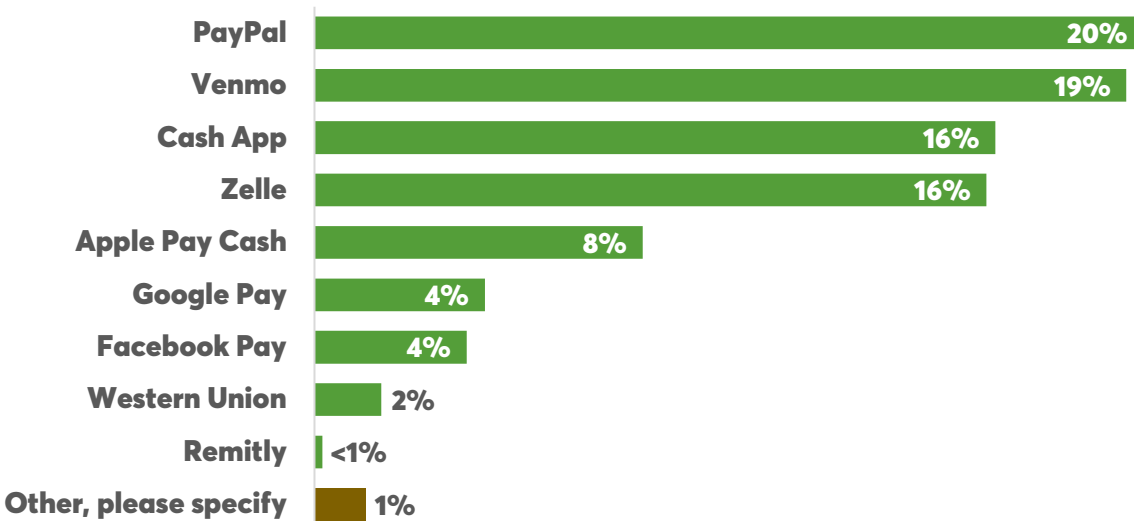
Next, we asked Americans who said they used any P2P services at least once a month *which* services they currently use at least once a month for payments to or from other people (not in stores or online). **Nearly half of regular P2P users use PayPal (49%) and almost as many use Venmo (48%) at least monthly.**

Peer-to-peer services Americans use regularly (at least once a month)

Percentage among Americans who use P2P services at least once a month



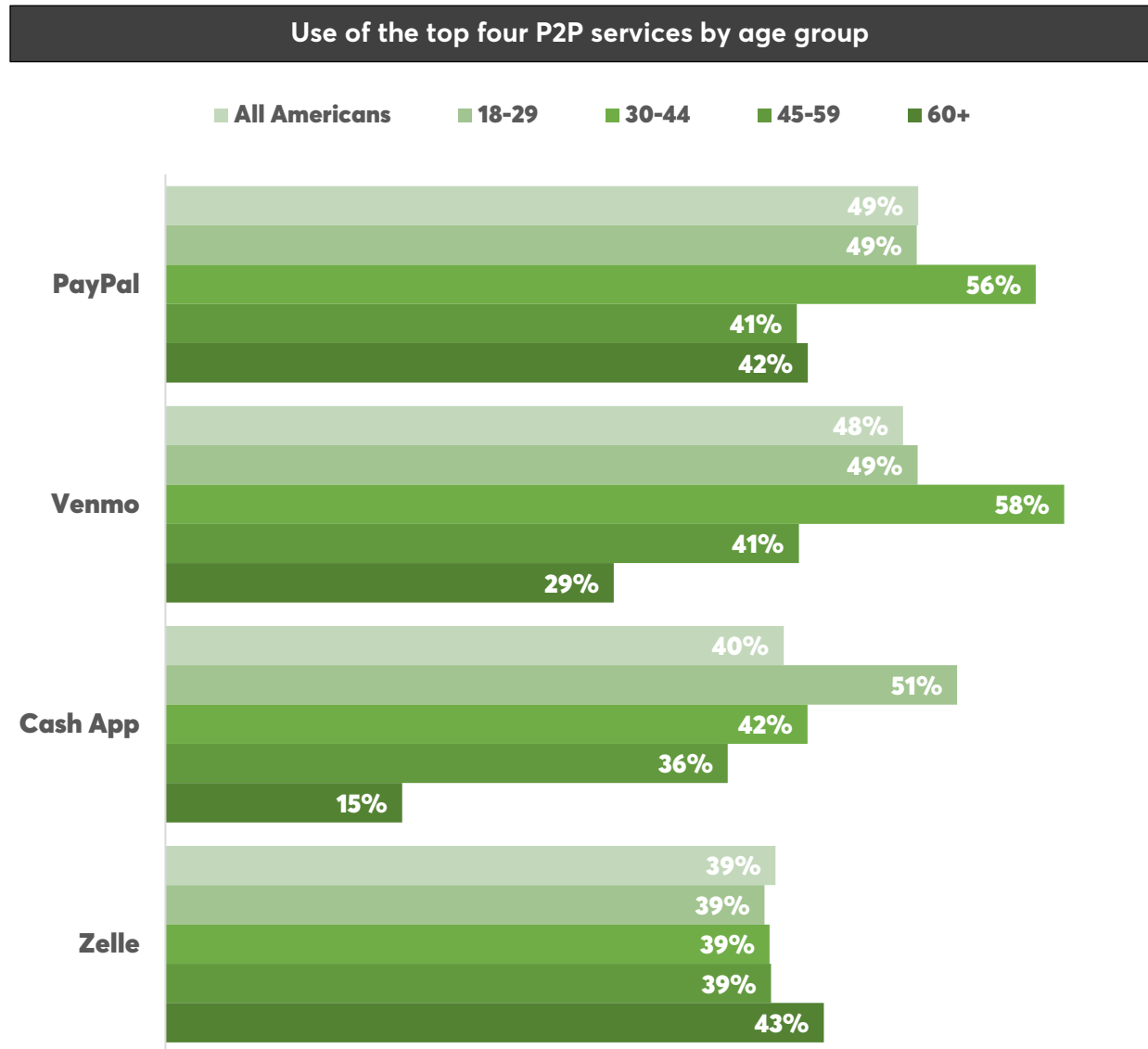
Percentage among all Americans



Base: Respondents who use P2P services at least one a month; all respondents.
Respondents could select all that applied.

Common "others" include Chime and Xoom.

Certain P2P services are more popular among different age groups. Use of PayPal, Venmo, and the Cash App varies with age, as does use of Google Pay and Apple Pay. There is no significant linear difference by age in use of Zelle, Facebook Pay, Western Union, or Remitly.² In other words, **among the P2P services that Americans are most likely to use regularly, only Zelle is used more or less consistently across ages. Americans in their thirties and early forties are more likely to use PayPal and Venmo than Americans 18 to 29, and both groups more likely to use these services than adults over 45.** (In fact, for Venmo, use among those 60 and up is even lower than use among those 45 to 59.) **For the Cash App, use is highest among the youngest Americans and drops off with age.**



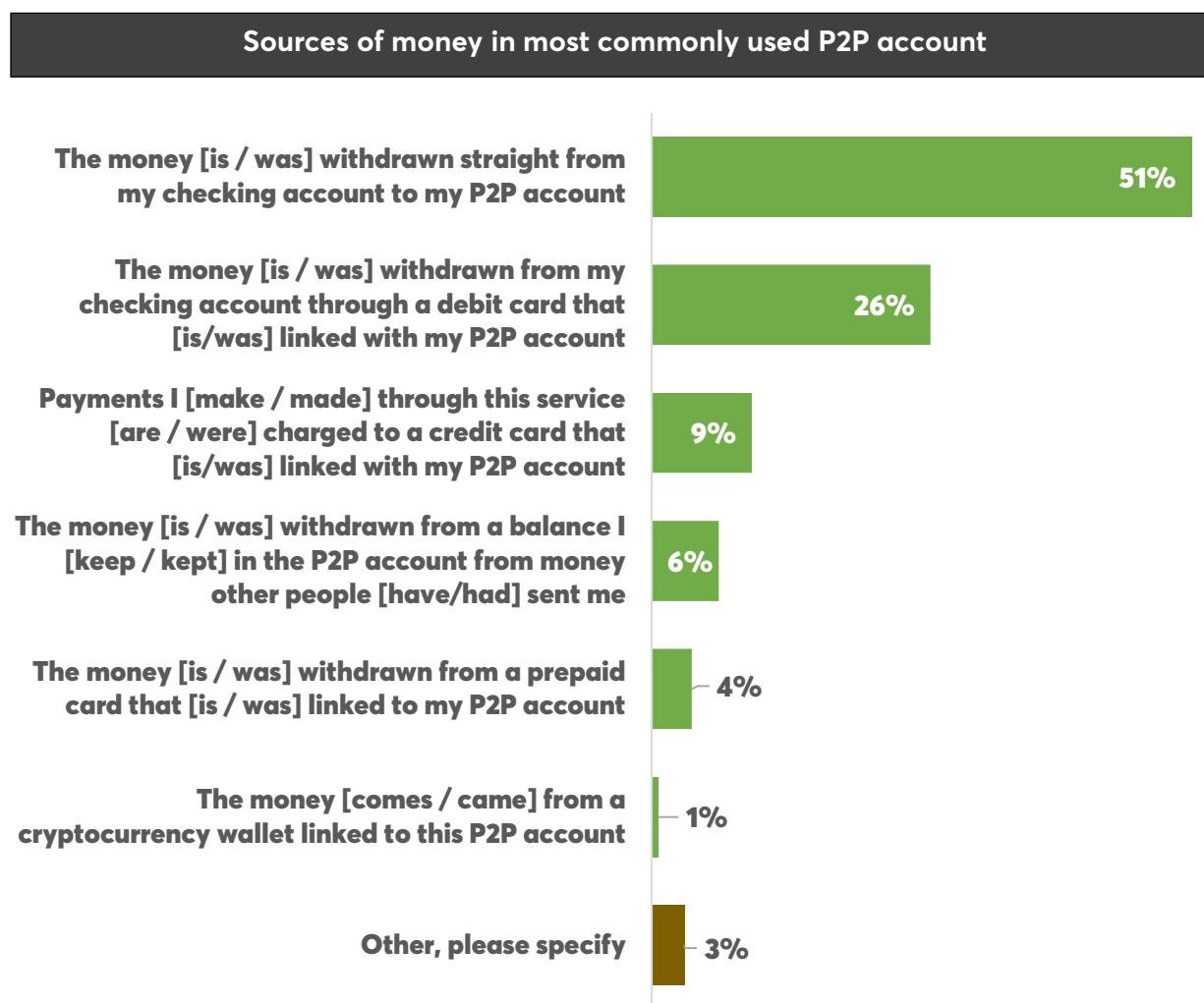
Base: Respondents who use P2P services at least one a month; all respondents.

² Differences are significant controlling for race/ethnicity, gender, age, income, region, and urbanicity.

SOURCES OF MONEY IN P2P ACCOUNTS

Among Americans who have ever used a P2P service, more than three in four (77%) say the money they use in the service they use (or used to use) most often comes from their bank, either directly or indirectly. About half say the money in the account they use or used most comes directly from their checking account (51% of Americans who ever had a P2P account). Around a quarter (26%) say the money came from a debit card linked to the P2P account.

Around one in ten Americans who use P2P services keep a balance in their P2P account (6%) or use a prepaid card (4%). These methods are potentially more risky, because there is no bank or credit card company to turn to in the event of fraud.



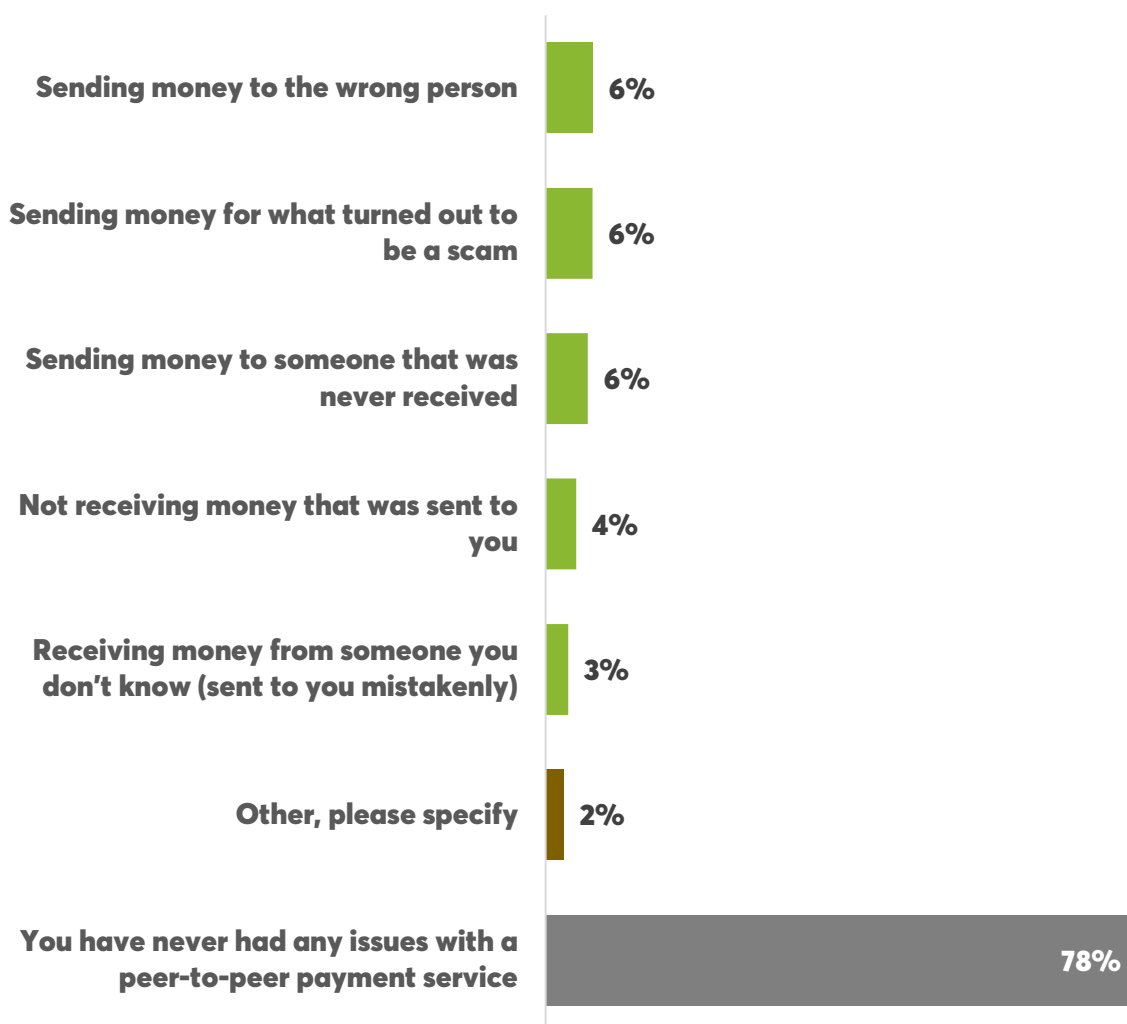
Base: Respondents who have ever used a P2P service.
Respondents answered for the service they use (or used) the most.

ISSUES WITH P2P SERVICES

A strong majority of Americans who have ever used P2P services say they have never had any issues with a P2P service (78%). The most common issues include problems with sending money: sending money to the wrong person (6% of Americans who have ever use P2P services); sending money for what turned out to be a scam (6%); or sending money that the intended recipient never got (also 6%).

Which, if any, of the following issues did you have or have you had sending or receiving money through a peer-to-peer service?

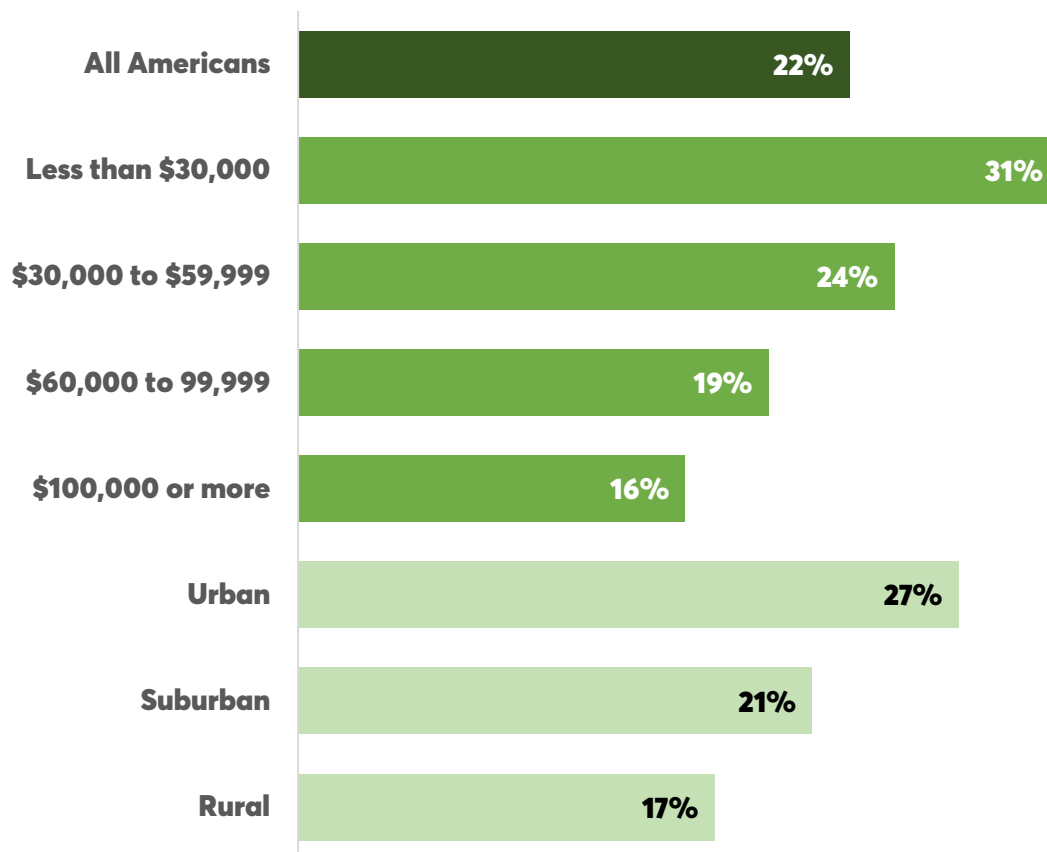
Select all that apply.



Base: Respondents who have ever used a P2P service.
Respondents answered for the service they use (or used) the most.

Among those who have ever used a P2P service, some groups are more likely to have experienced problems than others. Those with a **higher annual household income are less likely to have had problems**: 31% of Americans with an annual household income of less than \$30,000 who have ever used P2P services have had at least one issue with it, compared to just 16% of those with an annual household income of \$100,000 or more. **Americans living in rural areas are less likely to have had issues than those living in urban areas** (17% vs 27%).³

**Americans who have ever had any issues with a P2P service
By group**



Base: Respondents who have ever used a P2P service.

Among Americans who currently use at least one P2P service at least once a month, **Apple Pay and Cash App users are more likely than average to say they have ever had an issue with the P2P service**, while **Zelle users are less likely than average**.⁴

³ Differences are significant controlling for race/ethnicity, gender, age, income, region, and urbanicity.

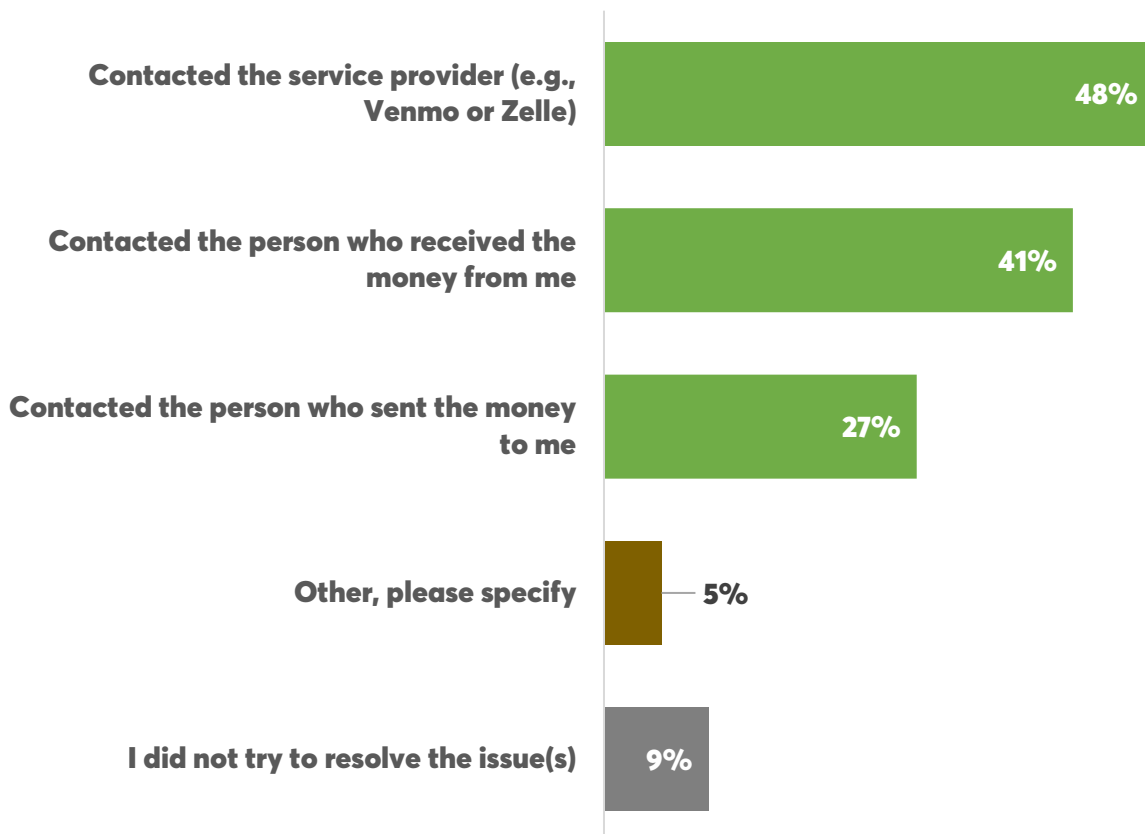
⁴ Differences are significant controlling for race/ethnicity, gender, age, income, region, urbanicity, and use of all services listed on page 8 except "other."

ATTEMPTING TO RESOLVE ISSUES

Next, we asked those Americans who had ever had any issues with a P2P service what they did to resolve those issues. **About half (48%) of Americans who ever had any issues with a P2P service say they contacted the service provider to attempt to resolve the issue.** Other responses are more issue-specific, such as contacting the person who received the money (41% of those who have ever had an issue) or contacting the person who sent it, if the respondent was meant to be on the receiving end (27% of those who have ever had an issue). **Nine percent say they did not try to resolve the issue or issues they experienced.**

Which, if any, of the following did you do to try to resolve the issue?

Select all that apply.

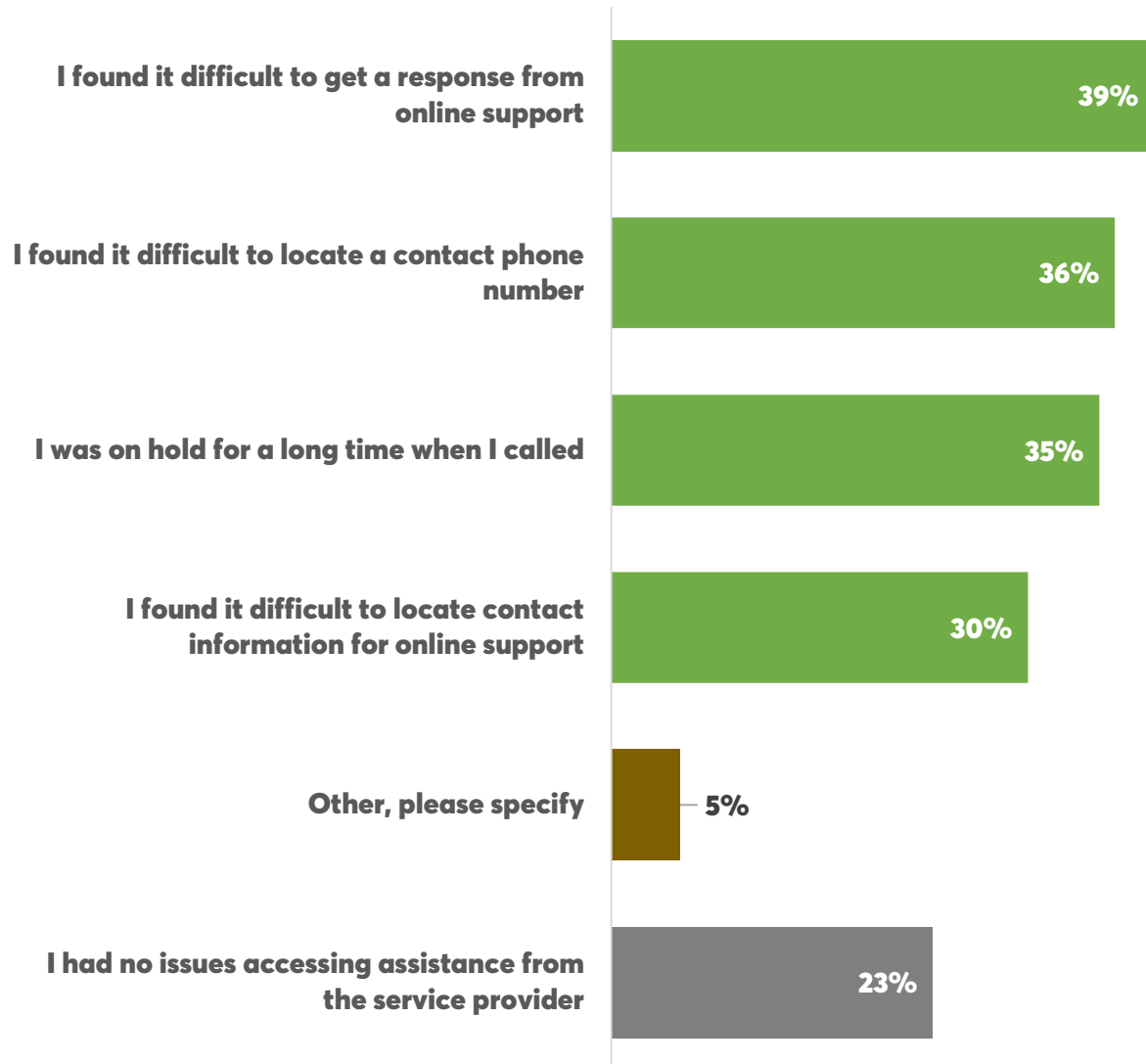


Base: Respondents who have ever had an issue with a P2P service.

CONTACTING P2P SERVICE PROVIDERS FOR ASSISTANCE

Around three in four (77%) of those who reached out to the service provider to try to resolve the issue reported at least one kind of problem in doing so.

Which, if any, of the following are issues you had accessing assistance from the service provider?



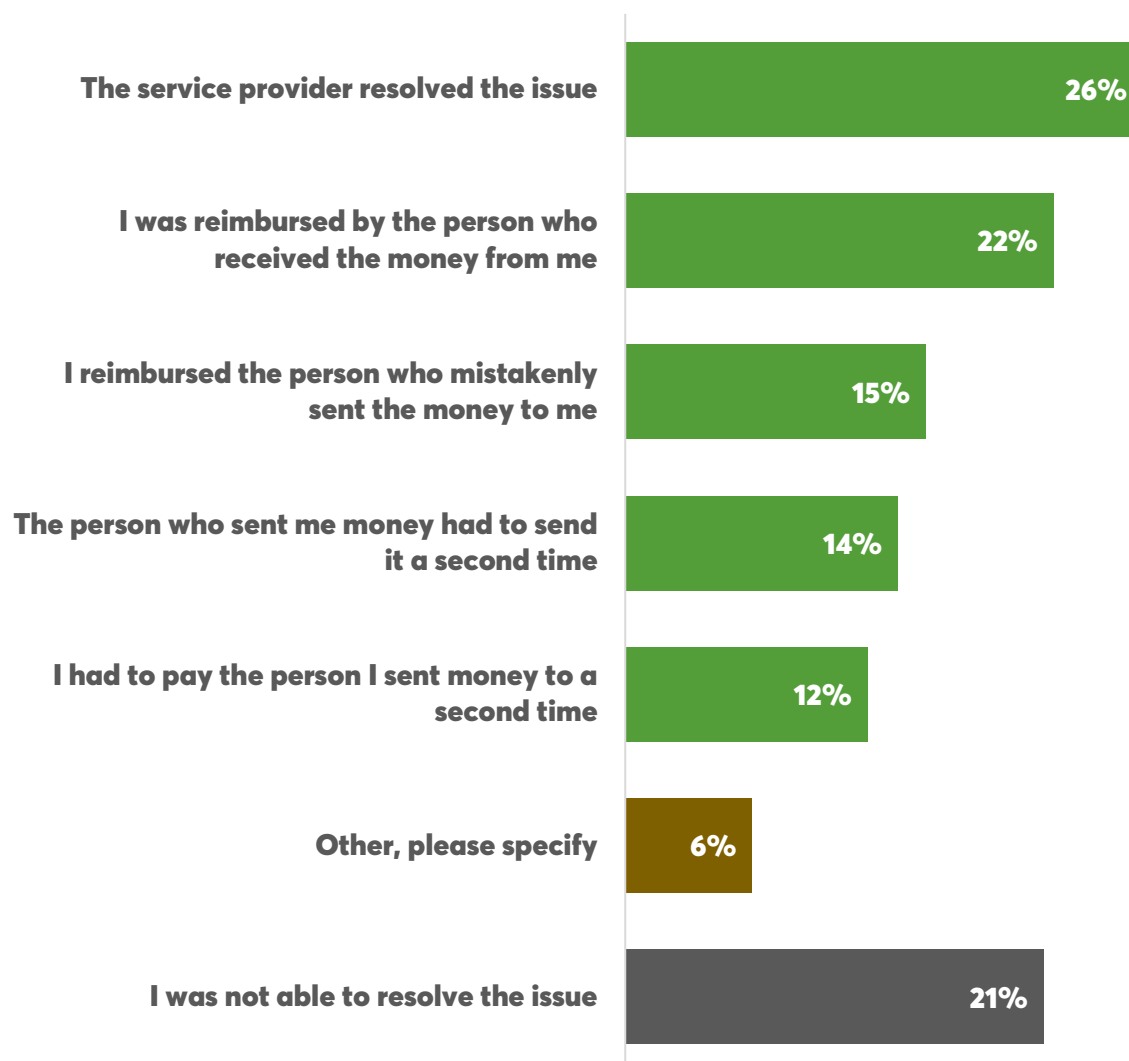
Base: Respondents who tried to resolve an issue by contacting the P2P service provider.

OUTCOMES

Finally, we asked Americans who had attempted to resolve any issues in any way what the outcome was the *most recent* time they had tried to do so. **Around a quarter (26%) say that the service provider resolved the issue—but one in five (21%) say that they were not able to resolve the issue.** (Note that many of the other response options are specific to the type of problem the person experienced most recently, so it makes sense that they would be less common than the “provider” response.)

When you tried to resolve your most recent issue with a P2P service, what was the outcome?

Select all that apply.



Base: Respondents who have ever had an issue with a P2P service.

AES AUGUST 2022: PRIVACY IN FINANCIAL APPS

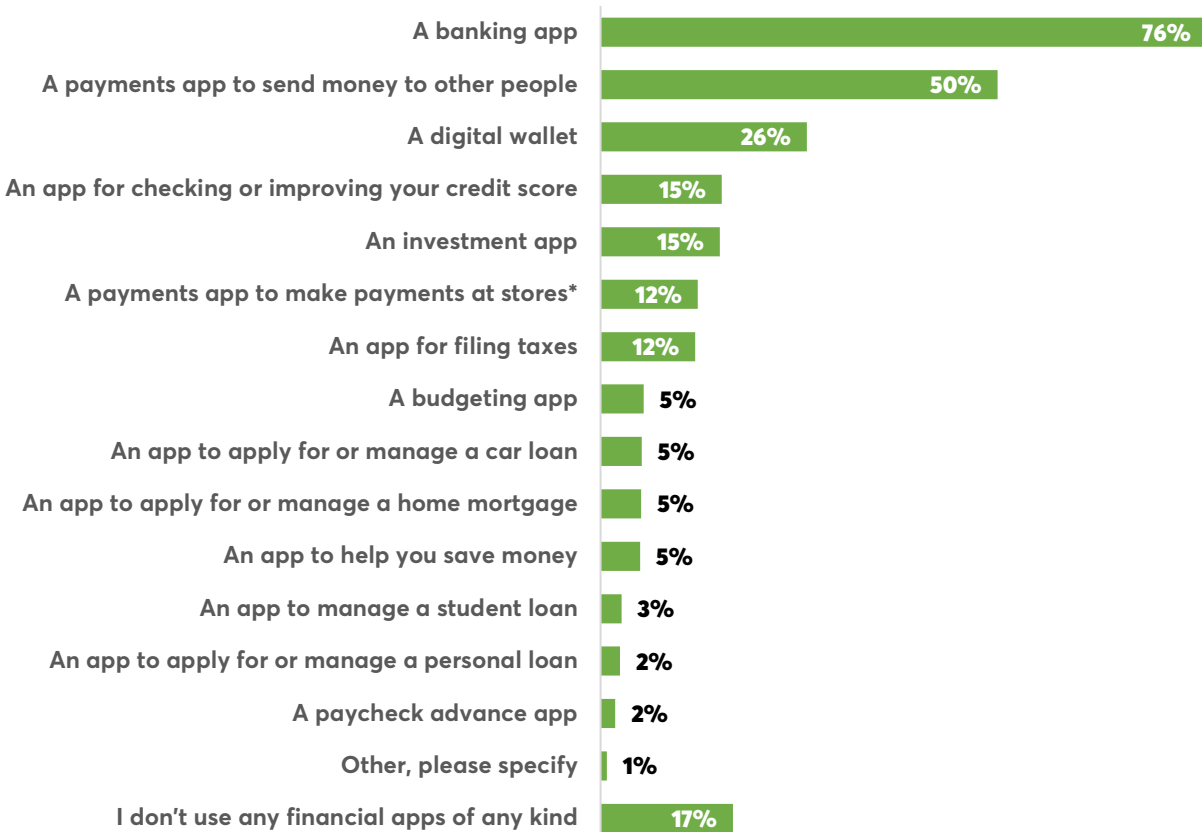
This section is about **privacy in financial apps**. By financial apps, we mean apps for your smartphone or tablet such as: bank apps that let you access your bank account on your phone, apps to help make payments like PayPal or Venmo, Buy Now Pay Later apps that let you pay for a purchase in installments like Klarna or Affirm, apps to help manage loans or mortgages, budgeting apps, investment apps, or any other kind of mobile device software application that helps you manage your money.

83%
USE ANY KIND
OF FINANCIAL APPS

Most Americans say they use at least one kind of financial app. The most common is a banking app (76%), followed by a payments app to send money to other people (50%), and a digital wallet (26%). Older adults, however, are less likely to use financial apps (69%) compared to younger people (90% of those under age 60 use financial apps).

Which, if any, of the following kinds of financial apps do you use?

Select all that apply.



Base: All respondents.

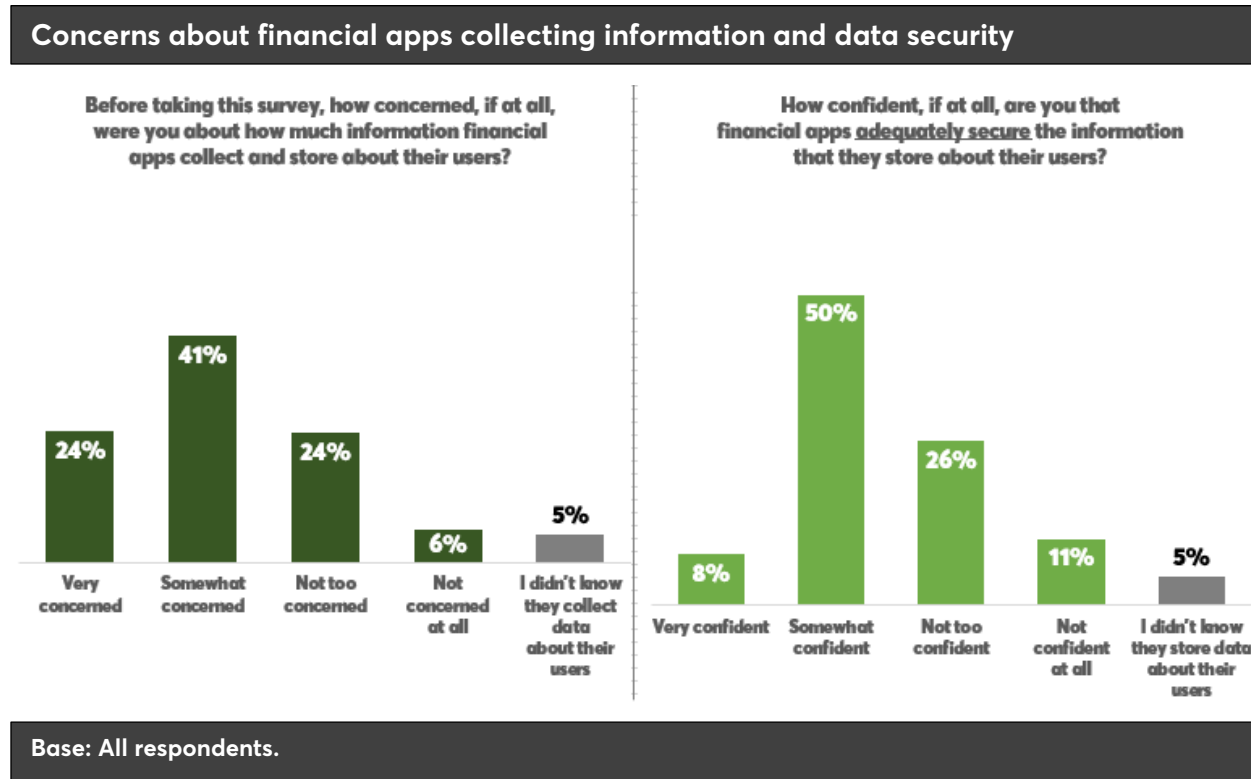
* Full text: "A payments app to make payments at stores, such as a store account app or a Buy Now Pay Later app"

This information was provided to respondents on the survey:

Financial apps collect and store data about their users. Some of this information is given to them by the user, like their name and email address. Other information is collected and stored through how the user interacts with the app. For example, a payments app stores data about what payments the user makes. Financial apps may also collect data from other financial companies that they interact with on their users' behalf, or from other third parties such as social media companies. Finally, they also may collect data from the user's device, such as their location or what other apps they are using.

Close to **two-thirds of Americans** are at least somewhat concerned about how much information financial apps collect and store about their users. But, **nearly six in ten** say they are at least somewhat confident that these apps adequately secure the information, to protect users' data from being seen by other users, or from being vulnerable to hacking or a data breach.

Those individuals who use at least one financial app are less likely to say they are "very concerned" than those people who do not use financial apps (20% versus 44%).



We asked respondents to select from several statements regarding which one best represents their views about **financial apps sharing their users' data with other companies**.

53%

THINK THIS SHOULD
NOT BE ALLOWED

Over half of Americans do not believe that financial apps should be allowed to share their users' data with other companies. Nine percent say they have no opinion. Among the 37% who say it is okay for financial apps to do this, the most commonly selected reasons why are "as long as they only use it to prevent fraud" and "as long as you can opt out without any penalty." Those aged 60 and up are more likely to think this should not be allowed (62%) compared to younger individuals (39% of those aged 18 to 29).

80%

AT LEAST SOMEWHAT
INTERESTED

We asked people if they would be interested in seeing all of the personal data **that a financial app has about them**. A majority of Americans are interested (53% say they would definitely want to see it, and 27% say they are somewhat interested).

AES SEPTEMBER 2022: FINANCIAL SAFETY IN P2P PAYMENT APPS

We began this section with an explanation of the topic.

This section asks about peer-to-peer payment services, also called mobile cash payment apps or money transfer apps, such as PayPal, Venmo, Apple Pay, Google Pay, or Zelle. These services allow users to send and receive money to one another directly through their smartphones, tablets, or computers without using cash or checks. In this survey, we will refer to these as “P2P” services or apps.

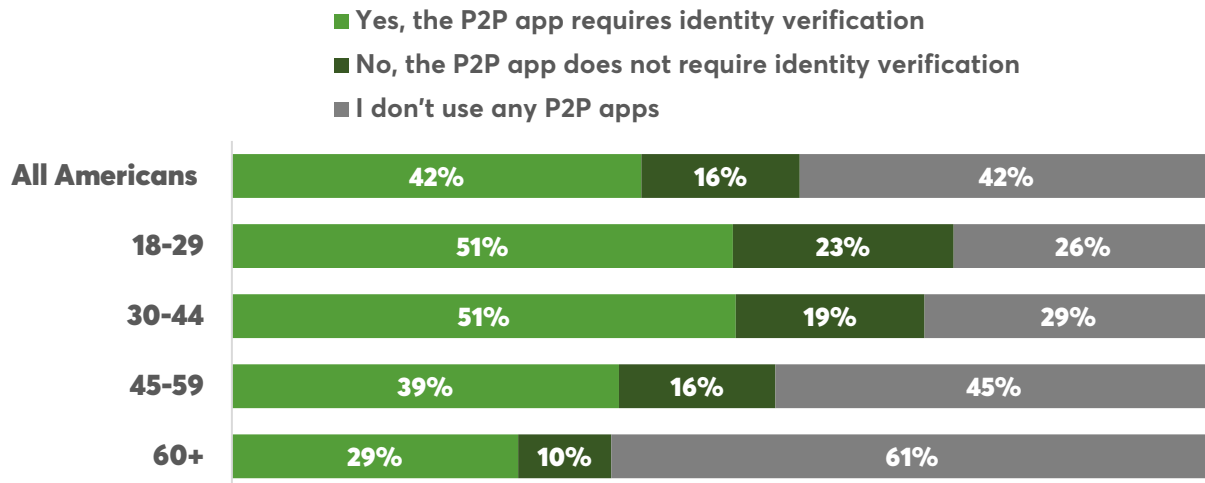
Some of these services can also be used to pay in stores or online. However, in this section, *we are only interested in person-to-person payments, not payments to businesses. We are interested in informal payment for services, such as for babysitting or home repair.*

USE OF IDENTITY VERIFICATION AMONG P2P APP USERS

Over half (58%) of Americans say they use a P2P app. Older Americans, aged 60 and up, are less likely to use a P2P app than younger Americans. In the 60 years and up age group, 39% use a P2P app, compared with, for example, 74% of the 18-29 age group.⁵

Of those who use a P2P app, 72% say it requires identity verification and 28% say it does not.

When you open the P2P app you use the most to access your account, do you need to do anything in the app to verify that it’s really you?



Base: All respondents.

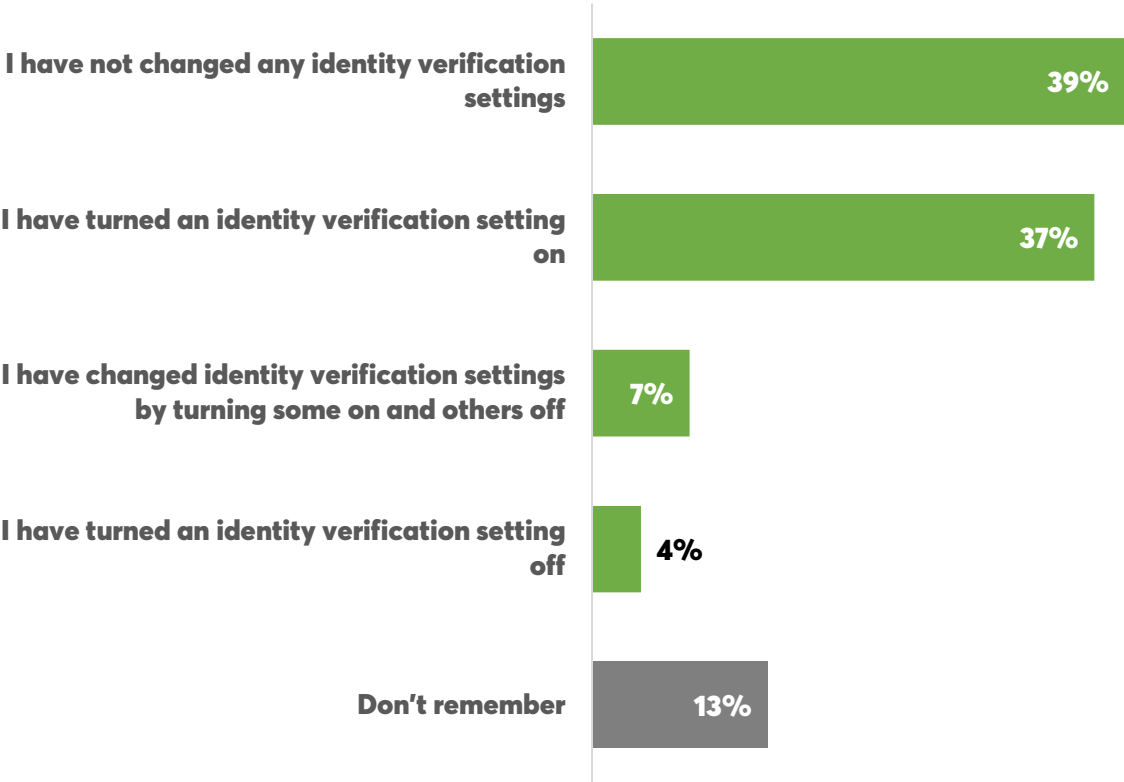
⁵ Difference is statistically significant controlling for race/ethnicity, gender, age, income, education, region, urbanicity, and political leaning.

DEFAULT IDENTIFICATION SETTINGS

Over one-third of P2P users (39%) are using the app's default identity verification settings. A similar number, 37%, have turned identity verification settings on in their P2P app. Another 7% have actively managed their app's security by turning some settings on and turning others off. Unsurprisingly, 13% could not recall if they have changed their app's settings.

P2P users in the 60 years and up age group are more likely to be using the default settings than those in other age groups (51% compared to 36% among younger people).⁶

In the P2P app you use most, are you using the default identity verification settings, or have you changed any of them? That is, are you using the app the way it came when you first got it, or have you intentionally turned any identity verification settings on or off?



Base: Respondents who use a P2P app.

⁶ Difference is statistically significant controlling for race/ethnicity, gender, age, income, education, region, urbanicity, and political leaning.

CONFIDENCE IN P2P APPS' DATA SECURITY

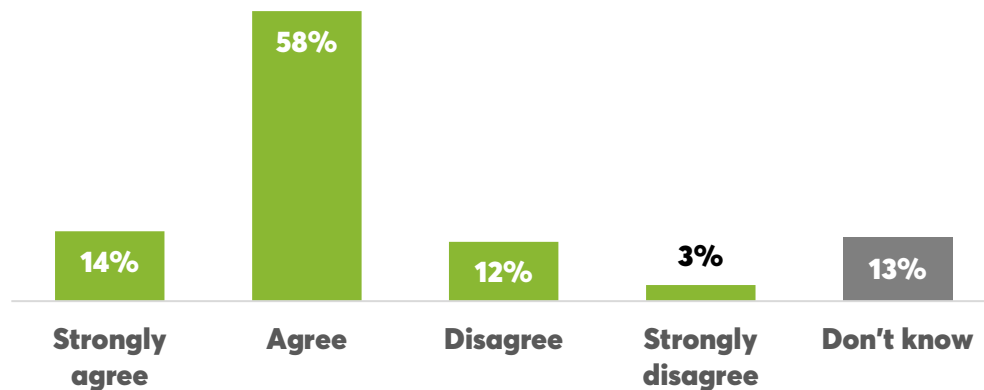
We introduced this topic with a definition:

Your payment data is the information that you have given a P2P app to use to make payments that you want to send. This could be your bank account information, a credit card or debit card number, a prepaid card, a cryptocurrency wallet, or any other source of money that you use to make payments through the app.

Over two-thirds of P2P users believe that their app adequately protects their payment data from security risks like hacking or identity theft (72% agree or strongly agree that it does). Fifteen percent disagree or strongly disagree that their app adequately protects their payment data. Another 13% say they don't know.

Please indicate to what extent you agree or disagree with the following statement:

Thinking about the P2P app that I use the most, and with the settings that I currently have in place for that app, I believe that the app adequately protects my payment data from security risks like hacking or identity theft.



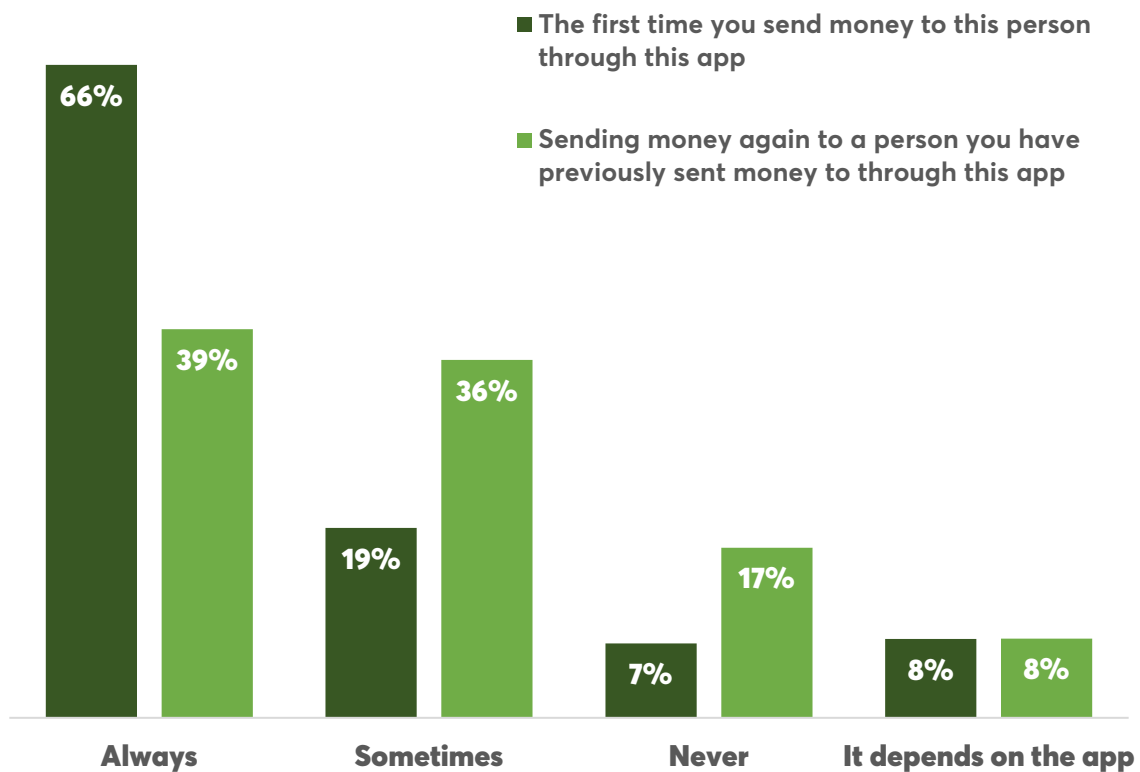
Base: Respondents who use a P2P app.

SENDING TO THE RIGHT PERSON

Sending money to the wrong person through a P2P app, often through a minor user mistake such as a typo, is a pain point for consumers. Money that is sent through a P2P app is unrecoverable and P2P apps as a rule do not take responsibility for those losses. Some P2P apps attempt to address this issue by exhorting their users to check to make sure they are sending to the right person before they hit the “send” button.

About two-thirds (66%) of P2P users say they always check that it's the right person when sending money to someone **for the first time**. **Around four in ten (39%) say they always check** when sending money to **someone they have sent to previously**. Seven percent say they never check the first time, and 17% say they never check when sending money to someone they have sent to previously.

When you send money using a P2P app in each of the circumstances listed below, about how often, if at all, would you say you check to make sure you're sending it to the right person?



Base: Respondents who use a P2P app.

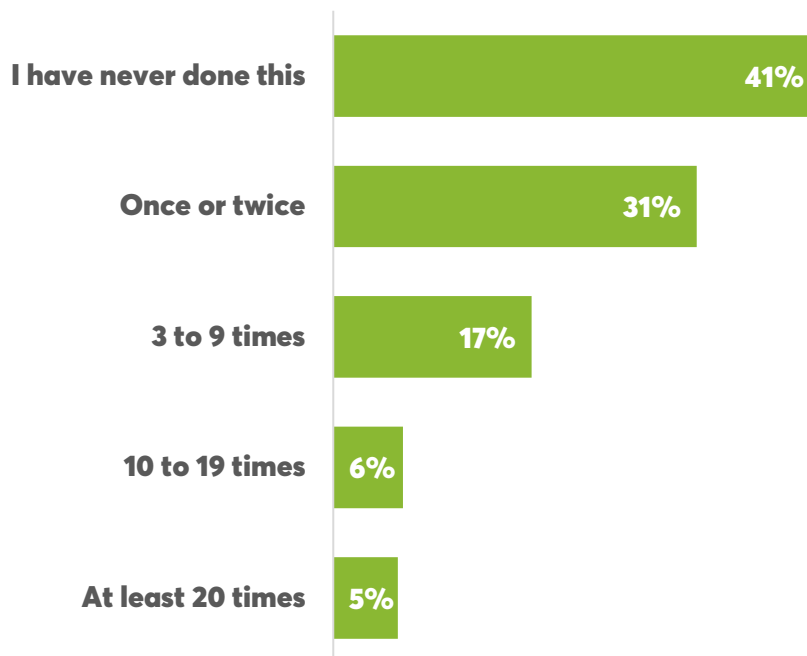
SENDING TO A PERSON YOU HAVE NOT MET

P2P apps are extremely convenient for sending money to people you don't know. For instance, imagine that you learn from social media that someone in your neighborhood has an extra ticket to a concert that you want to go to. They can send you the ticket digitally and you can pay them through a P2P app without ever having to meet or even give them your phone number. There are obvious risks to this arrangement, as neither party has a basis for trusting the other to follow through on their part of the deal. In fact, some scams are perpetuated through arrangements like these.

Four out of ten P2P users (41%) have never sent money through a P2P app to a person they have not met. Another three out of ten (31%) have done it once or twice. The remaining 28% have digitally sent money to a stranger at least three times.

How many times, if ever, would you say you have sent money through a P2P app to someone you have not met?

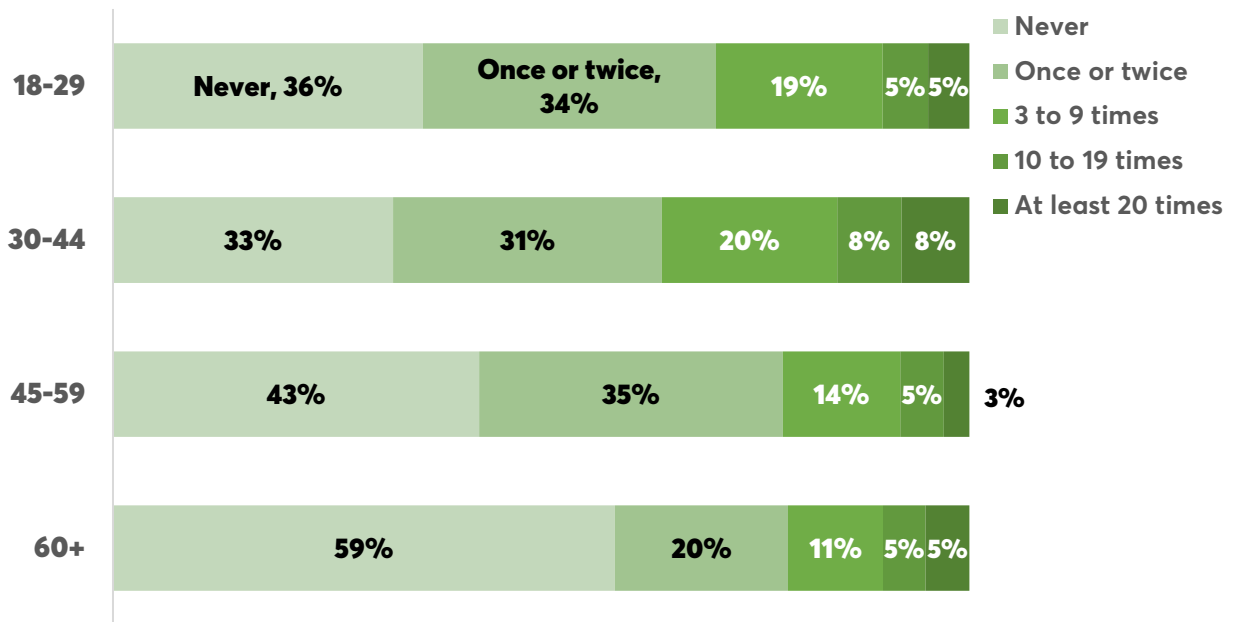
For example, this could be paying for an item or service you purchased before receiving that item or service, such as when buying online through a neighborhood group or Facebook Marketplace. Again, we are only interested in payments to individuals, not businesses.



Base: Respondents who use a P2P app.

Older P2P users (aged 60 and up) are more likely than younger people to say they have never sent money through a P2P app to a person they have not met.⁷

**How many times, if ever, would you say you have sent money through a P2P app to someone you have not met?
By age group.**



Base: Respondents who use a P2P app.

⁷ Difference is statistically significant controlling for race/ethnicity, gender, age, income, education, region, urbanicity, and political leaning.

AES OCTOBER 2022: PEER-TO-PEER PAYMENT SERVICES TRANSPARENCY

We began this section with an explanation of the topic.

This section asks about peer-to-peer payment services, also called mobile cash payment apps or money transfer apps, such as PayPal, Venmo, Apple Pay, Google Pay, or Zelle. These services allow users to send and receive money to one another directly through their smartphones, tablets, or computers without using cash or checks. In this survey, we will refer to these as “P2P” services or apps.

Some of these services can also be used to pay in stores or online. However, in this section, we are only interested in person-to-person payments, not payments to businesses.

Survey respondents were given this instruction: *Some of these services can also be used to pay in stores or online. However, in this section, we are only interested in person-to-person payments, not payments to businesses.*

P2P APP USAGE

60%
HAVE EVER USED A P2P
PAYMENT SERVICE

Six out of ten Americans say they have ever used a peer-to-peer payment service to either send to or receive money from other people (35% say no; 5% say they are unsure if they've used this type of service). Younger individuals are more likely to have used P2P apps (67% of those under age 60 versus 44% of those aged 60 and up). And, those people with a higher income are more likely to have used this type of service (76% of those who make \$100,000 or more compared to 42% of those who make less than \$30,000).

UNDERSTANDING OF P2P SERVICES

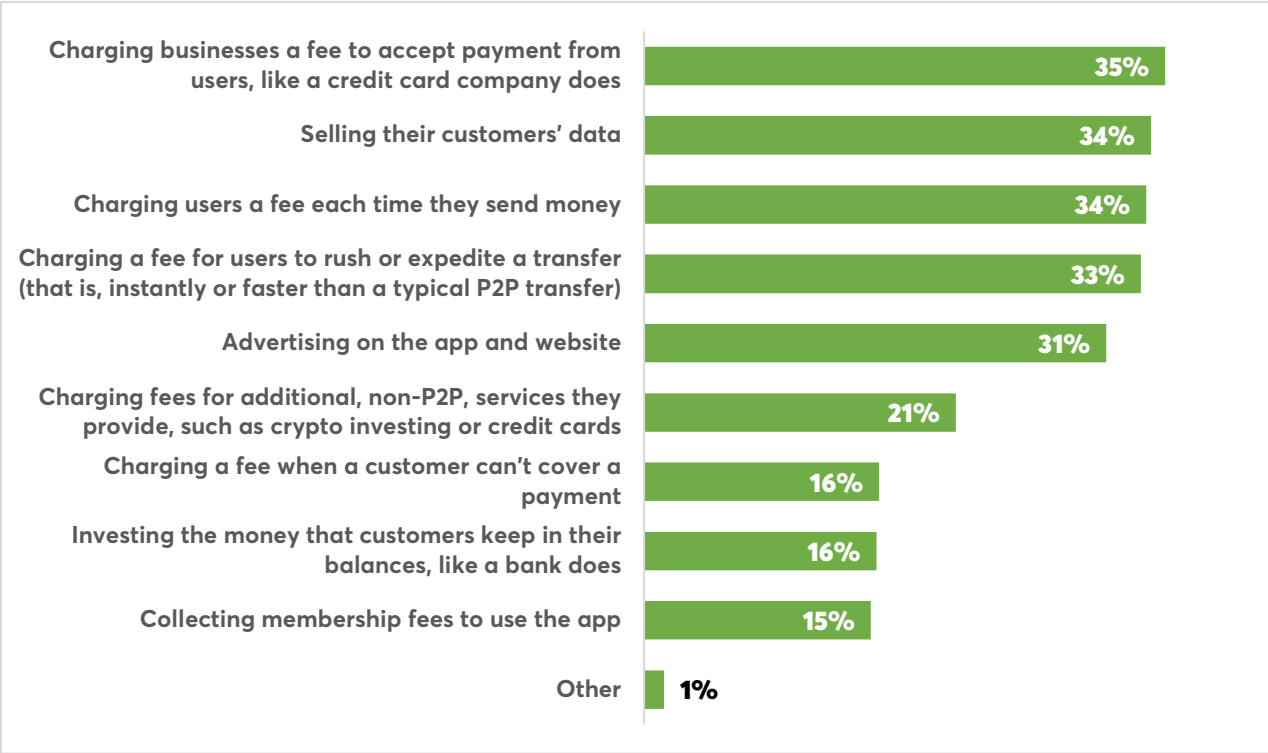
Like all businesses, P2P companies must make money, or earn revenue, in order to run. We asked all respondents, whether or not they have used a P2P service, to tell us if they know which types of methods are used to earn revenue.

Overall, about **three in ten Americans** say they are at least somewhat familiar (among those who use P2P, this increases to four in ten). While P2P usage is the strongest predictor of familiarity, other significant factors include age and gender (younger individuals are more likely to be familiar with this; women tend to say they are less familiar than men do).

How familiar, if at all, are you about the ways in which P2P services make their money?			
		Used P2P services	NOT used P2P services
Very familiar	6	9	2
Somewhat familiar	23	30	12
Not too familiar	29	31	24
Not familiar at all	43	30	62
Base: All respondents.			

Next, a list of possible ways that P2P services might make money was presented. Respondents were given the instruction that: *Companies may do more than one of these practices to earn revenue, while some of the items listed are not actually in use by P2P companies.* They were then asked to pick their **top three choices** of how they believe P2P services make the most money.

From which of these do you think P2P services make the most money?



Base: All respondents.
Respondents selected up to three choices.

The most commonly selected include charging businesses a fee, selling customer data, charging users a fee each time they send money, charging users a fee to rush or expedite a transfer, and advertising.

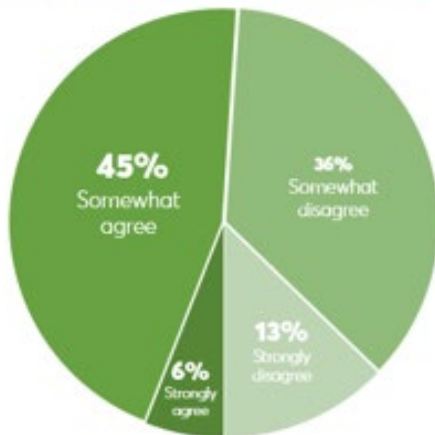
This set of five is consistently at the top among users and non-users alike, along with people who say they are at least somewhat familiar with how P2P services make their money and those who say they are less familiar.

The graphs below show that even among P2P users, they are not particularly confident in their knowledge about P2P apps. Only **about half of users** (51%) agree that they are fully informed about the potential risks to users (and even fewer say so among non-P2P users—26%). And, **seven out of ten users** (71%) believe themselves to be knowledgeable about the steps to use, settings, and functionality of the P2P app they use most often (just 15% say “very knowledgeable”). More younger P2P users feel that they are knowledgeable on how to use their chosen P2P app (85% of those aged 18 to 29) compared to older P2P users (59% of those aged 60 and up).

Knowledge about P2P services, by users

When it comes to risks associated with using a P2P service, do you agree or disagree with the following statement?

I believe that I am fully informed about the potential risks to users of P2P services.



Thinking about the P2P service you use most often:

How knowledgeable, if at all, would you say you are on how to use it?



Base: Respondents who have used P2P services.

METHODOLOGY

Every month since January 2020, Consumer Reports has conducted a nationally representative multi-mode **American Experiences Survey**. This omnibus survey reflects the ongoing work of Consumer Reports by fielding multiple sections on different topics of consumer interest each month.

NORC at the University of Chicago administers the survey through its AmeriSpeak® Panel to a nationally representative sample of U.S. adult residents. A general population sample of U.S. adults age 18 and older is selected from NORC's AmeriSpeak® Panel for this study each month. Funded and operated by NORC at the University of Chicago, AmeriSpeak® is a probability-based panel designed to be representative of the US household population. Randomly selected US households are sampled using area probability and address-based sampling, with a known, non-zero probability of selection from the NORC National Sample Frame. These sampled households are then contacted by US mail, telephone, and field interviewers (face to face). The panel provides sample coverage of approximately 97% of the U.S. household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the USPS Delivery Sequence File, and some newly constructed dwellings. While most AmeriSpeak households participate in surveys by web, non-internet households can participate in AmeriSpeak surveys by telephone. Households without conventional internet access but having web access via smartphones are allowed to participate in AmeriSpeak surveys by web. AmeriSpeak panelists participate in NORC studies or studies conducted by NORC on behalf of governmental agencies, academic researchers, and media and commercial organizations.

Detailed documentation follows for each of the four surveys referenced in this report.

March 2022

This multi-mode survey was fielded by NORC at the University of Chicago using a nationally representative sample. The survey was conducted from March 11 – 22, 2022. Interviews were conducted in English ($n = 2,031$) and in Spanish ($n = 85$), and were administered both online ($n = 1,982$) and by phone ($n = 134$).

In total NORC collected 2,116 interviews. The margin of error for the sample of 2,116 is +/- 2.83 at the 95% confidence level. Smaller subgroups will have larger error margins. Panelists were offered the cash equivalent of \$3 for completing the survey.

Final data are weighted by age, gender, race/Hispanic ethnicity, housing tenure, telephone status, education, and Census Division to be proportionally representative of the U.S. adult population. Key demographic characteristics (after weighting is applied) of this sample are presented below:

- 52% female
- Average age of 48 years old (median 47)
- 62% white, non-Hispanic
- 35% 4-year college graduates
- 54% have a household income of \$50,000 or more

August 2022

This multi-mode survey was fielded by NORC at the University of Chicago using a nationally representative sample. The survey was conducted from August 5-15, 2022. Interviews were conducted in English and in Spanish, and were administered both online and by phone.

In total NORC collected 2,123 interviews, 2,028 by web mode and 95 by phone mode, 2,038 in English and 85 in Spanish. The margin of error for the sample of 2,123 is +/- 2.63% at the 95% confidence level. Smaller subgroups will have larger error margins. Panelists were offered the cash equivalent of \$3 for completing the survey.

Final data are weighted by age, gender, race/Hispanic ethnicity, housing tenure, telephone status, education, and Census Division to be proportionally representative of the U.S. adult population. Key demographic characteristics (after weighting is applied) of this sample are presented below:

- 51% female
- Median age of 48 years old
- 62% White, Non-Hispanic
- 35% 4-year college graduates
- 61% have a household income of \$50,000 or more

September 2022

This multi-mode survey was fielded by NORC at the University of Chicago using a nationally representative sample. The survey was conducted from September 9-21, 2022. Interviews were conducted in English ($n = 2,452$) and in Spanish ($n = 67$), and were administered both online ($n = 2,386$) and by phone ($n = 133$).

In total NORC collected 2,519 interviews. The margin of error for the sample of 2,519 is +/- 2.47 at the 95% confidence level. Smaller subgroups will have larger error margins. Panelists were offered the cash equivalent of \$3 for completing the survey.

Final data are weighted by age, gender, race/Hispanic ethnicity, housing tenure, telephone status, education, and Census Division to be proportionally representative of the U.S. adult population. Key demographic characteristics (after weighting is applied) of this sample are presented below:

- 51% female
- Average age of 48 years old (median 47)
- 62% white, non-Hispanic
- 35% 4-year college graduates
- 58% have a household income of \$50,000 or more

October 2022

This multi-mode survey was fielded by NORC at the University of Chicago using a nationally representative sample. The survey was conducted from October 6-17, 2022. Interviews were conducted in English and in Spanish, and were administered both online and by phone.

In total NORC collected 2,084 interviews, 1,987 by web mode and 97 by phone mode, 1,963 in English and 121 in Spanish. The margin of error for the sample of 2,084 is +/- 2.66% at the 95% confidence level. Smaller subgroups will have larger error margins. Panelists were offered the cash equivalent of \$3 for completing the survey.

Final data are weighted by age, gender, race/Hispanic ethnicity, housing tenure, telephone status, education, and Census Division to be proportionally representative of the U.S. adult population. Key demographic characteristics (after weighting is applied) of this sample are presented below:

- 51% female
- Median age of 48 years old
- 62% White, Non-Hispanic
- 36% 4-year college graduates
- 60% have a household income of \$50,000 or more

Toplines

Toplines from each of the surveys are available on Consumer Reports' website at the following addresses:

March 2022:

https://article.images.consumerreports.org/prod/content/dam/surveys/Consumer_Reports_AES_March_2022

August 2022:

https://article.images.consumerreports.org/prod/content/dam/surveys/Consumer_Reports_AES_August_2022.pdf

September 2022:

https://article.images.consumerreports.org/image/upload/v1664486045/prod/content/dam/surveys/Consumer_Reports_AES_September_2022.pdf

October 2022:

https://article.images.consumerreports.org/image/upload/v1666902955/prod/content/dam/surveys/Consumer_Reports_AES_October_2022.pdf