



Digital Wallet Best Practices Playbook

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Introduction

Consumer Reports has developed a vision for a [Fair Digital Financial Marketplace](#) where digital finance products let consumers spend, save, borrow, and invest safely; respect their privacy and data; provide the benefits they expect; and protect them from discriminatory and predatory practices; all while helping them achieve their financial goals. Consumer Reports promotes that vision by providing timely, independent, and reliable reviews of technology-driven digital finance products and services.

Consumer Reports has developed the Fair Digital Finance Framework to evaluate digital finance products in order to raise standards, strengthen consumer protections, and empower consumers. With those standards and practices in mind, this playbook has been developed by researchers and experts to be used and implemented by product teams, financial technology entrepreneurs, and other technologists as they build the next generation of digital wallets for consumers. The format and recommendations below are prepared in a way that they can be more easily integrated with a Product Requirement Document (PRD) or similar type of product mapping document.



Reasons to implement this playbook

1. Transparency and clarity creates trust with consumers



The ability to [plan and spend according to a budget is a crucial part of financial well-being](#). Products that support this behavior for users are likely to stand out among digital wallets and help to close the gap in consumer trust between fintech companies and large banks. Americans have much [more trust in banks](#) (65%) than they do in fintech companies (37%) according to a 2023 report by Morning Consult. This presents an opportunity for fintech companies like digital wallet providers to reinforce their products and programs with our recommendations.

When users don't have a good understanding of the terms and pricing of the service at onboarding, this can result in negative outcomes for the user and increased risks for the service providers, and can raise concerns with regulators who are looking out for deceptive practices.

Creating policies that are easy to understand benefits the user and helps more easily address questions or concerns from other interested parties when it comes to privacy practices.

If users know what the actual and potential costs are when they sign up for a service, they can make more informed decisions about their adoption of the product.

2. Data and insights can help inform important financial decision making



With digital wallets [increasingly becoming a preferred method of payment](#) over traditional methods according to a Forbes 2023 survey, the benefits like convenience and the ability to track individual purchases are cited as some of the main reasons for adoption among users. The rate of adoption and the spending data presents a unique opportunity to improve how users are able to plan their spending and make financial decisions.

Integrating features that strengthen financial wellbeing, like spend tracking tools, can also help address one of the largest user pain points when it comes to digital wallets. In the Forbes survey, most digital wallet users (67%) [report that they always or sometimes lose track of how much they've spent using digital wallets](#). With the ability to budget and track spending being a [key component of financial wellbeing](#), this gap is an important one for digital wallets to address in order to empower users and consider other products and services on their path to achieving financial goals.

Reasons to implement this playbook

3. Inclusive and user-centered products and services will attract more users and result in fewer complaints



When users have a problem with a product or service, that is when they are most likely to reach out to a digital wallet provider with questions or concerns. How companies handle this in terms of creating a reasonable expectation for a time period to resolve the issue and then subsequently working to resolve the issue, is crucial in satisfying customers.

Creating programs that address user concerns and working to improve the service not only result in higher app ratings but also can help reduce the number of complaints that users might submit about the digital wallet.





Fund Protections

Transparency around the FDIC coverage and simplicity in applying this coverage is key to developing user trust in the digital wallet and also avoiding problems for users if there are problems with the partner bank or financial institution.

Many [consumers expect that their funds will be protected](#) when using fintech apps and wallets, and [some fintech providers have seen as much as 60% growth](#) in their user base when emphasizing their FDIC coverage in the wake of bank failures or business challenges for competitors.

All user funds that are held in a digital wallet should be:

Held in an account in the customer's name at an FDIC-insured institution,

Free of additional requirements, beyond the initial onboarding steps, to be eligible for FDIC coverage, and

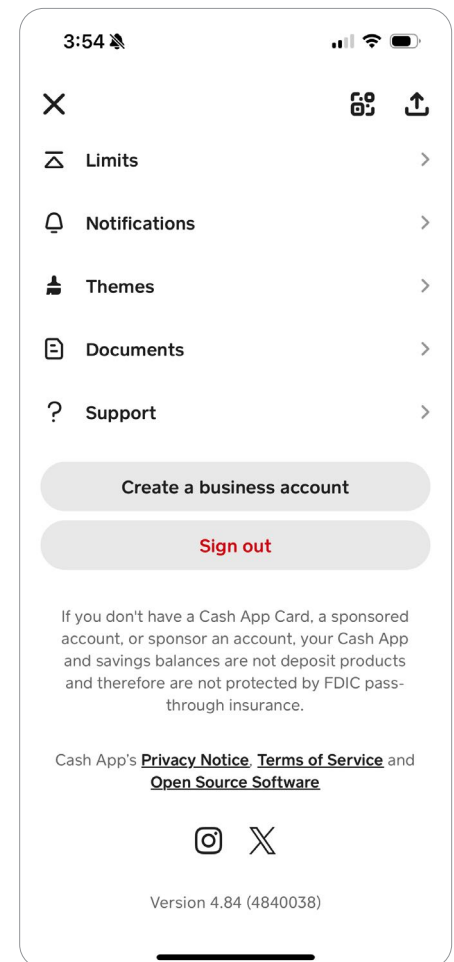
Clearly distinguished between other types of accounts, such as a brokerage account, that are not eligible for FDIC coverage.

Fraud and Scams

With the increasing rate of data breaches and hacks, the instances of fraudulent transactions and scams have increased rapidly in recent years. This means that [digital wallet providers need to provide more clarity and certainty](#) to their users. A robust digital wallet should include:

Greater transparency in policies and protection in place for users.

- This includes definitions and distinctions between fraud and scams. These should include steps that will be taken to make these determinations.
- Timelines and liability limits for reporting fraudulent transactions: These timelines should lay out both the expectations of the user as well as the amounts and/or number of transactions that are covered by the relevant policy.
- Investigation processes and timelines: These steps should lay out the expectations for the user to better understand how and when the digital wallet company will take steps to regain their funds, as well as secure their digital wallet.



This example from CashApp makes clear that funds are not FDIC protected unless the user has a Cash App card or sponsored account.

Fraud and Scams, cont.

In-app flows for the user to report issues or problems with a transaction.

Increased friction in the transaction completion process

- This friction can create a deterrence for some fraudulent activity, but also reduces the completion rate of fraudulent transactions.

Fully reimburse fraudulently induced transactions

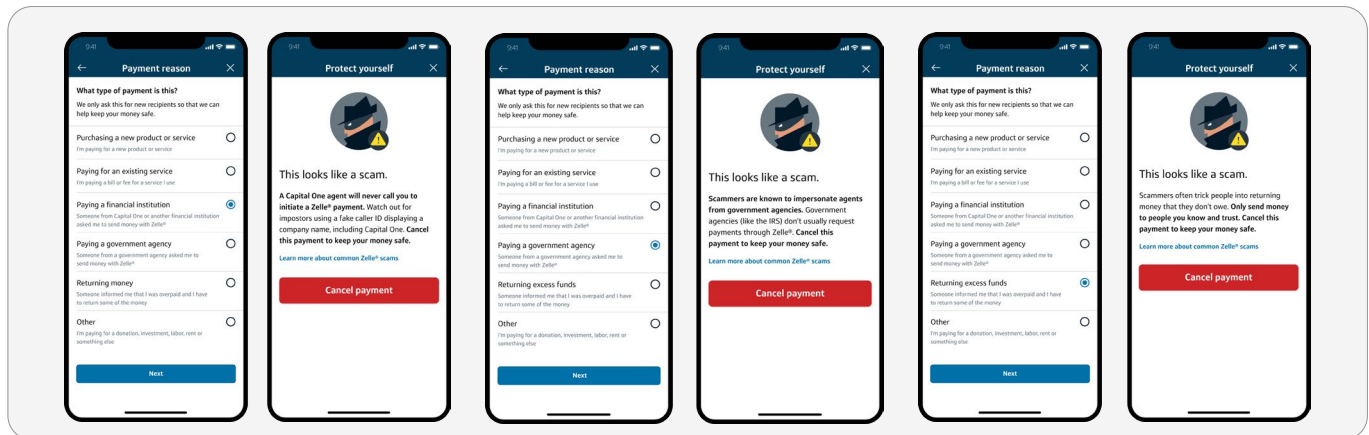
- Users should have confidence in the tools and services that they use for digital wallets to trust them with the hard-earned funds. This trust should be rewarded with more robust safeguards and also the certainty of knowing that funds will be reimbursed in the event of fraudulent activity.

One fintech provider
has seen up to

→ **60%**
growth

in their user base

in the wake of bank failures
by offering a product that
prioritized FDIC insurance.



Robust safeguards could include added friction to help users spot red flags associated with the transaction that could indicate a scam or other illicit activity. This example from Capital One demonstrates one way to accomplish this while alerting the user to a potential scam.

There is strong support from consumers for increased protections from companies. In [a nationally representative CR survey of 2,209 U.S. adults in January 2025](#), 52% of consumers said “fraud protection services, such as liability protection for scams,” would make them more likely to use a given digital wallet, and when we asked people who use a digital wallet at least once a month what is most important to them in digital wallets, the most common response was “fraud prevention and liability protection.” Despite consumer desire for more protection from frauds and scams, current efforts by companies to communicate what protections are and are not available are missing the mark, with 57% of users stating they are unsure whether their digital wallet would reimburse them in the event they are induced into making a payment to someone pretending to be from a government agency, bank, or utility company.

Users should have confidence in the tools and services that they use for digital wallets **to trust them with their hard-earned funds.**



When consumers sign up for the service, it should follow these principles when it comes to how it addresses a user’s privacy.

Meaningful privacy information

One of the things that makes digital wallets so impactful is the use of data to inform consumer decisions. *Before* users agree to share or give permission for this data, it should be clear to them what that entails. Disclosures and onboarding flows should provide consumers with simple yet meaningful and complete information about how their information will be used throughout the lifecycle of their use of the digital wallet.

Users should be clearly presented on a dedicated screen with how their information will be collected, used, and shared.

This information should be displayed in a concise format that is consistent with the privacy policy and should be written in plain language that is ideally understood by someone with a middle school education (grade 8 reading level).

Privacy policies should also reflect this plain language and undergo periodic reviews for simplicity and applicability to new partnerships and features.

We have collected the following categories of personal information from California Residents:	We have collected such personal information from the following categories of sources:
A. Identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, social security number, driver’s license number, passport number, or other similar identifiers.	<ul style="list-style-type: none">• from you when you use our Services• partners and merchants• service providers• financial institutions• social networks, with your consent• advertising networks

This example from Venmo’s privacy policy demonstrates one way to visualize and understand meaningful privacy information in California. A table like this would be useful for residents of all states.

One of the things that makes digital wallets so impactful **is the use of data to inform user decision-making.**



This example from Venmo demonstrates how important information like fees and privacy practices can be clearly disclosed at the time of onboarding a new

The legal stuff

[A. User Agreement](#)

[B. Privacy Statement](#)

Fees with your Venmo Account

We try to minimize fees wherever we can. When there is a fee, we'll let you know. Here's a list of all fees that apply to your account.

Opening and holding an account +

Spending or sending money +

Adding money to your account and receiving payments +

Transferring money from your account +

Quality and clarity of disclosures for pricing and terms

Provide clear advance disclosure of any fees and charges during the sign-up and onboarding process, and then again when specific fees are assessed as part of a specific transaction.

Provide clear disclosures describing the core features of the product and how to use the product and key features of the service.

Provide clear disclosures regarding the associated risks of using the product or service, and the terms and conditions for using it, including the mutual responsibilities of the company and the consumer for operating the product, and seeking help addressing problems if something goes wrong.

Ensure that disclosures and operating instructions are effectively communicated to users in a high-quality manner so that key information is visible, accessible, and understandable.

Keep key information...

**Visible,
Accessible,
& Understandable**



Financial Well-being

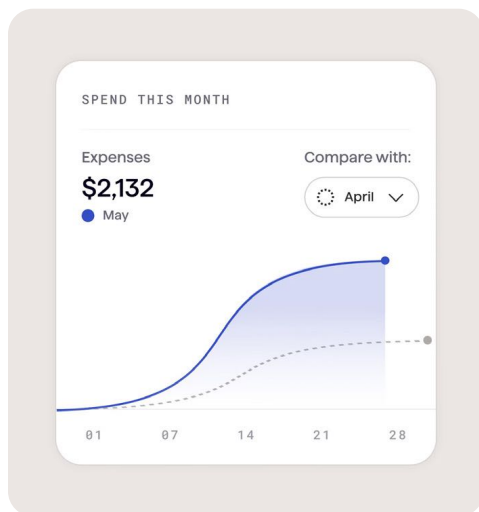


Design and features: Managing and Tracking Spending

Digital wallets are generally created to enable and visualize spending and other transactions for users. This creates the opportunity to integrate features that build financial wellbeing, like spending indicators. Basic spending indicators should help users accomplish the following in the most seamless ways:

→ **67%**

*of consumers report that they **always or sometimes** lose track of how much they've spent using digital wallets.*

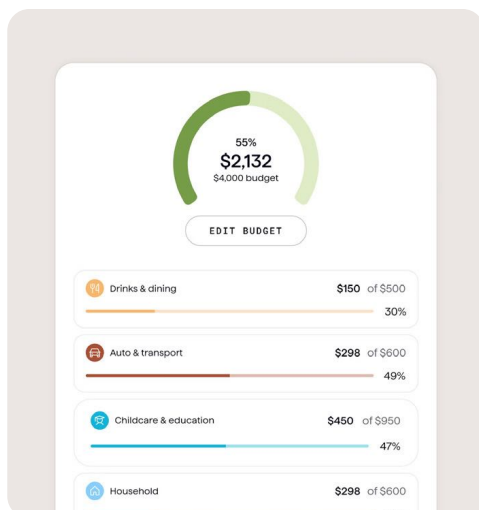


Plan Spending

Spending indicators should allow users to set desired spending targets for categories and utilize transaction metadata such as MCC codes (in accordance with the relevant privacy policy) to see whether they are on target or over their set budget.

Transactions should be customizable, categorized based on spending type or spending allocations, and allow notifications for users when exceeding the designated spending plan for categories.

Based on recurring transactions (including projected income), users should be able to see what their projected balance will be and be notified if they are likely to overdraft or be unable to complete a transaction.



This example from Origin Financial demonstrates ways that users can visualize whether spending is on-track for the monthly budget and how it compares with the previous

Review Spending

Spending indicators should track spending and posted transaction history and organize them on a monthly basis. This aligns with consumer expectations and other financial products that produce statements on a monthly basis.

Notifications for transactions and spending reports should be customizable for user preferences to allow for the selection of email, SMS, or push notifications.

Users should be able to visualize their spending in a simple way that can help provide context for whether their spending is on track for the month or designated period of time.

Additional Findings: Privacy



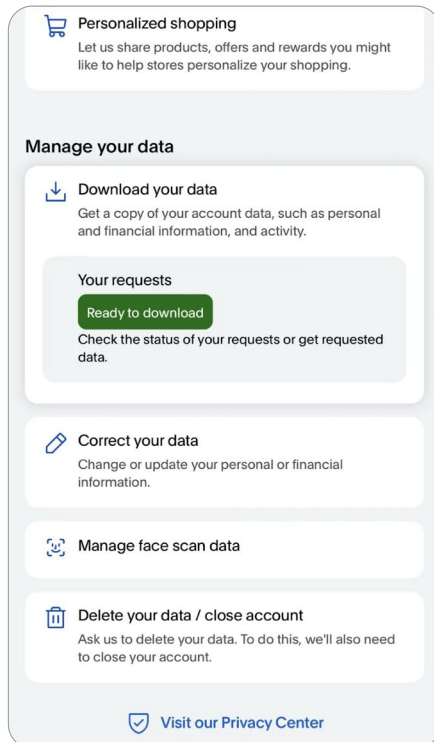
User Data Rights

Giving consumers a choice in when and how their data is used.

User's choices for their privacy settings should be clear and actionable at the time of sign-up.

Taking actions to limit or expand information should be immediate and not hidden behind support ticket systems or require written submissions.

Whenever privacy policies are updated, users should be provided with an integrated privacy checkup in addition to periodic reminders to review privacy settings based on their preferences.



This example from PayPal demonstrates how to empower users to exercise their data rights from one easily accessible location in the app.



Additional Findings: User Centricity



Digital wallets should adopt user-centric practices and features that promote positive experiences and outcomes for customers. These include ensuring that users can make an informed choice to see whether a digital wallet is a good fit for their needs and circumstances. Customers should be able to cancel or transfer an app in an easy manner, and achieve high levels of satisfaction while using the product. Digital wallets should analyze customer satisfaction metrics and work to improve the user experience. Effective grievance and redress methods should be provided to handle and address complaints, and channels for dispute resolution should be widely publicized so that customers can find and use them. A recent analysis of key drivers of customer experience by PwC found that "in the U.S., 59% [of people] will walk away after several bad experiences, 17% after just one bad experience." This same analysis found "71% of Americans [preferring to] interact with a human [rather] than a chatbot or some other automated process," which underscores that a key differentiator of digital wallet experiences will be those that invest in effective customer support.

User Experience

Make all aspects of the app's operating instructions and user agreement/terms and conditions easy to find and understand.

Avoid compelling consumers to accept mandatory arbitration by default, or at the very least, do not prevent them from opting out if they choose to.

Make opt-out the default for marketing offers during the initial onboarding process. For consumers who opt-in, provide clear and prominent pathways should they choose to opt-out in the future.

Customer Service

Provide the option to escalate a customer service call to a live agent by chat or voice call.

Provide explicit time frames for resolving customer complaints.

Clearly state in the terms and conditions the practice of analyzing customer service complaints with a view toward improving the quality of the app.

Personalization settings

Choose how to personalize your Google Pay experience

Personalization within Google Pay

Off

When you use Google Pay, things you do and keep (like transactions and your forms of payment) are saved in your Google Account. If you turn on Personalization within Google Pay, this data and additional info (like the location where you made a purchase) will also be saved and used to personalize your Google Pay experience.

Google Pay still works with this setting off. Things you do and keep will still be saved to provide the service, but they won't be used for personalization. For example, you'll be able to make contactless payments, but the offers you see might be less relevant.

Turning this setting on or off will not change how your purchases are saved and used in other Google services (like apps you buy in Play or movies you rent in YouTube).

Manage payments transactions & activity

Google Pay's personalization settings demonstrate a simple way to turn on and off personalization of offers and features. The only improvement upon this example would be to present this setting at the time of onboarding users.

Refunds

When a merchant refunds a transaction it can take up to 10 business days (14 calendar days) for Cash App to receive the refund. As soon as Cash App receives the refund, the funds will automatically appear in your Cash App balance.

If you have any questions before the 10 days have passed, please reach out directly to the merchant.

If the refund does not appear within 10 days, please reach out to us and we will help you dispute the transaction.

Contact us

Chat

Providing clear timelines for when users can expect a response or actions to resolve their issue is key to setting expectations and clarity when it comes to managing their money. An example from Cash App demonstrates clear information on when users can expect refunds to be available in their account.

Additional Findings: Inclusivity



Addressing systemic challenges

Systemic inequities have created disadvantages for some communities over many years of practices and policies. One of the many proposed value propositions of fintech companies and digital wallets is to help address underserved users as they encounter systemic challenges in financial services. Some of the measurable ways that digital wallets can begin to address these challenges include:

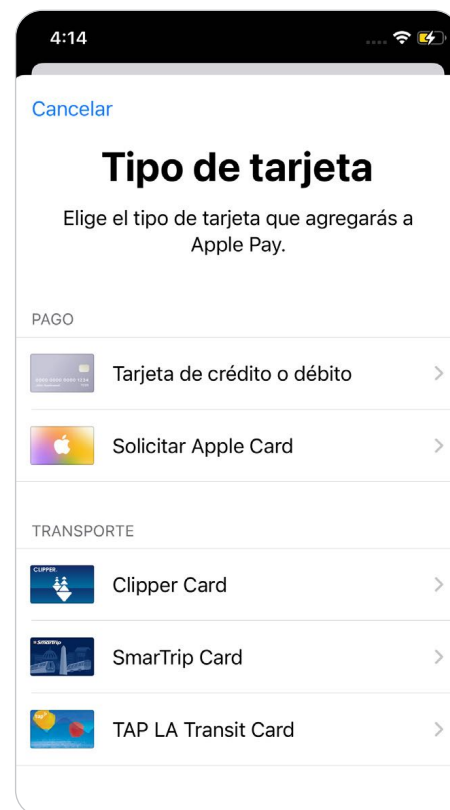
Providing robust language accessibility for Spanish-speaking customers. Spanish-speaking users remain an underserved demographic with more than [13% of Americans speak Spanish at home](#). A 2022 survey from Plaid of US and UK adults, found that [92% of Hispanic adults utilize fintech](#).

- This should include the entirety of the user experience, from onboarding with terms and disclosures as well as features and support.

Expanding app features for people with disabilities, including people who have hearing and visual disabilities. While this segment of consumers has been underserved by banking apps and digital wallets, they remain an addressable market that has yet to develop loyalty or strong adoption of a specific brand or company. Some accessibility features include:

- Alt text, contrasting colors, consistent layouts, large tap targets, simple gestures
- Ongoing testing to support accessibility.

Promoting wider access to financial services by allowing the use of nontraditional identification when creating accounts. This could include allowing the use of an Individual Taxpayer Identification Number (ITIN) instead of allowing only a Social Security number.



This example from Apple Pay demonstrates some of the robust Spanish language user experience in the digital wallet.

13%

of Americans speak Spanish at home.

92%

of Hispanic adults in the US and UK use fintech apps.

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