Raising the Bar on Digital Wallets

How Six Leading Platforms Stack Up on Safety, Privacy, and Financial Well-Being

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APRIL 24, 2025

CR Consumer Reports®

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Executive Summary

Digital wallets have emerged as a critical gateway to financial services, with 29% of Americans now using a digital wallet at least weekly.[1] While this digital transformation offers convenience and increased access, it also presents unique challenges and opportunities for financial inclusion.

This study builds on CR's recent evaluations of peer-to-peer (P2P) payment apps; buy now, pay later (BNPL) services; and banking apps by applying CR's Fair Digital Finance Framework to evaluate digital wallets. We evaluated the digital wallets across six principles of the Framework: Safety, Privacy, Transparency, User-Centricity, Support for Financial Well-Being, and Inclusivity. This evaluation explores the apps, websites, and features related to digital wallets of six companies: Apple, Cash App, Google, PayPal, Samsung, and Venmo. Though each company offers its own blend of specific services and features, they all deliver a similar core service: the ability to make contactless payments, and peer-to-peer (P2P) transfers (except Google).[2]

We identified 14 key findings based on those evaluations.

Findings

1. ***Digital wallets use comprehensive technical security measures to protect users.*** All of the digital wallets use comprehensive technical security measures to protect users and transactions. However, not all apps require users to authenticate when viewing sensitive information, making a payment, or sending a P2P transfer.
2. ***The responsibility for fraud monitoring and liability protection varies depending on the service and the transaction.*** The approach to fraud monitoring and liability protection differs across wallet providers in a way that may not be clear to consumers. Pass-through wallets do not commit to comprehensive fraud monitoring; staged wallets do.
3. ***Applicability of FDIC insurance varies.*** For all of the digital wallets that enable users to store funds, users must take additional steps for their funds to be eligible for FDIC insurance. Often, they must either register their account by verifying their identity or use one of the company's other services.

[1] Consumer Reports nationally representative American Experiences Survey of 2,035 U.S. adults (February 2024), https://article.images.consumerreports.org/image/upload/v1710449643/prod/content/dam/surveys/Consumer_Reports_AES_February_2024.pdf.
[2] Google deprecated its U.S. peer-to-peer service in June 2024, in the midst of this test. See https://blog.google/products/google-pay/payment-apps-update/#:~:text=Changes%20to%20peer%2Dto%2Dpeer.of%20the%20Google%20Pay%20app.

4. ***Most companies do not practice data minimization.*** Because of the nature of the services provided, digital wallets have reason to collect, use, and share sensitive information, such as identification data like Social Security numbers and financial information like transaction data. But Consumer Reports believes that companies that offer digital finance services, including digital wallets, should adhere strictly to data minimization principles, and that secondary uses of data should be limited to fixing errors and performing internal research for the purpose of improving customer experiences. Most of the companies evaluated do not meet this standard.
5. ***Apps could make it easier for users to control their privacy and exercise their data rights.*** There is room for improvement across all apps to leverage technology to make it easier for users to control data selling, data sharing, and targeted advertising, and to exercise their data rights.
6. ***Companies transparently explain app features, but could more transparently describe the risks of using the services.*** The companies are very transparent about the various features offered by their apps, both in legal documentation and in the app store. However, the companies should improve their communication of the risks of using the services.
7. ***Although fees are clear in the transaction flow, they should be shared more prominently during onboarding.*** Most companies that offer a P2P service share fees during onboarding only through links to legal documentation, but all companies make fees clear during transaction processes.
8. ***All of the companies provide accessible ways for users to reach customer service.*** The apps all provide multiple ways for users to contact customer support, including at least one real-time human support method. However, the companies should increase transparency around customer service request resolution timelines.
9. ***Most companies advertise additional services within their apps.*** None of the apps require users to sign up for additional services when onboarding to the digital wallet or P2P service. But most of the apps do advertise those additional, fee-bearing services within the app experience, which amounts to upselling to a captive audience.
10. ***All of the companies make users agree to unfair terms in order to use the services.*** Five of the six companies require that users agree to arbitration clauses and class-action waivers. The five do offer opt-out clauses, but most are onerous and require users to mail a physical letter within 30 days. All of the companies reserve the right to change their terms and conditions at any time, with varying commitments regarding user notification for changes. Some promise notice only when legally obligated or when the company deems it reasonable, while others commit to notify users of material changes.
11. ***Apps do the basics to support users in managing and tracking their spending.*** While all of the digital wallets offer basic transaction tracking features, they miss critical opportunities to support their users' financial health. To improve financial well-being, wallets should incorporate features such as automated savings tools (e.g., round-up

savings and scheduled transfers to emergency funds), personalized spending insights that offer actionable advice based on user behavior (e.g., "Based on your spending, consider setting a dining-out budget"), and integrated debt management resources to help users track and pay down debt.

12. ***All of the companies have additional opportunities to design their apps and products to support users' financial well-being.*** CR reviewed digital wallets for components of financial well-being by design—such as default settings that could save users money and advance notification of recurring transactions—and found some features to be universal and some features to be absent.
13. ***Apps do not accept, or do not promote that they accept, alternative documentation for identity verification.*** Within in-app flows to verify identity, few apps accept identification methods other than Social Security numbers, which creates a barrier to access for people without Social Security numbers.
14. ***Not all of the apps and documentation are available in Spanish.*** Four of the six apps are available in Spanish. Only one also provides its legal documentation in Spanish.

We scored each digital wallet on the data collected and, below, provide ratings for each Framework principle and subprinciple, as well as an Overall Score for each company. We present the ratings and scores in two tables in order to more directly compare similar services. The top table includes the ratings and scores for the companies' wallet and pay functions; the second table includes the ratings and scores for the companies' stored balance and P2P functions. Each company has areas where it excels and areas for improvement.

Wallet and Pay Functions						
WORSE — BETTER	Apple Wallet	Cash App	Google Wallet	PayPal	Samsung Wallet	Venmo
OVERALL SCORE	⌃	⌃	⌃	⌃	I	I
Safety	⌃	⌃	⌃	⌃	⌃	⌃
Privacy	⌃	I	⌃	I	I	I
Transparency	⌃	⌃	⌃	⌃	I	⌃

User-Centricity						
Financial Well-Being						
Inclusivity						
Stored Balance and P2P Functions						
	**Apple Cash**	**Cash App**	**Google Pay**	**PayPal**	**Samsung Pay Cash**	**Venmo**
OVERALL SCORE						
Safety						
Privacy						
Transparency						
User-Centricity						
Financial Well-Being						
Inclusivity						

Ratings Criteria
Ratings are based on analyses of mobile versions of digital wallets performed between May 2024 and March 2025.
Safety evaluates fund protection and security practices.
Privacy evaluates data minimization, user data rights, and meaningful privacy information.
Transparency evaluates the quality of disclosure of pricing, terms and conditions, and risks.
User-Centricity evaluates user experience and customer service.
Financial Well-Being evaluates design, tools, and features that support financial well-being.

Inclusivity evaluates how barriers to access and use are minimized.

Introduction

Consumer Reports champions for a Fair Digital Financial Marketplace where consumers can access digital financial products that 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.

Our work provides timely, independent, and reliable reviews of financial products and services that are delivered and driven by technology. This effort addresses critical gaps in today's rapidly evolving financial landscape: the balance of innovation with potential risks, the lag between technological advancement and regulatory frameworks, and the need for meaningful metrics to assess whether digital financial products truly deliver what they promise.

We pursue two essential goals through this initiative. First, we aim to equip consumers with reliable information about whether financial products and services are safe, private, and transparent, and whether they deliver on promises of improving consumer outcomes. Second, we identify industry best practices and other insights that can shape the future of consumer-friendly financial innovation.

To achieve these aims, we developed a framework for evaluating financial products and services—the Fair Digital Finance Framework. We applied the Framework in case studies, aiming both to learn about digital finance products and to expand and strengthen our evaluation framework. Our three case study evaluations to date have looked at peer-to-peer (P2P) payment apps; buy now, pay later (BNPL) services; and banking apps. This report turns to evaluating digital wallets.

Digital wallets enable users to conduct transactions without a physical card by storing card and bank account information. Many also offer additional features, such as storing tickets or IDs, rewards or cash-back features, and additional financial services such as credit or debit cards and cryptocurrency trading. Digital wallets provide many benefits to consumers, including convenience, speed, cost, safety, and record-keeping. They also pose challenges and risks related to legal and customer service confusion, inconsistent or unclear FDIC deposit insurance coverage for stored balances, and privacy.

This evaluation explores the mobile digital wallets, pay functions, and P2P services of three multisector tech companies (Apple, Google,[3] and Samsung) and three fintechs (Cash App, PayPal, and Venmo). Below, we share the findings of our score-based evaluation.

Methodology

Our evaluation involved applying CR's Fair Digital Finance Framework to digital wallets. The Framework tests digital finance products across the principles of Safety, Privacy, Transparency, User-Centricity, Financial Well-Being, and Inclusivity. Each principle contains multiple criteria, which are defined by indicators—actions or behavior demonstrating the criteria. Each indicator is assigned one or more testing procedures.

The evaluation was performed from May 2024 through March 2025. It consisted of consumer research, documentation review, user interface review, technical product tests, and direct engagement with the evaluated companies. Consumer research included four nationally representative, probability-based consumer surveys conducted by CR's survey team. (A complete description of the survey methodology can be found in the published surveys.[4]) Documentation review evaluated publicly available documents found on the apps, including terms and conditions, privacy policies, and consumer-facing FAQs and help centers. In this report, we will refer to these materials collectively as "documentation." Company engagement included conversations and data sharing with evaluated companies to validate and contextualize our observations.

We evaluated digital wallets from six companies: Apple, Cash App, Google, PayPal, Samsung, and Venmo. In the findings below, we use the term "multisector tech companies" to refer to

[3] Google sunsetted its P2P service in the midst of this evaluation, in June 2024.
[4] Consumer Reports nationally representative American Experiences Survey of 2,035 U.S. adults (February 2024), https://article.images.consumerreports.org/image/upload/v1710449643/prod/content/dam/surveys/Consumer_Reports_AES_February_2024.pdf;
Consumer Reports nationally representative American Experiences Survey of 2,000 U.S. adults (March 2024), https://article.images.consumerreports.org/image/upload/v1713212781/prod/content/dam/surveys/Consumer_Reports_AES_March_2024.pdf;
Consumer Reports nationally representative American Experiences Survey of 2,032 U.S. adults (June 2024), https://article.images.consumerreports.org/image/upload/v1721071793/prod/content/dam/surveys/Consumer_Reports_AES_June_2024.pdf; and
Consumer Reports nationally representative American Experiences Survey of 2,209 U.S. adults (January 2025), https://article.images.consumerreports.org/image/upload/v1738949712/prod/content/dam/surveys/Consumer_Reports_AES_January_2025.pdf.

Apple, Google, and Samsung. We use the term "fintechs" to refer to Cash App, PayPal, and Venmo. Although regulatory frameworks may differ across the subcategories, we are evaluating them together under the category of "digital wallets" because these offerings provide similar services from a consumer perspective.

Though each company offers its own blend of specific services and features, they all deliver a similar core service: the ability to make contactless payments, and peer-to-peer (P2P) transfers (except Google).[5] We did not evaluate other services offered by the companies, such as credit cards, buying/selling cryptocurrency, cash back/rewards, or the nonfinancial components of the apps such as storing tickets or government ID.

A note on terminology: Whenever possible, CR refers to the name of the wallet when referring to the wallet and payment functions (e.g., Apple Wallet or Google Wallet), the branded P2P product when discussing P2P or stored balance functions (e.g., Samsung Pay Cash), and the company name overall when referring to company-wide policies.

CR shared the data with the six evaluated companies and asked each to work with CR to improve their policies and practices, and the consumer experience. The companies made or are in the process of making the following positive adjustments. (Some of these adjustments are the direct result of our engagements, while others were already underway.)

- Samsung updated the Samsung Wallet app to make it more clear to users where they can exercise their data rights. Samsung also updated its Wallet Security web page to transparently share that data is encrypted and the industry security standards to which Samsung adheres. Additionally, Samsung will update its Samsung Wallet Terms of Service to commit to notifying users of future changes to the terms via email or in-app notices.
- Apple Cash has rolled out updated interstitial scam warnings that are more prominent onscreen before the user chooses whether or not to proceed with the transaction.
- As of April, Cash App customers now have additional notification settings options, including for security-specific notification settings (two-factor identification log-in, fraud alerts), account changes, and transaction activity. Customers are now able to separately control the settings for these categories and decide whether they prefer to receive push, text, or email notifications. In addition, Cash App updated its app store privacy information disclosures to more accurately inform consumers of the app permissions.

[5] Google deprecated its U.S. peer-to-peer service in June 2024, in the midst of this test. See https://blog.google/products/google-pay/payment-apps-update/#:~:text=Changes%20to%20peer%2Dto%2Dpeer.of%20the%20Google%20Pay%20app.

Industry Overview

Digital wallets enable users to make transactions without a physical card by storing card and bank account information. Many also offer additional features, such as storing tickets or IDs, rewards or cash-back features, and additional financial services such as credit or debit cards and cryptocurrency trading.

There are many differences in digital wallet types, including that they can be open or closed, staged or pass-through. Open digital wallets allow users to make payments across a variety of merchants using a variety of funding sources. Closed digital wallets allow users to make payments at only one specific company. Pass-through wallets like Apple, Google, and Samsung store no actual funds but instead merely facilitate transactions by passing digital payment credentials created on behalf of the user. There's some divergence in the literature on the use of the terminology "open" and "closed" to mean either where the wallet is accepted (many merchants or just one) or to mean how the wallet is funded (through a variety of payment methods or a single payment source from a single brand). Staged wallets like Cash App, PayPal, and Venmo first move funds into the wallet from a funding source; a second step moves funds to the merchant.

Digital wallet use appears to be growing rapidly in the U.S. According to J.D. Power data, 52% of U.S. consumers reported using a digital wallet in the previous three months in Q4 of 2024, up from 48% in 2023.[6] A nationally representative February 2024 CR survey found that 76% of Americans use one or more digital wallets, with 29% using a digital wallet at least weekly and an additional 24% using it once or a few times a month.[7] Digital wallets provide many benefits to consumers, including convenience, speed, cost, safety, and record-keeping. They also pose challenges and risks related to, among other things, legal and customer service confusion, inconsistent or unclear FDIC insurance coverage for stored balances, and privacy.

These benefits and risks are evident through CR's surveys: When asked how they use their digital wallets, consumers reported the top three ways were to make a purchase through online merchants (61%), to send payments to friends and family (50%), and to make a purchase in person at physical stores (38%).[8] Digital wallet users like the convenience for purchases (51%),

[6] J.D. Power Banking and Payments Intelligence Report, "Is Paze Ready to Fight Apple and PayPal in the Battle for Hearts and Minds of Consumers and Merchants?" May 30, 2023, at https://www.jdpower.com/business/resources/paze-ready-fight-apple-and-paypal-battle-hearts-and-minds-consumers-and.
[7] Consumer Reports nationally representative American Experiences Survey of 2,035 U.S. adults (February 2024), https://article.images.consumerreports.org/image/upload/v1710449643/prod/content/dam/surveys/Consumer_Reports_AES_February_2024.pdf.
[8] Ibid.

the faster checkout process (41%), and the ability to send payments to friends and family or split bills (34%).[9] Users' top concerns were security (42%), privacy (36%), and widespread acceptance of the wallet (30%).[10] The top three reasons people cite for not using a digital wallet when shopping in the past year were that they are happy with their current payment types (50%), are not sure how to use it (27%), and are concerned about the security of their payment information (25%).[11] Seven percent had used a digital wallet, but only for something other than shopping.

While there exist many overlapping definitions of digital wallets, we have grouped six mobile applications into this category by their features of contactless payments in-store, payments online, and peer-to-peer transfers.[12] See the table below for a summary of the primary functions and features offered through each wallet.

O = FEATURE PRESENT		Apple	Cash App	Google	PayPal	Samsung	Venmo
FEATURES EVALUATED	**Mobile app**	Apple Wallet	Cash App	Google Wallet	PayPal	Samsung Wallet	Venmo
	POS payments	NFC	QR	NFC	QR	NFC	QR
	Online payments	O Apple Pay	O	O Google Pay	O	O Samsung Pay	O
	P2P	O Apple Cash	O	*	O	O Samsung Pay Cash	O
	Stored balance	O Apple Cash	O	**	O	O Samsung Pay Cash	O
FEATURES NOT	**Other**	O	O		O	O	O

[9] Ibid.
[10] Ibid.
[11] Consumer Reports nationally representative American Experiences Survey of 2,000 U.S. adults (March 2024), https://article.images.consumerreports.org/image/upload/v1713212781/prod/content/dam/surveys/Consumer_Reports_AES_March_2024.pdf.
[12] Google deprecated its P2P feature in the midst of this research, in June 2024. We elected to still include Google Wallet in the evaluation.

EVALUATED	**financial services**						
	Stores tickets, IDs, keys, etc.	○		○		○	

*Google discontinued its P2P service in June 2024.
**Google no longer offers new stored balance accounts. Although some users may still maintain a balance in existing stored balance accounts, that is not evaluated in this research.

Findings

Safety

Finding 1: Digital wallets use comprehensive technical security measures to protect users.

All of the digital wallets use comprehensive technical security measures to protect users and transactions, such as:

- Steps during card provisioning to ensure cards are added to the legitimate cardholder's digital wallet
- Tokenization of card details
- Encryption of data in transit and at rest

CR did find some variation in authentication requirements at the app level[13]:

- When accessing sensitive information on the digital wallet, such as card details or transaction information, PayPal and Samsung Wallet require users to authenticate (i.e., enter a PIN, biometric, or password). Apple Wallet, Cash App,[14] Google Wallet, and Venmo do not require authentication at the app level.
- When completing a contactless transaction in a physical store, Apple Wallet and Samsung Wallet require users to authenticate to complete the transaction.
- Apple Cash requires users to authenticate when sending a P2P transfer. The other companies' apps[15] do not require authentication for P2P transfers.

Finding 2: The responsibility for fraud monitoring and liability protection varies depending on the service and the transaction.

The approach to fraud monitoring and liability protection differs across wallet providers and across different transaction types (for example, third-party payments funded by a stored payment card vs. payments made from a stored balance) in a way that may not be entirely clear to consumers.

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[13] Consumer Reports' stance is that authentication should occur at the app level, and we did not evaluate authentication at the device level. Google Wallet relies on authentication at the device level—users must be signed into their Google Account on their device and set up device unlock to see financial data in Wallet.
[14] Cash App does offer users a Security Lock option, which requires users to input biometrics or their Cash App PIN to authenticate any money movements and/or to open Cash App after 5 minutes of inactivity. However, this is not required.
[15] This does not apply to Google, which no longer offers a P2P service.

For digital wallets provided by fintech companies (Cash App, PayPal, Venmo):

Cash App, PayPal, and Venmo commit to proactively monitor account and transaction activity for fraud and suspicious activity.

Cash App, PayPal, and Venmo have an obligation under Regulation E[16] to investigate and reimburse unauthorized transactions and errors. CR found their disclosure of this information to be in line with Regulation E and relatively clear and transparent with respect to unauthorized transactions and errors. PayPal and Venmo provide slightly more generous liability coverage for unauthorized transactions—if users report unauthorized transactions caused by the user's device or card being lost or stolen or errors within 60 days, they are fully covered. Cash App's liability protection meets Regulation E minimums—if users report unauthorized transactions caused by the user's device or card being lost or stolen within two days, liability is capped at $50. If users report unauthorized transactions after two days but within 60 days, liability is capped at $500. Cash App users have up to 60 days to report unauthorized transactions that appear on their statements.

For digital wallets provided by multisector tech companies (Apple, Google, and Samsung):

Apple Wallet, Google Wallet, and Samsung Wallet do not commit to fraud monitoring for third-party payments funded by a stored payment card; that regulatory obligation falls to the card issuer. The companies do engage in or contribute to risk and fraud detection in several ways, including:

- They send users notifications when their account is logged in to a new or unusual device.
- They provide additional information to the card issuer with each transaction beyond the payment method information, such as device information, that the card issuer can leverage in its risk models.
- Apple Wallet develops on-device fraud prevention assessments to share with the payment network for some stored payment cards that have enhanced security features.

Because Apple Wallet, Google Wallet, and Samsung Wallet transmit stored account credentials to facilitate a transaction, they are not held directly responsible under Regulation E for liability coverage for unauthorized transactions and errors. That regulatory obligation falls on the company that issues the payment card. In our review of Apple, Google, and Samsung's relevant documentation, we found the clarity around roles and responsibilities of the parties involved to be mixed:

[16] Consumer Financial Protection Bureau, "Electronic Fund Transfers (Regulation E)," 12 CFR Part 1005.

Apple Wallet	Apple Pay & Wallet Terms and Conditions states: "Apple is not a financial institution. Apple Pay Cards are not issued or serviced by Apple, and Apple does not process payments or other non-payment transactions made on your Supported Cards. Apple has no control over, and is not responsible for, any payments, chargebacks, returns, refunds, funds transfers, rewards, value, discounts, access, identity verification, orders, order fulfilment, or other activity that may arise out of your use of Apple Pay or Wallet." However, Apple Cash's terms state both that P2P transfers funded with supported payment cards that do not involve the users' Apple Cash Balance or Apple Cash card are not covered by the protections outlined in the terms and that users should contact Apple Cash Customer Service and it will investigate errors and unauthorized use related to a P2P transfer funded by a supported payment card.[17] This further complicates which party users should contact if they experience issues with fraud because it is not clear what responsibility Apple is taking for unauthorized transactions when it explicitly says that transfer is not covered by these terms.
Google	Google Pay/Payments Additional Terms of Service (U.S.) has a section on Google's role and, separately, says that: "In a Third-Party Transaction, after passing the Payment Method and other details to the Third Party or its payment processor, Google will have no further involvement in the transaction (except that the Third Party or its payment processor may pass order information back to Google for display in Google Pay), and you acknowledge and agree that such transaction is solely between you and the Third Party and not with Google or any of its affiliates. You should contact the Third Party or your Payment Method provider (for example, the issuer of your Payment Card) directly regarding any issues with Third-Party Transactions, including refunds and disputes."
Samsung Wallet	Terms and conditions state that Samsung: "... is not a bank; ... iii. is not a money service business ..." but do not explain the implications.

[17] "... we will investigate any alleged error or unauthorized use in connection with a P2P Transfer funded with a Supported Payment Card and, should our investigation determine that the relevant transaction was erroneous or otherwise not authorized by you, we may refund the amount of the error or transaction to your Supported Payment Card, Apple Cash Balance, or via any other such method that we deem reasonable in our sole discretion."

For transactions made from a stored balance account,[18] Apple Cash and Samsung Pay Cash lay out user responsibilities and liability coverage that meet Regulation E minimums. However, users must also register their accounts in order for error resolution provisions to apply. Additionally, Samsung Pay Cash is the only service that does not provide a definition for "unauthorized transactions" or "errors" in its terms and conditions.

Fraudulently Induced Transactions

Most of the companies[19] could provide additional clarity in disclosures to address a known risk of P2P services: fraudulently induced transactions, or scams. Cash App, PayPal, and Venmo provide definitions of "unauthorized transactions" and "errors" but do not specify that scams are not considered either. Samsung Pay Cash does not provide a definition of "unauthorized transactions" or "errors." Apple Cash's Terms of Service clearly specify that "Payments that you are induced to make by an imposter or by other fraud are not 'unauthorized.'" CR urges the industry to extend liability protection to fraudulently induced transactions. In the absence of that protection, these companies should at least be transparent about the limits of their liability.

The variation in fraud protection policies across providers creates an uneven landscape of consumer protection that disproportionately impacts vulnerable users. For instance, users with limited English proficiency may struggle to navigate complex fraud resolution processes, while those without ready access to alternative payment methods may face greater hardship when funds are frozen during disputes. The industry's approach to fraudulently induced transactions is particularly concerning given that losses from such scams can represent significant financial hardship for consumers, and the existing dispute processes may make recovery of funds difficult.

Finding 3: Applicability of FDIC insurance varies.

FDIC insurance provides critical protection for consumers' funds in case of bank failure, making it an essential consumer protection consideration when evaluating digital wallet stored balances. CR reviewed the digital wallets' stored balance function or accounts to determine where funds are held, whether funds are eligible for FDIC insurance, and what, if any, steps users have to take to ensure their funds are eligible for FDIC insurance.[20]

CR found that the transparency around FDIC insurance was adequate and fairly consistent across the companies. While all providers offer paths to FDIC insurance coverage, in all cases users must, in order for their funds to be eligible for FDIC insurance, take an affirmative step beyond simply signing up for the product. The requirements vary significantly in complexity, from simple identity verification to requiring the use of additional products or services. This variation

[18] This does not apply to Google, which no longer offers a stored balance account.
[19] This does not apply to Google, which no longer offers a P2P service.
[20] This finding does not apply to Google, which no longer offers a stored balance account.

creates an uneven landscape of consumer protection and may leave some users' funds unprotected if they cannot or choose not to use additional services.

Apple Cash, Samsung Pay Cash	Funds are held in a custodial account on the user's behalf at a program bank. Funds are eligible for FDIC insurance if users have verified their identity to register their account. Although users do have to take an affirmative step for funds to be eligible for FDIC insurance, that step is not onerous and the Wallet app requires users to complete the step after they hit a reasonable transaction threshold.
Cash App	Funds held in Cash App balance are eligible for FDIC insurance if one of three things applies: the user has a Cash App Card, has a sponsored account, or sponsors an account. These steps may not be applicable to all users. Additionally, Cash App does not specify where funds are held if a user does not meet one of those conditions.
PayPal	Funds held in PayPal balance accounts are eligible for FDIC insurance if the user has done one of three things: opened a PayPal Debit Card, set up Direct Deposit to their PayPal Balance account, or bought or sold cryptocurrency. These steps may not be applicable to all users. PayPal is very clear that if users do not take one of those three steps, their funds are an unsecured claim against PayPal.
Venmo	Funds held by Venmo are eligible for FDIC insurance if the user has done one of three things: set up direct deposit, used the cash-a-check feature, or bought or sold cryptocurrency. These steps may not be applicable to all users. Venmo is very clear that if users do not take one of those steps, their funds are an unsecured claim against PayPal.

Privacy

Finding 4: Most companies do not practice data minimization.

Digital wallets—by the nature of the services they provide—collect, use, and share sensitive information, such as identification data such as Social Security numbers and financial information like transaction data. Consumer Reports believes that companies that offer digital finance services, including digital wallets, should adhere strictly to data minimization principles, and that secondary uses of data should be limited to fixing errors and performing internal research for the

purpose of improving customer experiences. Most of the companies evaluated do not meet this standard.

- Apple stands out in its privacy practices. The majority of data collection, usage, and sharing appears to be necessary for core service provision.
- Google and Samsung are both able to link wallet, pay, and, in the case of Samsung, stored balance account data with the user's overall Google or Samsung account. This means that these companies have access to a significant amount of data on each user.
- PayPal's November 2024 privacy policy update allows it to share data for "personalized shopping services," which includes "disclos[ing] customer insights, product recommendations, sizes, and preferences to Partners and Merchants to help them and us improve your shopping experience to make it more convenient and personalized for you."
- Apple and Google use, but do not share, data for marketing purposes. Cash App, PayPal, Samsung, and Venmo use and share data for marketing purposes.

Data Collection, Usage, and Sharing			
	DATA COLLECTION	**USAGE**	**SHARING**
Apple	***Apple Wallet and Apple Pay*** ***Collection:*** Data collected through the usage of Apple Wallet and Apple Pay is necessary for service provision. ***Apple Cash*** ***Collection:*** Data collected through the use of Apple Cash is necessary for service provision. Apple Cash data is stored separately from the rest of Apple.[21]	***Apple Wallet and Apple Pay*** ***Usage:*** The majority of data usage appears to be necessary. Non-necessary data usage includes marketing Apple products, services, and offers. ***Apple Cash*** ***Usage:*** The vast majority of data usage appears to be necessary for service provision. However, Apple does collect deidentified data from Apple Cash for marketing purposes.	***Apple Wallet and Apple Pay*** ***Sharing:*** Data sharing appears to be necessary for service provision. ***Apple Cash*** ***Sharing:*** The vast majority of data sharing appears to be necessary for service provision. Apple Payments, Inc. and Green Dot Bank do not share for their marketing purposes, for joint marketing purposes with other financial companies, for affiliates to market to users, or for nonaffiliates to market to users. However, Apple does collect deidentified data from Apple Cash for marketing purposes.

[21] From the Apple Cash and Apple Payments Inc. & Privacy web page: "Apple created Apple Payments Inc., a wholly owned subsidiary and licensed money transmitter, to protect your privacy. Your Apple Cash account registration information (name, address), balance, transaction amounts, and who you send money to or receive money from are stored separately by Apple Payments Inc. in a way that the rest of Apple doesn't know. Your personal data stored with Apple Payments Inc. is used only to provide you services that you request, for troubleshooting, regulatory purposes, and to prevent fraud."

Cash App	***Collection:*** There is some non-necessary data collection, such as inferences drawn from the data collected. However, non-necessary data collection does not include sensitive information.	***Usage:*** The majority of data usage appears to be necessary. Non-necessary data usage includes marketing purposes.	***Sharing:*** The majority of data sharing appears to be necessary for service provision. However, Cash App also shares data with advertising partners that help run advertising campaigns, and Cash App shares aggregated and/or anonymized information.
Google	***Collection:*** Although the data collected specifically through Google Payments appears to be necessary for service provision, that data is connected to the data Google has collected about the user through their Google account.	***Usage:*** The majority of data usage appears to be necessary for service provision. However, Google does use data to improve and develop new services. Transactions data is not shared with the rest of Google to target ads and can be used only to personalize the user's Google Pay experience if the user opts into such use.	***Sharing:*** The vast majority of data sharing appears to be necessary for service provision. However, some non-identifying information may be shared for other purposes.
PayPal	***Collection:*** Although the majority of data collected appears to be necessary for providing the service, there is data collected, including sensitive data, that appears to be non-necessary, such as commercial information, internet or network activity, and characteristics of protected classifications.	***Usage:*** The majority of data usage appears to be necessary for service provision. However, PayPal also uses data for marketing purposes, such as sending locally relevant options and developing product recommendations.	***Sharing:*** Much of the data sharing appears to be necessary for service provision. However, PayPal "may disclose customer insights, product recommendations, sizes, and preferences to Partners and Merchants to help them and us improve your shopping experience to make it more convenient and personalized for you."
Samsung	***Samsung Wallet and Samsung Pay***	***Samsung Wallet and Samsung Pay***	***Samsung Wallet and Samsung Pay***

	Collection: Although the data collected specifically through Samsung Wallet and Pay appears to be necessary for service provision, that data is connected to the data Samsung has collected about the user through their Samsung account. ***Samsung Pay Cash*** ***Collection:*** Although the data collected specifically through Samsung Pay Cash appears to be necessary for service provision, that data is connected to the data Samsung has collected about the user through their Samsung account.	***Usage:*** The majority of data usage appears to be necessary for service provision. However, Samsung also uses data for marketing purposes. ***Samsung Pay Cash*** ***Usage:*** The majority of data usage appears to be necessary for service provision. However, Samsung also uses data for marketing purposes.	***Sharing:*** The majority of data sharing appears to be necessary for service provision. However, Samsung also shares data for marketing purposes. ***Samsung Pay Cash*** ***Sharing:*** The majority of data sharing described in the provided context appears to be necessary for service provision. However, the Samsung Pay Cash privacy notice also discloses that data is shared with third parties for their marketing purposes, which is concerning non-necessary data sharing.
Venmo	***Collection:*** The majority of data collected appears to be necessary for providing the service requested by the user. Non-necessary collection of sensitive data (social web information) is optional and requires consent.	***Usage:*** The majority of data usage appears to be necessary for service provision. However, Venmo also uses data for marketing purposes.	***Sharing:*** The majority of data sharing described in the provided context appears to be necessary for service provision. The privacy policy discloses that data is shared with PayPal. However, Venmo can also share data for Venmo's marketing purposes and for joint marketing with other financial companies.

Finding 5: Apps could make it easier for users to control their privacy and exercise their data rights.

Digital wallet providers leverage technology to optimize their app and the user experience, and to encourage users to continue using their services. CR believes that providers should do the same to offer user-friendly, seamless, in-app ways for users to control their privacy and exercise their data rights. We reviewed in-app ways for users to control data selling, data sharing, target advertising, and other privacy controls, and to exercise their data rights, and we found room for improvement across all apps.

In-app ability to exercise data rights

Only one company, PayPal, provides an easily accessible, in-app way for users to exercise data rights. Apple, Google, and Samsung do offer centralized tools to exercise data rights, but these tools should be easier to find. Cash App and Venmo do not provide a centralized in-app location for users to exercise data rights. For Cash App, users have to access Cash App from a web browser to download a copy of their data, and have to navigate to a support article and from there start a chat to request data deletion. A Venmo help article says users can request a copy of their data by navigating to the Privacy section of the Settings menu and then selecting "Request your data" under "Your Privacy Rights." This option was not available to CR's testers.

In-app controls for data selling

Apple, Cash App, Google, PayPal, and Venmo commit in documentation to not sell user data. Because Samsung does not make a similar commitment, CR's testers reviewed settings for a way for users to control data selling. We did not find this control in the Samsung Wallet app. Samsung has shared with us that while Samsung as a company may have practices related to data selling, Samsung Wallet does not share user data; this statement, however, does not appear in Samsung Wallet's Privacy Policy.

In-app controls for data sharing

CR's testers reviewed apps for ways that users can control non-necessary data sharing, such as sharing for marketing purposes. Testers did not find such a control on any of the apps.[22]

In-app controls for targeted advertising

[22] Google and Apple Cash limit non-necessary data sharing to deidentified or anonymous data. CR believes that users should be able to control this. Cash App shared that it does not currently share customers' personal information with third parties for cross-context behavioral advertising purposes and that users would be given the right to opt out. However, because sharing with advertising partners is listed in the privacy policy, we believe a setting to control this should be available in-app to users. In all cases, ideally, users would be opted out of non-necessary data sharing by default.

Apple Wallet, Cash App, Google Wallet, Samsung Wallet,[23] and Venmo do not offer in-app control for targeted advertising. PayPal does, but users are opted in to targeted advertising by default.

Other in-app privacy controls

CR's tests also reviewed apps for any additional notable privacy settings and corresponding controls available to users. As has been widely reported,[24] Venmo's default of the social feed to be public undermines user privacy. In-app controls do exist and are easy to understand, and the existence of the controls is shared with users during onboarding (although not in an actionable way).

Transparency

Finding 6: *Companies transparently explain app features, but could more transparently describe the risks of using the services.*

The companies are very transparent about the various features offered by their apps, both in legal documentation and in the app store. The apps also provide in-app help text to guide users through transactions. However, the companies should improve their communication of the risks of using the services. For example, the risk of overdrafting on the underlying payment instrument when using the pay function, or the risk of scams in P2P. While many of these risks are at least mentioned in legal documentation, and that legal documentation is at minimum linked to during app onboarding, none of the companies detail the risks of service provision on the app store or during app onboarding, when users are more likely to engage with those materials.

Finding 7: Although fees are clear in the transaction flow, they should be shared more prominently during onboarding.

Although providers do not charge fees to users for digital wallet and pay function use, there are a couple of fees that users may be charged for P2P use.[25] CR looks for companies to present fee information to users in a clear, easily visible, and meaningful way, not simply buried in fine print. The fees of P2P service usage are conveyed to users in legal documentation, which is at least

[23] Samsung has shared with us that Samsung Wallet does not have targeted advertising, but the Samsung Wallet Privacy Policy says that information obtained may be used to "deliver advertising, including customized advertisements, sponsored content, and promotional communications. …" Samsung Wallet contains no in-app control for personalized advertising.
[24] See, for example: Kravitz, Derek. "Who Can See What You Do on Venmo? You'd Be Surprised." *Consumer Reports,* October 17, 2024, https://www.consumerreports.org/money/digital-payments/who-can-see-what-you-do-on-venmo-a6906448606/.
[25] This finding is not relevant to Google, which no longer offers a P2P service.

linked during app onboarding. Only Samsung Pay Cash and Venmo go further and display those fees on dedicated screens during onboarding.

Research shows that users brush past legal documentation, so we also reviewed how users are notified of fees in the transaction flow. One common fee users might encounter when using a P2P service is when transferring money from their stored balance to a linked financial institution account or debit card. Transfers that can take several business days are free, but instant transfers incur a fee. CR found that fee to be transparently shared before users completed the transfer. Samsung Pay Cash does not offer users an instant transfer to a linked account,[26] so testers reviewed for another fee—Samsung Pay Cash charges users $0.25 to load money onto the Samsung Pay Cash account from a debit card. As the customer begins the loading process, there is a sentence stating that there is a fee, but it does not specify what the fee is. On the next screen, the fee is rolled into the total (the amount the user is loading plus the amount of the fee); the amount of the fee is not separately and clearly stated, and it should be.

User-Centricity

Finding 8: All of the companies provide accessible ways for users to reach customer service.

All of the apps provide multiple ways to contact customer support, including at least one real-time human support method. Cash App and Venmo make finding the phone line to contact customer service somewhat difficult in the app. In Cash App, the “Support” option in the settings menu links only to chat. Finding Venmo’s number in the app takes several clicks: Settings, Get Help, Contact Us, and Check Our Hours, which opens a Help Center article with a phone number within the body of the article. All companies provide live customer support at convenient times (not limited to business hours), and all of the companies make it easy to escalate to a live representative through the automated phone system. PayPal, Samsung, and Venmo offer chatbots, and it is easy to escalate to a live representative.

However, the companies should increase transparency around customer service request resolution timelines. Although all of the companies are likely to have internal service level

[26] As testers were using Samsung Pay Cash, we determined that although users can load money *to* Samsung Pay Cash from a linked debit card, Samsung Pay Cash does not offer users any way to transfer money *from* Samsung Pay Cash to a linked account. To get money out of the Samsung Pay Cash account, users can conduct P2P transfers, make purchases, pay bills, close their account and request a check for a $5.95 fee, or utilize a “cash access” service, which entails using their device and PIN at a participating retailer or bank to make a cash withdrawal. Consumer Reports feels that this is not user-friendly; companies should make withdrawals of funds at least as easy as they make deposits of funds. Consumer Reports had not included this in our testing scope for this evaluation but will include it in future evaluations.

agreements dictating the time frame for resolution for different tiers of customer support, none of the companies make a public commitment to resolving customer service requests within a certain time frame, nor do they post any data about those time frames.

Finding 9: Most companies advertise additional services within their apps.

None of the apps require users to sign up for additional services when onboarding to the digital wallet or P2P service, but most of the apps do advertise those additional services within the app experience. It should be noted that although digital wallet, pay, and P2P services are low- or no-cost, many of these supplemental services that are advertised in-app do charge fees or interest, such as credit cards, debit cards, and cryptocurrency purchases. When onboarding to the digital wallet, none of the apps force or push consumers toward opening those products, but the apps vary in how aggressively they advertise those supplemental services to users throughout product usage.

Apple Wallet	Testers received in-app advertising for Apple Card that takes up about two-thirds of the main page.
Cash App	Two of five tabs on the main user interface are ads for Cash App services/discounts. However, the main landing page of the cash app is the P2P transaction screen, which contains no ads or offers.
Google Wallet	Google Wallet does not connect users with other supplemental financial services, so this finding is not relevant to Google.
PayPal	PayPal's main landing page in the app includes small ads for the PayPal debit card and PayPal cashback Mastercard, features additional offers, and recommends products to buy.
Samsung Wallet	Samsung Wallet's main landing pages prominently feature cash-back offers for making a purchase at participating retailers through Samsung Wallet.
Venmo	Venmo's main landing page is the social feed and contains an ad for the Venmo credit card that takes up about a third of the screen. Testers also received multiple full-screen pop-up ads for the Venmo credit card.

Companies acquire users through free- or low-cost digital wallet services, then have access to troves of consumer data to develop additional, fee-bearing products and a captive audience to upsell those products. This business model creates potential conflicts of interest, where the wallet provider's financial incentives may not align with consumers' best interests. The persistent

in-app marketing of credit products and other revenue-generating services can potentially lead consumers to make financial decisions based on convenience rather than thorough comparison shopping, potentially resulting in higher costs over time or enrollment in services they don't fully need.

Finding 10: All of the companies make users agree to unfair terms in order to use the services.

Five of the six companies require that users agree at sign-up that all future legal claims and disputes against the company will be resolved through binding arbitration and on an individual basis (as opposed to through a class-action lawsuit). The exception is Google. These requirements are especially concerning because, as a 2020 Consumer Reports article put it: "Because arbitration proceedings are private, and because arbitration clauses almost always forbid plaintiffs from joining together, companies can use arbitration to preemptively crush consumer challenges to their practices, no matter how predatory, discriminatory, unsafe—and even illegal—they may be."[27]

Cash App, PayPal, and Venmo give users 30 days to opt out of the requirement by mailing a written notice. For Samsung Pay and Samsung Wallet, users have 30 days to opt out via email. For Samsung Pay Cash, users have 60 days to opt out via written notice. Apple does not offer an opt-out clause. It may be unrealistic to expect users to take advantage of these opt-out clauses before disputes arise.

Additionally, all of the companies reserve the right to change their terms and conditions at any time. PayPal and Venmo promise to provide notice of such changes at least 21 days in advance by posting to websites if the change reduces user rights or increases user responsibilities. Cash App says it will post to its website or communicate to users through the service. Samsung says it will post the updated terms to the website and send a notification to users if the change is material. Samsung Pay Cash merely states that users "will be notified of any change in the manner provided by applicable law prior to the effective date of the change." Apple states that if there is a material change to the privacy policy, it will post a notice on the web page at least seven days in advance of the change and contact users directly. Google states that it will give users "reasonable advance notice" if it makes a material change. All of the companies consider continued use of the service to be legal acceptance of the change to the agreements.

[27] Medintz, Scott. "Forced Arbitration: A Clause for Concern," *Consumer Reports,* January 30, 2020, www.consumerreports.org/mandatory-binding-arbitration/forced-arbitration-clause-for-concern.

Financial Well-Being

Finding 11: Apps do the basics to support users in managing and tracking their spending.

Research shows that consumers spend more when they use digital wallets,[28] and a Forbes survey of Americans with bank accounts found that many consumers feel that they "always or sometimes" lose track of their spending using digital wallets.[29] We reviewed the apps to determine the extent to which they support users in managing and tracking their spending. While we found that the apps do the basics, there are additional features that could support users that the apps do not currently provide.

All of the apps have easy, in-app ways for users to see their transaction history. And all of the apps with a stored balance feature have easy, in-app ways for users to see their current balance. All of the apps send users notifications for transactions, but not all of the apps send users periodic roundups of all transactions, such as a monthly statement. Cash App, PayPal, and Venmo do make periodic statements available to users. Samsung does for Samsung Pay Cash but not for Samsung Wallet transactions funded with other payment methods. Google Wallet does not provide statements for transactions performed with Google Pay. Users can request statements for Apple Cash, but Apple does not provide statements for Apple Pay transactions.

CR also examined whether any of the apps provide tools for users to develop spending plans, set spending indicators, or set alerts for when spending approaches reaching a set spending indicator; none do.

While basic transaction tracking features are universal across providers, current implementations miss the following key opportunities to support the financial health of their users:

1. Timing of Information. Apps primarily focus on post-transaction notifications rather than providing pre-transaction insights that could help users make informed decisions. Research shows that timely alerts can reduce arranged overdraft charges by 4 to 8% and unarranged overdraft and unpaid item charges by 17 to 19%.[30]

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[28] Schuerman, Matthew, and Rascoe, Ayesha. "Using your phone to pay is convenient, but it can also mean you spend more," *NPR,* April 7, 2024, https://www.npr.org/2024/04/07/1241841908/apple-pay-phone-credit-spending-frictionless-payments.
[29] Forbes survey, https://www.forbes.com/advisor/banking/digital-wallets-payment-apps/.
[30] Grubb, Michael D., et al. "Sending Out an Sms: Automatic Enrollment Experiments for Overdraft Alerts," *The Journal of Finance,* June 18, 2024, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4825029.

2. Context and Learning. Current transaction histories provide data but little context. Apps could better support financial health by:

- Providing spending pattern analysis in accessible language
- Offering alerts about upcoming bills or potential shortfalls
- Including educational content tied to user behavior
- Enabling customizable budgeting features that work for various income patterns

3. Behavioral Design. Features could better leverage behavioral economics principles by making savings opportunities more visible and actionable by:

- Providing positive reinforcement for healthy financial behaviors
- Offering "cooling off" periods for larger transactions
- Creating friction for potentially harmful financial decisions

Finding 12: All of the companies have additional opportunities to design their apps and products to support users' financial well-being.

Consumer Reports advocates for financial well-being by design, a term encapsulating the idea that digital finance products should be designed in all aspects, including their structures, terms, fees, tools, and user experience, to support users' financial well-being. CR reviewed digital wallets for components of financial well-being by design, including:

Default setting for transfers from a stored balance to a linked account or debit card
Digital wallets commonly give users two methods to transfer money from their stored balance on the app to a linked account or debit card: a free transfer that takes two to three business days or an instant transfer that incurs a fee. CR reviewed whether the digital wallets had a default selection for this transfer to encourage users to select the fee-bearing option. The five apps[31] either had no default selection or the default selection was the free option.

Funding P2P transfers with a credit card
Some digital wallets[32] allow users to fund P2P transfers from a linked credit card, a transaction that incurs a fee charged by the digital wallet provider (usually approximately 3% of the transfer amount), and that may also cause the user to be charged a higher interest rate on their credit card because the transaction is considered a cash advance. Because of the higher cost of this transaction compared with the other options, CR looks for increased transparency. Apple Cash does not allow users to fund P2P transfers from a credit card. Venmo allows it but is very clear in the transaction flow about both the fee and the possibility of being charged a higher cash advance interest rate by the credit card issuer. Cash App, PayPal, and Samsung Pay Cash allow

[31] This is not relevant to Google, which no longer offers new stored balance accounts.
[32] This is not relevant to Google, which no longer offers a P2P service.

it and are very clear about the fee but do not mention in the transaction flow the possibility of being charged a cash advance interest rate by the card issuer.

Notification of recurring payments and risk of overdraft on underlying payment method
Most digital wallets enable users to set up recurring payments, such as subscriptions or recurring P2P transfers. However, most of the companies are also able to use a backup payment method without notification to complete the recurring transaction, if needed. This lack of notification could increase the risk of overdraft on that payment method.

In their documentation, Apple Cash,[33] Cash App, PayPal, and Venmo state that users authorize the companies to charge a designated backup payment option if the primary payment method is declined for a recurring payment. However, none of the apps commit to notifying users every time the backup payment method is used, nor do they seek approval for each recurring charge. Google does say that it or the seller will provide notification if the amount varies. Users can set up recurring payments with Samsung Pay Cash but do not appear to have to set a backup payment option.

Inclusivity

Finding 13: Apps do not accept, or do not promote that they accept, alternative documentation for identity verification.

Digital wallet users often have to verify their identity to access all features of the service (often, the ability to send P2P transactions), for their funds to be eligible for FDIC insurance, or to be covered by liability protection policies. CR's testers reviewed the types of documentation the apps accepted for identity verification. We found that few accept, or promote that they accept, alternative documentation beyond Social Security numbers.[34] This creates a barrier to access for people without Social Security numbers.

In the flow to verify a user's identity for Apple Cash, the screen requests name, address, Social Security number (SSN), and date of birth. Although Apple has shared with us that its partner bank does accept alternative identification, this is not mentioned or supported in the app flow. PayPal has a help article that states it accepts an Employer Identification Number (EIN) or

[33] For recurring P2P transfers in Apple Cash, funds are first taken from the user's Apple Cash balance if the user has made their balance the default funding source. If the user's balance does not cover the transaction, Apple Cash will fund the remaining amount of the transaction (or the full transaction if the Apple Cash balance is $0) with the designated supported payment card. In this way, the designated supported payment card is a "backup payment option" to the "primary payment method" of the Apple Cash balance.
[34] This finding is not relevant for Google, which no longer has a stored balance function.

Individual Taxpayer Identification Number (ITIN), but the in-app flow to verify identity for a PayPal Balance account requires name, address, date of birth, and SSN, with no mention of EIN, ITIN, or any other alternative documentation. Venmo's in-app flow specifies SSN or ITIN. Samsung Pay Cash requires SSN. Cash App's in-app flow specifies the last four digits of SSN.

Finding 14: Not all of the apps and documentation are available in Spanish.

The three wallets provided by multisector tech companies are all at least mostly available in Spanish—Apple Wallet and Google Wallet are fully available in Spanish, while some of the cash-back and reward features on Samsung Wallet are available only in English and the rest of the app is available in Spanish. Of the fintech companies, only PayPal's app is mostly available in Spanish (again, some cash-back offers are available only in English). However, only Google goes further and also offers legal documentation in Spanish.

OFFERED · PARTIAL · NONE	Apple Wallet	Cash App	Google Wallet	PayPal	Samsung Wallet	Venmo
App available in Spanish	●	●	●	◐ Some cash-back offers available only in English	◐ Some cash-back offers available only in English	●
Documentation available in Spanish	●	●	●	●	●	●

Recommendations

CR's evaluation of digital wallets identified several areas where providers should better serve consumers:

1. Authentication and Security. Providers should implement tiered authentication that balances security and accessibility:

- Provide clear, multilingual guidance through security processes.
- Implement fraud detection models that account for diverse usage patterns.
- Create accessible paths for dispute resolution.

2. Data Minimization and Privacy Controls. Providers should go beyond the minimum required by law and regulation:

- Practice data minimization by limiting secondary uses of data to fixing errors and performing internal research for the purpose of improving customer experiences.
- Leverage technology to meaningfully engage with users around privacy information and practices.
- Provide accessible, in-app settings for users to control their privacy and exercise their data rights.

3. Meaningful Transparency.

- Clearly and transparently highlight the risks of using the product in meaningful ways and locations, such as on app stores, on dedicated screens during product onboarding, and through just-in-time alerts and interventions.

4. User Interface and Experience. Apps should adopt accessible design principles:

- Increase transparency around and make commitments to customer support request resolution time frames and dispute processes.
- Remove in-app advertising of other products or, at a minimum, require users to affirmatively opt in to that marketing.
- Ensure that critical features work on older devices and slower connections.
- Design interfaces that accommodate various literacy levels.
- Remove binding arbitration clauses and class-action waivers from legal documentation.

5. Financial Health Features. Providers should integrate features that actively support financial well-being:

- Implement smart alert systems for potential overdrafts.
- Create meaningful spending insights that account for irregular income.
- Develop tools for short-term saving and financial planning.

- Provide clear information about fees before transactions.

6. Inclusive Design and Features.

- Allow multiple forms of documentation for identity verification within in-app flows.
- Provide consistent multilingual support across all features, including apps, documentation, and customer support.
- Include accessibility features for users with disabilities.

Conclusions

According to J.D. Power data, 52% of U.S. consumers reported using a digital wallet in the previous three months in Q4 of 2024, up from 48% in 2023.[35] A nationally representative February 2024 CR survey found that 76% of Americans use one or more digital wallets.[36] Digital wallets provide many benefits to consumers, including convenience, speed, cost, safety, and record-keeping. They also pose challenges and risks, such as legal and customer service confusion, availability of deposit insurance for stored balances, and privacy.

Consumer Reports found that digital wallets provide a generally safe and convenient way to conduct transactions. The apps leverage technology and design to create seamless payment methods for users. The apps could and should go further to leverage that same technology and design to engage users with privacy information and enable users to exercise their rights, to highlight the risks of using the service, and to support users in managing their financial lives. Consumer Reports will continue engaging with industry and advocating for product design that centers on consumer protection and well-being.

[35] J.D. Power Banking and Payments Intelligence Report, "Is Paze Ready to Fight Apple and PayPal in the Battle for Hearts and Minds of Consumers and Merchants?" May 30, 2023, at https://www.jdpower.com/business/resources/paze-ready-fight-apple-and-paypal-battle-hearts-and-minds-consumers-and.
[36] Consumer Reports nationally representative American Experiences Survey of 2,035 U.S. adults (February 2024), https://article.images.consumerreports.org/image/upload/v1710449643/prod/content/dam/surveys/Consumer_Reports_AES_February_2024.pdf.

Acknowledgments

Consumer Reports' Digital Marketplace strategy is supported by a host of staff members across the organization and external partners. We would like to thank the following people for their contributions to this report: Justin Stewart, Delicia Hand, Johnny Mathias, Evan Feeney, Chuck Bell, Scott Medintz, Tracy Anderman, Wendy Greenfield, Noreen Browne, Camille Calman, Noemi Altman, Tess Yanisch, Chris Griggs, Glen Rockford, Cyrus Mehmandi, Maria Rerecich, Michael McCauley, Jennifer Chien, and Jon Zerolnick.

Our work on privacy, security, AI, and financial technology issues is made possible, in part, by the vision and support of Craig Newmark Philanthropies and Flourish Ventures.

We thank everyone for their support of this work.