

Unauthorized Electronic Funds Transfers

About EFTs

The Electronic Fund Transfer Act (a.k.a., Regulation E) offers protections to consumers regarding unauthorized electronic funds transfers (EFTs).

An EFT, as defined by Regulation E, includes any kind of funds transfer performed via the following:

- Automated teller machines (ATMs)
- Point-of-sale systems
- Direct deposits or withdrawals
- Telephone transfers
- Online bill pay
- Check converted to ACH

EFTs may include transactions performed via third-party payment app (e.g., PayPal, Venmo, CashApp, etc.) if your account is connected via debit card, but not if your account is connected via ACH.

EFTs do not include transactions performed via credit card, as those are subject to a separate set of rules.

UNAUTHORIZED EFT

An unauthorized EFT can occur for a variety of reasons, including a lost or stolen debit card, compromised account password, bookkeeping error, or phishing attack, to name a few.

Error Disputes

COVERED

Under the provisions of Regulation E, you are allowed to dispute the following types of errors:

- Unauthorized EFT
- Incorrect EFT to or from your account

For example, if your debit card is lost or stolen and someone performs an unauthorized transaction, this would be considered a covered error and would be disputable.

NOT COVERED

Regulation E does not cover EFTs in which you authorized a transaction:

- Without reading the fine print.
- But were unhappy with the product or service provided.
- By authorizing a friend or family member to perform the transaction.
- With an intent to commit fraud.

For example, if your child made a purchase on your mobile device using saved debit card information, this would not be considered a covered error and would not be disputable.

Consumer Liability

The sooner you report a lost or stolen access device (i.e., debit card, code, or other means of account access), or file an error dispute, the lower your maximum liability will be for any unauthorized charges.

As a general rule, if your access device is lost or stolen, you must notify the financial institution within **two (2) business days** after learning of the access device's compromise.

If you experience an unauthorized EFT, the error dispute must be filed within **60 days** of receiving the statement on which the error first occurred.

Learn more about consumer liability from the CFPB website:

<https://www.consumerfinance.gov/rules-policy/regulations/1005/6/>

CREDIT CARDS & PAYMENT APPS

To report an unauthorized transaction via your credit card or payment app, contact the card issuer or third-party payment app directly to file a dispute.

Contact Information

To report a lost or stolen access device (e.g., debit card) or to file an error dispute, contact the financial institution.

ORGANIZATION NAME

PHONE NUMBER

EMAIL ADDRESS

WEB ADDRESS

Learn More

To learn more about protecting your online banking accounts from unauthorized electronic funds transfers, visit any of the following websites:

- ConsumerFinance.gov
- OnGuardOnline.gov
- StaySafeOnline.org
- BBB.org/Data-Security
- CISA.gov

