



United States House of Representatives  
One Hundred Nineteenth Congress  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

September 17, 2025

The Honorable Jerome H. Powell  
Chair  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, D.C. 20551

Dear Chair Powell:

The House Committee on Financial Services (Committee) is investigating the rise in financial fraud and scams to determine how agencies in the Committee’s jurisdiction can enhance consumer protection. As part of this investigation, the Committee is conducting oversight over the Board of Governors of the Federal Reserve System’s (the Fed or Federal Reserve) use of existing authorities to improve the security of payment and settlement systems and promote consumer protection. The Fed’s primary responsibilities include “foster[ing] payment and settlement system safety and efficiency, and promot[ing] consumer protection and community development.”<sup>1</sup> To do so effectively, the Fed must address rising consumer fraud trends, increase cross-agency collaboration, and conduct outreach to American communities about methods to safeguard payments.

On June 16, 2025, the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC), released a Request for Information (RFI) “on potential actions to help consumers, businesses, and financial institutions mitigate risk of payments fraud, with a particular focus on check fraud.”<sup>2</sup> The Committee commends the Fed for seeking to identify gaps in consumer protection, especially as payments fraud<sup>3</sup> continues to jeopardize American households’ savings.

Americans continue to face heightened payments fraud schemes. As Vice Chair for Supervision Michelle Bowman explained in a public statement regarding the RFI, “[c]heck fraud

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<sup>1</sup> *The Federal Reserve Explained: Who We Are*, <https://www.federalreserve.gov/aboutthefed/fedexplained/who-we-are.htm> (last visited July 1, 2025).

<sup>2</sup> Joint Press Release, Fed. Deposit Insurance Corp., Bd. of Govs. of the Fed. Reserve System, Office of the Comptroller of the Currency, Federal bank regulatory agencies seek comment to address payments and check fraud (June 16, 2025), <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20250616a.htm> [hereinafter “Joint RFI Press Release”].

<sup>3</sup> *Payments Fraud*, <https://www.afponline.org/topics/payment-topics/payments-fraud> (last visited July 1, 2025) (“Payments fraud is the illegal or unauthorized use of payment instruments – including credit and debit cards, checks, wire transfers and online payment platforms – to obtain financial gain. The umbrella of payments fraud encompasses a wide range of fraudulent activities, including credit card and check fraud, phishing and account takeover.”).

has grown substantially over the past several years, resulting in harm to banks, especially community banks, and the consumers and businesses who are victims of fraud.”<sup>4</sup> An Association for Financial Professionals survey on payments fraud revealed that “[s]eventy-nine percent of respondents indicate[d] that their organizations had been targets of either actual or attempted fraud activity in 2024, similar to the 80% reported in 2023.”<sup>5</sup> According to a 2024 Nasdaq Global Financial Crime Report, “[t]otal fraud losses in the U.S. in 2023 topped more than \$138 billion. Of this, *\$11.3 billion were consumer and business losses from fraud and scams*, while U.S. banks were defrauded by \$127 billion.”<sup>6</sup>

American households face lasting consequences due to payments fraud schemes. Indeed, “[v]ictims of check fraud can seek reimbursement by filing claims with their banks, but the process can be delayed, and that can put huge stress on a household’s finances, not to mention the people in it.”<sup>7</sup> Increased productivity growth in the United States is “depressed by the wide-ranging economic impacts of fraud,” as money lost to scams and fraud decreases an individual’s income and savings.<sup>8</sup> As a result, “[b]ecause these losses would otherwise have been spent on goods, services, or investments, this can be counted as a reduction in economic activity and productivity.”<sup>9</sup> The long term ramifications of fraud include less investment in products and services, which may increase “inflationary pressure,” and negatively impacts individuals’ credit scores, which impedes access to credit.<sup>10</sup>

Agency action to safeguard consumers from payments fraud is well overdue. As Vice Chair Bowman stated, “[w]hile this has been a well-known problem for several years, efforts by regulators have been slow to advance, and seem to have done little to address this growing threat.”<sup>11</sup> The Committee encourages the Federal Reserve to take further action to counter payments fraud, which will require increased cross-agency collaboration. As stated in the joint press release on the RFI, “[b]ecause payments fraud may involve multiple institutions and payment methods, *no single agency or private-sector entity can address payments fraud on its own*.”<sup>12</sup> The Committee echoes Vice Chair Bowman’s commitment “to working together with a wide range of state and federal partners, including law enforcement, to address this issue.”<sup>13</sup> It is imperative that the Committee understands existing collaboration among the Fed, FDIC, and

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<sup>4</sup> Joint Press Release, Bd. of Govs. of the Fed. Reserve System, Statement from Vice Chair for Supervision Michelle W. Bowman (June 16, 2025), <https://www.federalreserve.gov/newsevents/pressreleases/bowman-statement-20250616.htm> [hereinafter “Vice Chair Bowman Statement”].

<sup>5</sup> ASSOCIATION FOR FINANCIAL PROFESSIONALS, 2025 AFP PAYMENTS FRAUD AND CONTROL SURVEY REPORT KEY HIGHLIGHTS (2025) [hereinafter “AFP Survey”].

<sup>6</sup> NASDAQ & VERAFFIN, THE IMPACTS OF FINANCIAL CRIME ON THE U.S. ECONOMY, at 4 (2024) (emphasis added) [hereinafter “Nasdaq Report”].

<sup>7</sup> Mike Timoney, *Why is check fraud suddenly rampant?*, FEDERAL RESERVE BANK OF BOSTON, Aug. 23, 2023, <https://www.bostonfed.org/news-and-events/news/2023/08/check-fraud-rampant-mike-timoney-column-fraud-awareness-key-to-slowing-surge.aspx>.

<sup>8</sup> Nasdaq Report, *supra* note 6, at 4.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> Lynne Marek, *Federal Reserve targets fraud*, PAYMENTS DIVE, June 17, 2025, <https://www.paymentsdive.com/news/federal-reserve-occ-target-payments-fraud-checks/750933/>.

<sup>12</sup> Joint RFI Press Release, *supra* note 2.

<sup>13</sup> Vice Chair Bowman Statement, *supra* note 4.

OCC, to address payments fraud in order to identify additional opportunities for cross-agency collaboration and establish improved processes across agencies.

To better ascertain how the Fed is utilizing existing authorities to decrease payments fraud and inform consumers of the rising threat, and to determine whether structural reform of the Fed or legislative reform is necessary, the Committee requests the following:

1. A list of outreach efforts by the Board of Governors and the twelve Federal Reserve Banks to consumers regarding the rise in payments fraud, specifically check fraud, instant payments-based fraud, and email-based fraud;
2. The Federal Reserve's plan to address other types of payments fraud, including but not limited to fraud via instant payment methods and email-based payments fraud scams;
3. A briefing on the Fed's organizational structure, including the twelve Federal Reserve Banks, and whether issues relating to the Fed's structure are negatively impacting the Agency's operational abilities and efforts to safeguard individuals from consumer fraud;
4. A briefing summarizing comments received by the Fed following the end of the RFI comment period; and
5. A description of external collaboration between the Federal Reserve and other federal agencies and industry stakeholders that are engaged or should be engaged in combatting fraud.

Pursuant to Rule X of the House of Representatives, the Committee has jurisdiction to conduct oversight of the activities of the Federal Reserve. Please contact Kelsey Donohue at [Kelsey.Donohue@mail.house.gov](mailto:Kelsey.Donohue@mail.house.gov) to schedule the briefing as soon as possible, but no later than October 1, 2025. Thank you for your attention to this important matter.

Sincerely,



French Hill  
Chairman



Dan Meuser  
Chairman  
Subcommittee on Oversight and  
Investigations



Andy Barr  
Chairman  
Subcommittee on Financial Institutions

The Honorable Jerome Powell

September 17, 2025

Page 4

cc: The Honorable Maxine Waters, Ranking Member  
The Honorable Al Green, Ranking Member, Subcommittee on Oversight and  
Investigations  
The Honorable Bill Foster, Ranking Member, Subcommittee on Financial Institutions