**US Banks Witness 1,000% Surge in Digital Scams As JPMorgan Chase, Wells Fargo and Bank of America Customers Lose $166,000,000 on Zelle in One Year: Report**

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US banks are witnessing a massive surge in sophisticated digital scams, according to a new report.

The number of social engineering scams targeting both US and Canadian bank customers has exploded 1,000% in the last year, according to the cybersecurity firm BioCatch.

Social engineering scammers use deceptive tactics to impersonate entities like banks or family members, tricking victims into transferring money or disclosing sensitive information.

The new data comes as a new congressional report finds JPMorgan Chase, Wells Fargo and Bank of America customers reported losing $166 million to scams on Zelle in 2023, with the banks refusing to reimburse 62% of the time.

And although Zelle’s parent company Early Warning Services – which is collectively owned by major US banks – says it’s pushing to specifically reimburse more social engineering scams, the Senate’s Permanent Subcommittee on Investigations finds it’s not yet happening.

*“The Member Banks rejected more imposter scams than they reimbursed after EWS adopted the new policy in June 30, 2023.*

*Zelle’s 2,100 Member Banks reported approximately 54,000 disputes to EWS as imposter scams from June 30, 2023, through December 31, 2023.*

*Of these, approximately 24,000 disputes, or about 44%, were deemed eligible for reimbursement under the 2023 EWS Policy, leaving approximately 30,000 disputes, or about 56% of reported imposter scams, ineligible for reimbursement.”*

BioCatch tracks bank customers’ behavioral data to help locate illicit accounts, with American Express, Barclays and HSBC among its clients.

The firm warns its data shows AI-powered schemes like deepfakes are increasingly being used to power social engineering attacks.

“More than half of those surveyed said they’d lost trust in people and suffered emotional stress after falling victim to a scam. Nearly one in five victims said their loss disrupted their family life.

As these scams grow more prevalent and sophisticated, a data-driven approach that combines historical account data as well as behavioral and device intelligence is critical to stopping scams in real-time and saving victims and banks from significant losses.”

BioCatch also says account-opening fraud dropped nearly 60% in the last year amid a rise in effective security measures, while check and deposit fraud tripled in the same time frame.