



# PEER-TO-PEER PAYMENT PRACTICES AND ASSOCIATED RISKS: A SURVEY OF U.S. ADULTS AGES 18+

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# BACKGROUND AND METHODOLOGY

A growing number of consumers are using peer-to-peer payment (P2P) platforms to send money to someone else's account – a relatively quick and easy way to transfer money. Although it's convenient, scammers have caught on to this method of payment.<sup>[1]</sup> Once money has left a person's account, it's very difficult to recover it if it falls into a scammer's hands.

Some consumers are unaware that peer-to-peer payment platforms are meant to be used between people you know and trust. Venmo's website specifically states, "*Avoid payments to people you don't know, especially if it involves a sale for goods and services (like event tickets and Craigslist items).*"<sup>[2]</sup> Scammers have been known to place false classified ads for tickets to a sporting event, to buy goods or services, or even to buy a pet.

This report reflects results from a larger survey among 2,842 U.S. adults ages 18 and older which highlights people's experiences with peer-to-peer payment platforms.\* The survey has a sampling margin of error of  $\pm 2.5$  percent. This survey was also conducted in four states: Connecticut, Pennsylvania, Vermont, and Washington. To view the state reports and/or the full study methodology for these studies, please go to [www.aarp.org/p2prisks](http://www.aarp.org/p2prisks).

\*The peer-to-peer payment questions were part of a larger survey, Season's Cheatings: Beware of Holiday Scams, released in December 2019. The full annotated questionnaire may be found at [www.aarp.org/seasonscheatings](http://www.aarp.org/seasonscheatings). The results of this report focus only on P2P questions.



## KEY FINDINGS



# Key Findings

- **The majority of U.S. adults report using P2P payment platforms.** And among those users, nearly three in five say that they *sometimes* or *frequently* use P2P while two in five report *rarely* using them.
- **More education is needed to raise awareness on how peer-to-peer (P2P) payment platforms operate.** About half of U.S. adults incorrectly answered a quiz question about being able to reclaim your money if you make an error sending money through a peer-to-peer payment system. (You typically cannot.)
- **U.S. adults are using P2P payment platforms to send money to people they don't know.** When making a purchase through an online bidding site (i.e., eBay), over half send the money to a seller with whom they have previously never done business and three in five send the money to a seller rated highly for fulfillment and delivery. (It is unsafe to use P2P payment platforms in this way.)

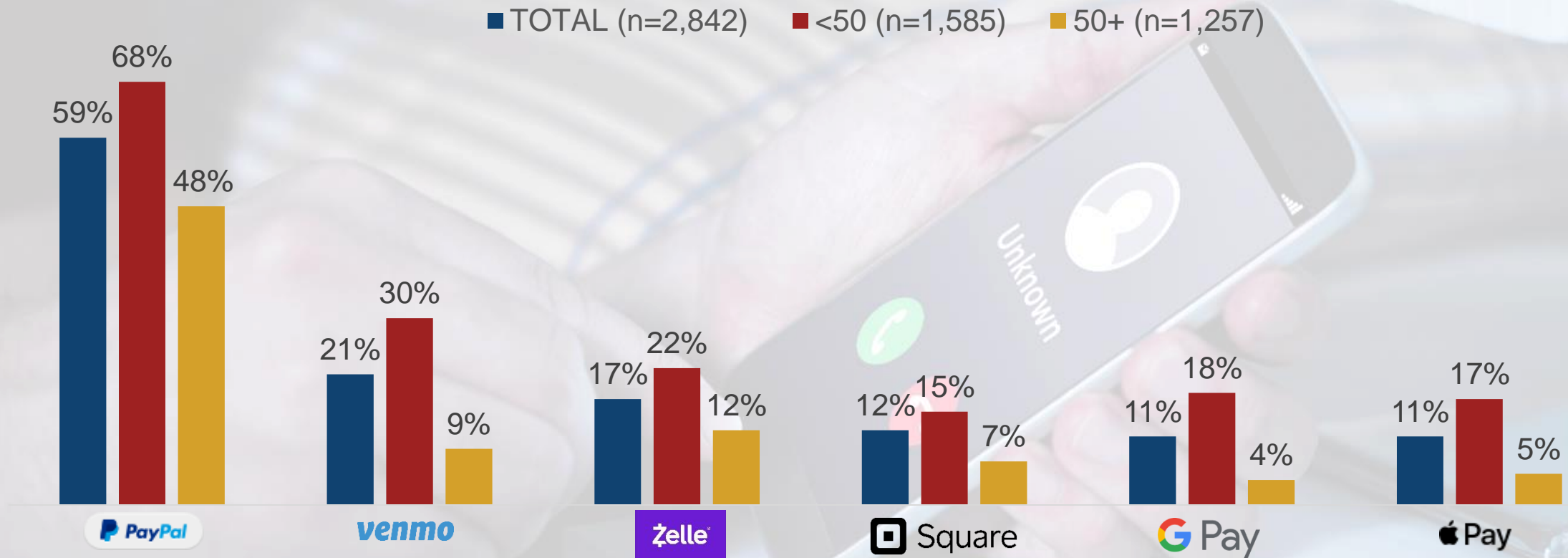




## PEER-TO-PEER (P2P) PAYMENT PLATFORMS

# The majority (71%) report using P2P payment platforms.

Younger adults are more likely than older adults to use P2P payment platforms.



Q20. Have you used any of the following Peer-to-Peer payment platforms? Base: All respondents

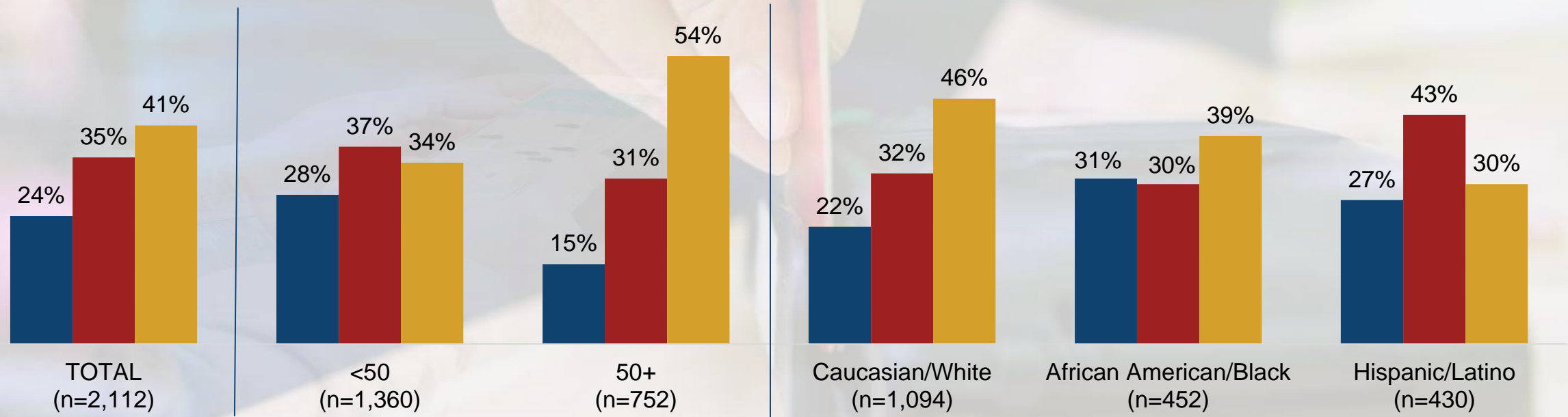


# Nearly three in five U.S. adults say that they use P2P payment platforms *sometimes or frequently*.

In fact, younger adults are more likely to say that they use it *sometimes or frequently*. And, older adults are more likely to report that they *rarely* use it. In addition, African American/Blacks and Hispanic/Latinos are more likely than Caucasian/Whites to use P2P payment platforms frequently while Caucasian/Whites and African American/Blacks are more likely than Hispanic/Latinos to report that they *rarely* use it.

How Often Adults Use Peer-to-Peer Payment Platforms

■ Frequently ■ Sometimes ■ Rarely



Q21. Again, only thinking of your experiences with individuals and not retailers, how often do you use the Peer-to-Peer payment platforms?

Base: Those who have used a Peer-to-Peer payment platform



Over half of U.S. adults incorrectly answered a quiz question about being able to reclaim your money if you make an error sending money through a peer-to-peer payment system.

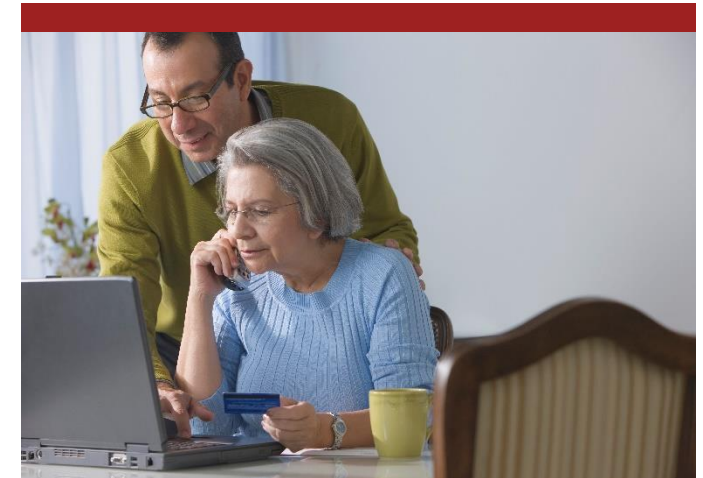
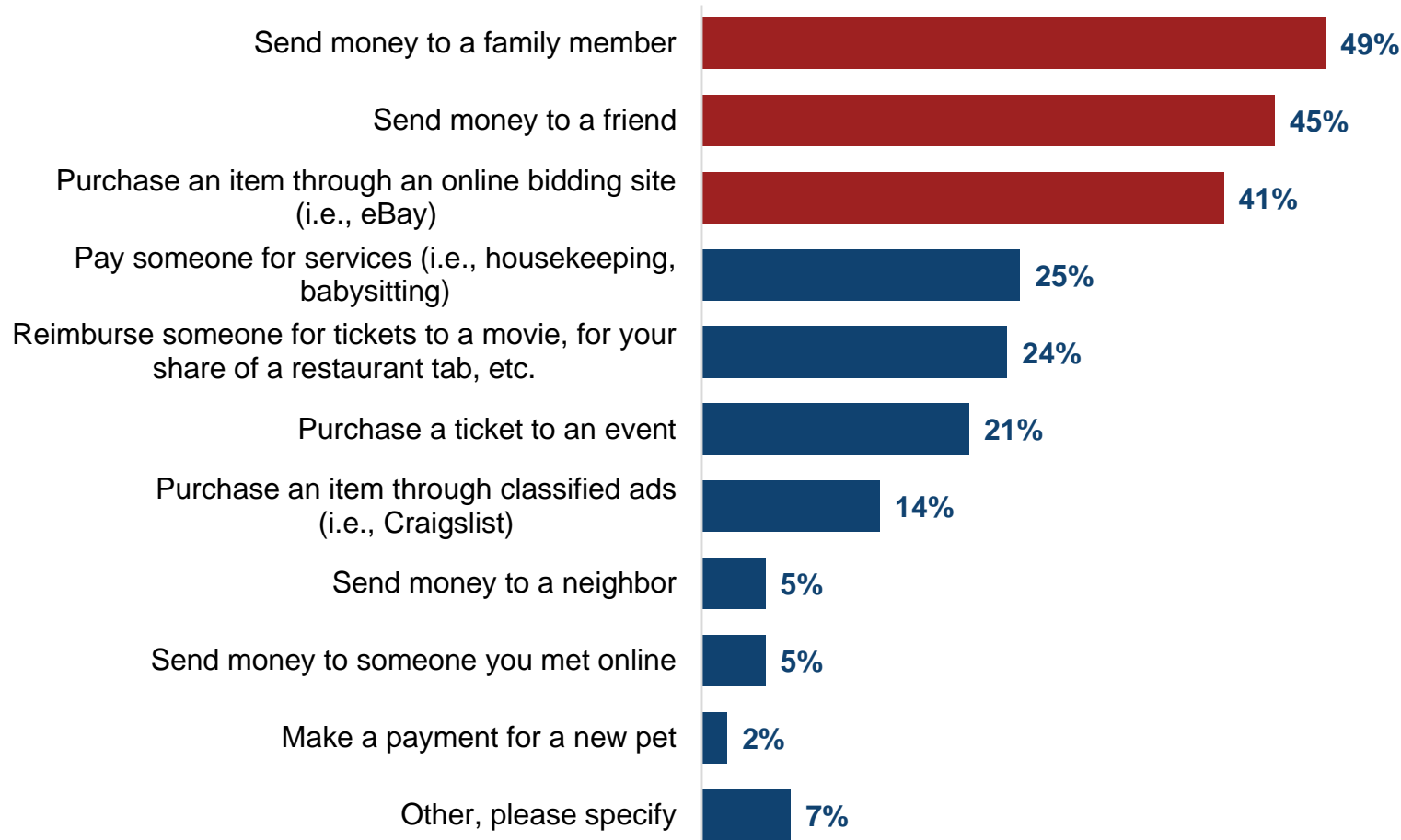
**QUIZ QUESTION:** If you make an error when sending money through a Peer-to-Peer payment system, you will be able to reverse the transaction to reclaim your money.

☒ **TRUE** (52% answered the question incorrectly)

☐ **FALSE** (48% answered the question correctly)

Q28. If you make an error when sending money through a Peer-to-Peer payment system, you will be able to reverse the transaction to reclaim your money. Base: All respondents

# The top three reasons for using P2P payments are sending money to a family member, sending money to a friend, and purchasing an item through an online bidding site.



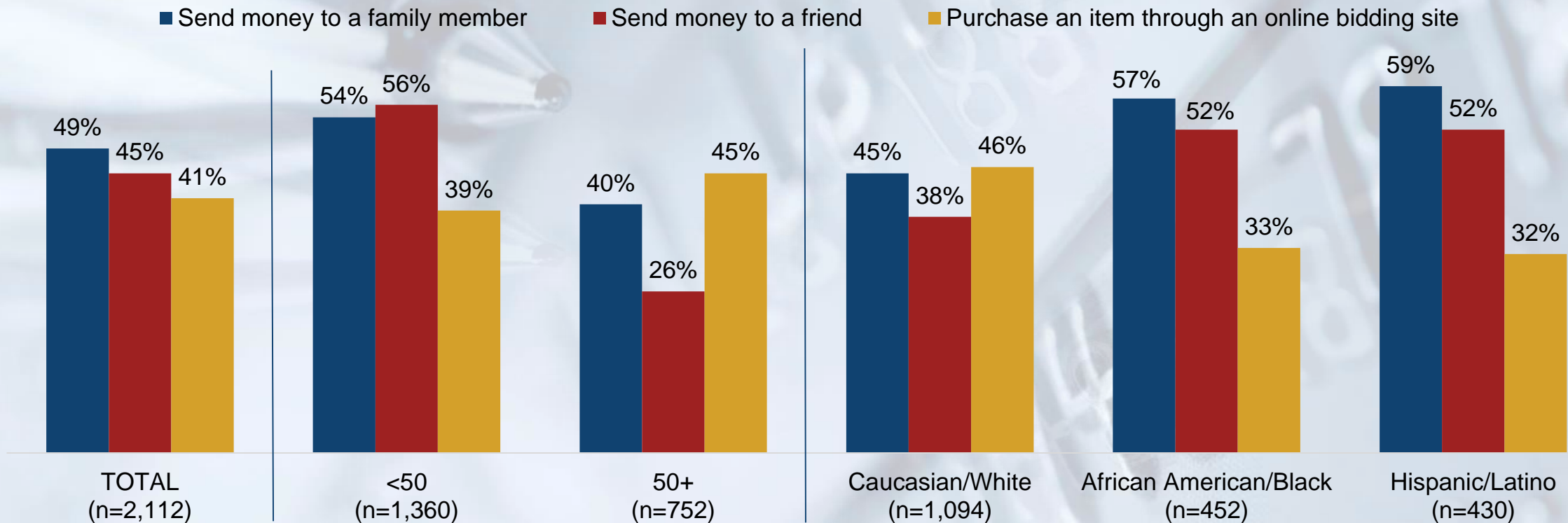
Q22. Have you ever used a Peer-to-Peer payment platform to do any of the following? Select all that apply. Please do not include your experiences with retailers.

Base: Those who have used a Peer-to-Peer payment platform

# Age and race/ethnicity differences were found among those who say they used P2P payment platforms.

Younger adults, African American/Blacks, and Hispanic/Latinos are more likely than Caucasian/Whites to use P2P payment platforms to send money to a family member or a friend while older adults and Caucasian/Whites are more likely to use it to purchase an item through an online bidding site.

Top Three Reasons Adults Use Peer-to-Peer Payment Platforms



Q22. Have you ever used a Peer-to-Peer payment platform to do any of the following? Select all that apply. Please do not include your experiences with retailers.

Base: Those who have used a Peer-to-Peer payment platform

# Half of U.S. adults send P2P payments to *make purchases from sellers\** they have never done business with before or highly rated sellers.

Reasons for Using P2P Payment Platforms	Payment Recipient									
	Family member	Friend	Neighbor	Co-worker	Stranger	Seller never done business with before	Seller did business with before	Highly rated seller	Acquaintance	Other
Purchase an item through an online bidding site (i.e, eBay) (n=806)	11%	10%	3%	4%	20%	53%	33%	61%	3%	1%
Purchase an item through classified ads (i.e., Craigslist) (n=271)	14%	18%	4%	8%	36%	47%	28%	22%	11%	1%
Purchase a ticket to an event (n=458)	18%	25%	5%	8%	10%	24%	27%	30%	7%	4%
Reimburse someone for tickets to a movie, for your share of a restaurant tab, etc. (n=576)	51%	79%	4%	25%	2%	3%	4%	4%	13%	1%
Pay someone for services (i.e., housekeeping, babysitting) (n=561)	33%	42%	9%	10%	10%	17%	26%	14%	27%	4%

Q23. When you used the Peer-to-Peer payment platform to [INSERT RESPONSE FROM Q22], who did you send money to? Base: Those who have used a Peer-to-Peer payment platform.

\*Through an online bidding site, through classified ads, or for a ticket to an event. (Note: The following response options were excluded due to a small base: make a payment for a new pet, send money to someone you met online, and other.)





# METHODOLOGY

# Methodology

- **Objectives:** To understand consumer experiences and reasons for using P2P payment platforms.
- **Methodology:** Online survey via NORC's AmeriSpeak online probability panel, with sample targeting panelists ages 18 or older
- **Qualifications:** Ages 18 or older; goes online or accesses the Internet (e.g., sending or receiving email)
- **Sample:** NORC's AmeriSpeak online probability panel, n=2,842 adults ages 18 and over
- **Interviewing Dates:** November 4-8, 2019
- **Weighting:** Sample were weighted to the population by age, gender, and race/ethnicity.
- **Margin of error:** Total sample:  $\pm 2.5$  percent at the 95 percent confidence level







## APPENDIX

# About AARP

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit [www.aarp.org](http://www.aarp.org) or follow @AARP and @AARPadvocates on social media.



# CITATIONS

- [1] Weisbaum, H. (2019, June). Use payment apps like Venmo, Zelle and CashApp? Here's how to protect yourself from scammers. Retrieved from <https://www.nbcnews.com/better/lifestyle/use-payment-apps-venmo-zelle-cashapp-here-s-how-protect-ncna1015851>
- [2] Venmo. (2020). Security: Keep yourself safe. Retrieved from <https://venmo.com/about/security/>



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