



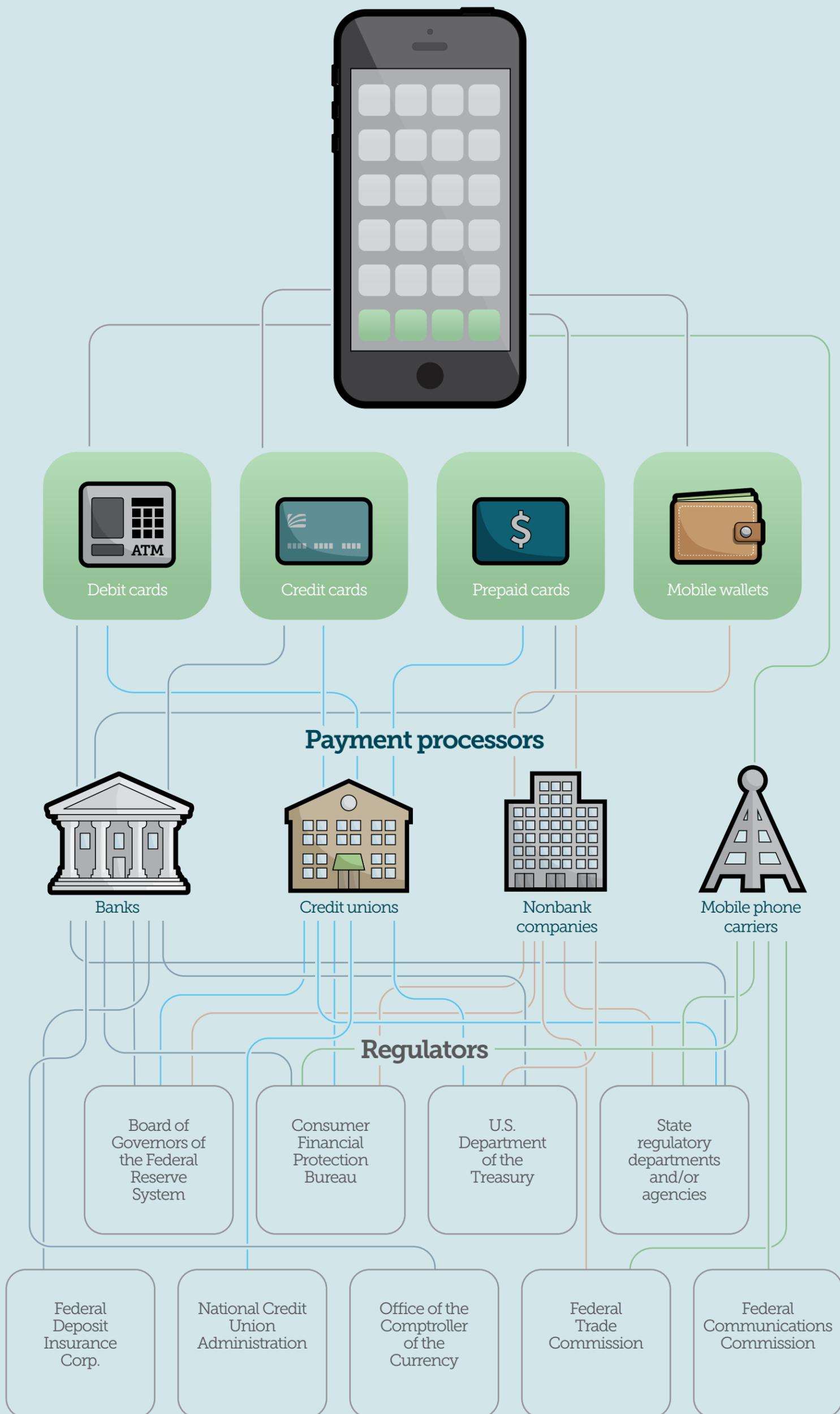
Mobile Payments

Regulatory gaps, ambiguities, and overlap

Overview

Every day, Americans use their smartphones to transfer money, pay for goods and services, and make donations. These transactions are collectively referred to as mobile payments. This infographic provides an overview of the many federal agencies that oversee the mobile payments marketplace, including payment processors and products. Regulatory overlap, gaps, and ambiguities exist in the federal and state laws that govern mobile transactions initiated with traditional financial institutions and with payment providers that are not affiliated with banks. And many laws have not kept pace with mobile technology. These uncertainties need to be addressed to create a level playing field for industry participants and provide appropriate and consistent protections for consumers who make payments using mobile devices.

Regulatory overlap, gaps, and ambiguities exist in the federal and state laws that govern mobile transactions initiated with traditional financial institutions and with payment providers that are not affiliated with banks.



Laws governing mobile payments

Myriad federal laws cover some part of the mobile payments marketplace. These include:

- Children's Online Privacy Protection Act—regulates collection of data from children younger than 13.
- Communications Act—restricts phone company use of customer proprietary network information, which is data that local, long-distance, and wireless telecommunications companies acquire about their subscribers, including services used and amount and type of usage.
- Credit Card Accountability Responsibility and Disclosure Act—provides consumer protections for credit cards.
- Dodd-Frank Wall Street Reform and Consumer Protection Act—Title X of the act established the Consumer Financial Protection Bureau and grants it authority over consumer financial protection laws.
- Electronic Fund Transfer Act—provides consumer protections for transactions conducted via ATMs, point-of-sale terminals, and the Automated Clearing House (ACH), which is a network through which electronic transactions are sent between accounts.
- Electronic Signature Act—regulates the timing and delivery of electronic disclosures.
- Expedited Funds Availability Act—requires banks to make funds from a deposited check available within specified time frames.
- Fair Credit Reporting Act (FCRA)—regulates the collection, dissemination, and use of consumer credit information.
- Fair and Accurate Credit Transaction Act—governs some consumer rights under the FCRA, including in cases of identity theft.
- Federal Trade Commission Act—prohibits unfair and deceptive practices.
- Financial Services Modernization Act (also known as the Gramm-Leach-Bliley Act)—requires companies that offer consumer financial products or services such as loans, financial or investment advice, and insurance to explain their information-sharing practices to customers and to safeguard sensitive data.
- Truth in Lending Act—provides rules institutions must follow, including disclosure of key loan terms and conditions, when offering credit.
- Truth in Savings Act—requires financial institutions to make disclosures, including of fees, interest rates, and minimum balance requirements.
- Uniform Commercial Code—laws to govern business and commercial transactions that have been largely adopted by the states.
- Uniform Electronic Transactions Act—suggests uniform state rules to govern electronic transactions, including records and signatures, that have been adopted by most states.

Contact: Sultana Ali, officer, communications

Email: sali@pewtrusts.org

Phone: 202-540-6188

Project website: pewtrusts.org/banking

The Pew Charitable Trusts is driven by the power of knowledge to solve today's most challenging problems. Pew applies a rigorous, analytical approach to improve public policy, inform the public, and invigorate civic life.