

Zelle carries momentum thanks to network and capability expansions

Article

The data: Zelle's payments volume increased 27% year over year (YoY) in Q2 2022 to \$155 billion, per a press release. Zelle's payment volume reached \$120 billion in the same period last year, growing 58% YoY thanks to a major uptick in adoption among financial institutions (FIs).

- It has moved **more than 5 billion transactions worth \$1.5 billion** since launching in 2017.

- More than 99.9% of Zelle payments are sent without any reports of fraud.
- Nearly 1,700 banks and credit unions offer Zelle in their mobile apps.

Why it's worth watching: Zelle processes the largest dollar amount of peer-to-peer (P2P) payments annually despite having a smaller user base than other providers. **Zelle's US user base is expected to hit 61.1 million in 2022, compared with 77.7 million for Venmo and 47.8 million for Cash App, [according to](#)** Insider Intelligence forecasts. Many consumers likely use more than one P2P app.

Zelle's connection to FIs is one of the biggest factors distinguishing it from other P2P players. **Eighty percent of the US population has Zelle connected through their banking app**, and many others access Zelle through its standalone app, **Albert Ko, CEO of Zelle parent company Early Warning Services** told Insider Intelligence. For this reason, many customers use Zelle for transactions like rent payments, while Venmo and Cash App are more popular for smaller, social transactions.

Zooming out: As P2P payments gain steam, fraud is a persistent industry-wide [pain point](#) that's attracting [attention](#) from regulators like the **Consumer Financial Protection Bureau**. **Nearly 18 million US consumers fell victims to P2P payments fraud** in 2020 alone, per Javelin Research.

Zelle [launched](#) two fraud protection solutions earlier this year to tackle scams.

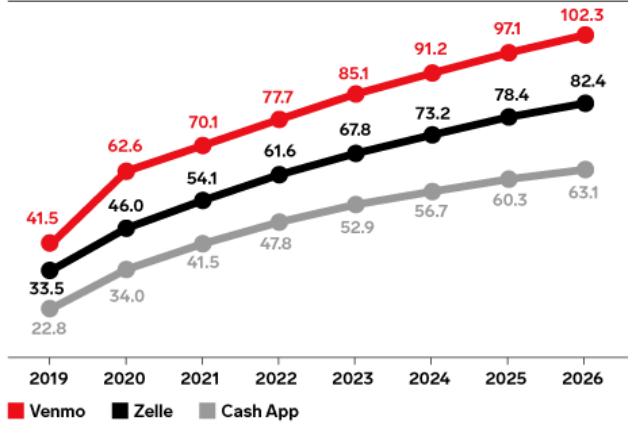
- **Verify Identity** is a synthetic fraud solution aimed at financial services organizations, mobile network providers, corporations, and government entities.
- And **Authenticate** verifies customers' identities by having them log into their bank account.

Ko told Insider Intelligence that Zelle also has internal dynamic controls to address fraud. He said that payment limits are lower for customers paying someone for the first time versus when they pay someone they've previously transacted with.

What's next for Zelle? Zelle plans to dig deeper into fraud prevention, which can help solidify consumer trust and boost volume. It also wants to establish stronger ties to small businesses with greater business checking account integrations to expand its network. And it plans to expand disbursement capabilities so larger entities can connect to the Zelle network, increasing its payments use cases.

US Peer-to-Peer (P2P) Mobile Payment Users, by Platform, 2019-2026

millions



Note: ages 14+; mobile phone users who have made at least one P2P transaction through Venmo, Zelle, or Cash App using a mobile phone in the past month
Source: Insider Intelligence, March 2022

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