

# CFPB will regulate payment apps like banks

## Article

**The news:** The Consumer Financial Protection Bureau (CFPB) will subject large payment apps to the same supervision and regulation as banks, per a press release.

- Digital wallets and other payment apps that handle more than 50 million transactions per year will be subject to the new rule. This will include **Apple Pay**, [Google Wallet](#), **PayPal**, and **Cash App**, among others.
- The CFPB has always had enforcement authority over these companies, but it can now conduct proactive examinations to ensure they are complying with all laws and to assess risks

that could lead to outages or other customer issues.

The CFPB proposed a version of this rule in November 2023.

### **What will the CFPB monitor?**

- **Data privacy.** The agency wants to ensure consumers can easily find out how payment apps collect and share their data and opt out of certain data-sharing agreements.
- **Transaction disputes.** Payment apps need to handle their own customer disputes. The agency said some apps “design their systems to shift disputes to banks, credit unions, and credit card companies, rather than managing them on their own.”
- **Outages.** The agency will monitor disruptions to payment apps, including closures and freezes. It argues that outages can cause serious harm to consumers who need to access their payments.

**How will payment apps respond?** The CFPB argued the lines are blurring between Big Tech and finance, creating a need for consistent regulation to protect consumers.

But tech lobbyists [argue](#) there’s no proof that the payment apps create any harm to consumers and say the rule conflates too many types of products and services.

**The timing of it all:** CFPB Director Rohit Chopra is likely trying to address some of his key priorities while he still can. Chopra is expected to be ousted before his term ends in 2026 so that President-elect Donald Trump can appoint someone who aligns with his priorities.

- This also means that rules like this one could be rolled back by the next director.
- But given Trump’s cabinet nominations and past M&A approach, his administration may also be willing to crack down on Big Tech and therefore may keep this rule.

**Our take:** The future of this rule is up in the air. Not only will the shifting political environment shake things up, but Big Tech opposition will also likely lead to a lengthy legal fight.

But regardless of the outcome, digital wallets should ensure operations like their dispute handlings will be compliant in the meantime.

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