

Venmo plans customer account changes, including increased security and higher fees

Article

The news: Next month, PayPal-owned Venmo will introduce new fees and updates to its platform that'll give users more control over their accounts and add an extra layer of

protection for some transactions, [per](#) Android Police.

- **Privacy and security updates:** Users can now change the visibility of their friends list to public, private, or friends. They can also opt out of being seen on other users' friends lists. And effective July 20, Venmo will expand eligibility for the [Purchase Protection Program](#) for transactions sent to business accounts and all payments marked for goods and services by the sender.
- **Fee changes:** Also on July 20, users who receive payments for goods and services will be charged a **1.9% plus \$0.10** seller transaction fee—so a \$100 payment would result in a \$2 fee. And starting August 2, the instant transfer fee will increase to **1.5%** per transfer, with a minimum fee of \$0.25 and a maximum of \$15. Venmo currently charges customers **1%** for instant transfers with a maximum of \$10. This raises the fee for a \$100 payment from \$1 to \$1.50.

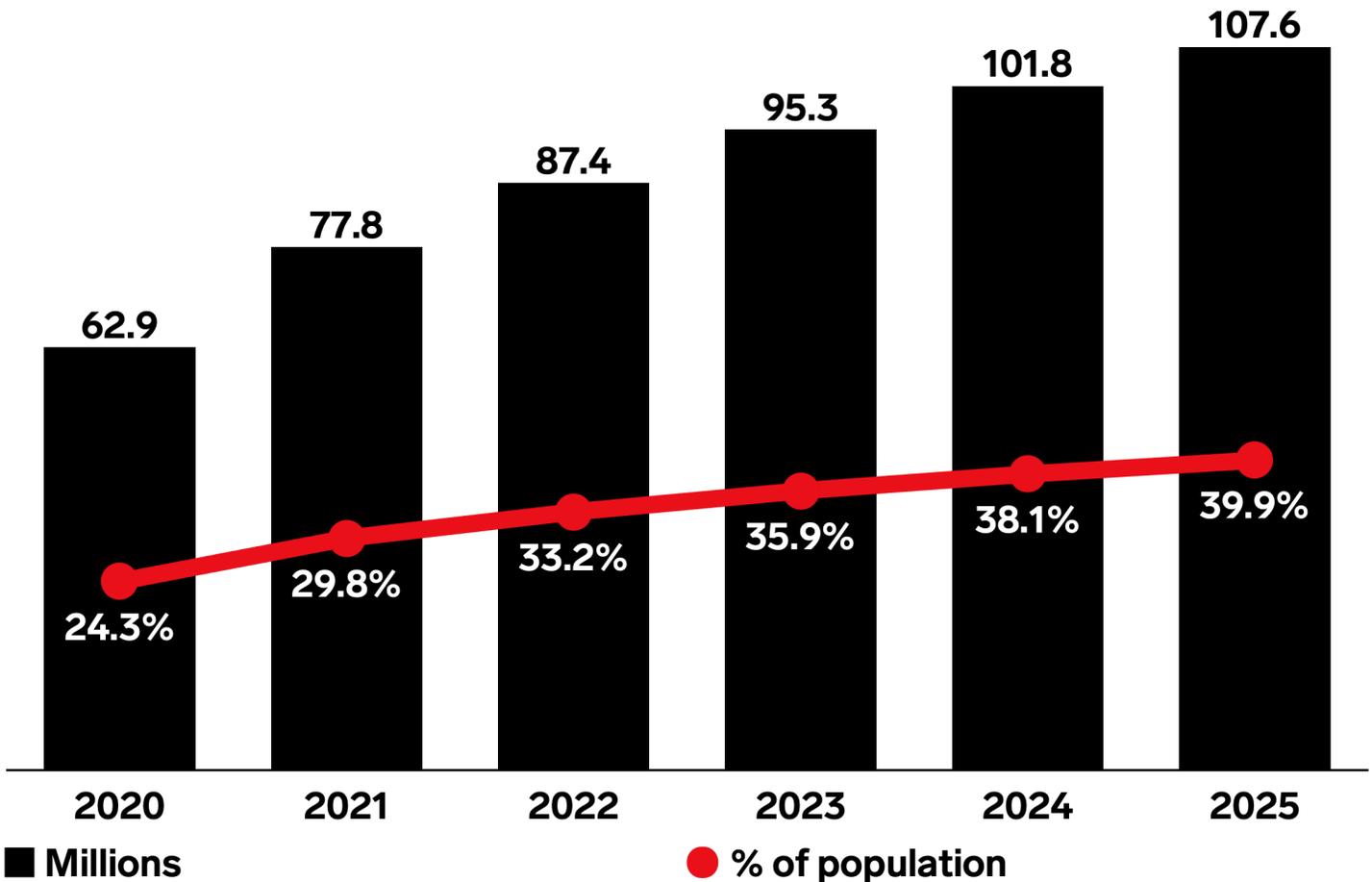
The opportunities: The updates address two persistent issues for Venmo—lingering privacy concerns and elusive profitability.

- **Venmo hopes the new privacy and security updates will help make it more trustworthy.** Letting users change their friends list visibility and manage how they're viewed in other users' friends lists can increase customer [security and loyalty](#). It can also help Venmo avoid future [complaints](#) and controversies—like when President Biden's personal Venmo account and accompanying friends list were [discovered](#) by reporters. And extending its Payment Protection Program helps protect sellers and buyers from fraud—which may encourage businesses and customers to use Venmo more often.
- **Higher fees could push Venmo closer to profitability.** Raising fees could be key in helping Venmo turn a profit—which the company has [struggled](#) with in the past but aims to [achieve](#) in 2022. Higher fees could help boost revenues for activities like Venmo business transactions and instant transfers—two top monetized actions that complement [Venmo Card](#) use. Although increased fees might turn some users away from Venmo and toward competitors that carry lower fees, this move likely won't leave lasting impacts on its overall business.

The big takeaway: Adding enhanced privacy and protection features can help make Venmo more appealing—pushing it closer toward [primary wallet](#) status and growing its market share: Last year, Venmo held a 52% share in the US peer-to-peer proximity mobile payments market, [per](#) our forecasts. And upping its fees can increase revenues, which can lead to further growth opportunities for [PayPal](#).

Venmo Users and Penetration

US, 2020–2025



Note: Ages 18+; mobile phone users who have made at least one peer-to-peer (P2P) transaction through Venmo using a mobile phone in the past month. A mobile P2P payment is a transfer of funds from one individual to another individual using a mobile phone. Includes transactions made via mobile browser or applications developed by nonbank providers like Cash App (formerly Square Cash), Facebook Messenger, and Venmo and transactions made via mobile banking websites and apps developed by banks. Excludes cross-border transactions.

Source: eMarketer, March 2021

Methodology: Estimates are based on the analysis of the market presence of major mobile payment players; estimates from other research firms; and consumer smartphone, mobile payment adoption and retail spending trends.

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