

November 7, 2022

Charles Scharf
Chief Executive Officer and President
Wells Fargo & Company
420 Montgomery Street
San Francisco, CA 94104

Dear Mr. Scharf:

I am disappointed by your evasive and misleading reply to my October 6, 2022 letter¹ asking about the extraordinarily high and rapidly increasing instances of fraud and scams affecting Wells Fargo customers on the Zelle money transfer platform.² Your customers – who have in recent years endured dozens of examples of lawbreaking and mistreatment by your bank – deserve better.

My analysis of the limited data you provided in response to my information request, which I summarized in my October 6 letter, indicated that Wells Fargo had a uniquely poor record when it came to fraud and scams affecting its customers on Zelle. First, the frequency of Zelle fraud and scams reported by Wells Fargo customers was more than twice as high as it was for comparable banks for which we had data.³ And second, the frequency of fraud and scams reported by Wells Fargo customers had increased significantly in recent years, and was more than 2.5 times higher this year than it was in 2019.⁴

I asked you a series of questions about these issues, and your response was wholly inadequate given the scope of the problems. And Wells Fargo still – despite numerous requests – has failed to provide data on how frequently it reimburses its customers when they are defrauded or scammed on Zelle. Overall, your response reveals that Wells Fargo appears to be unable to protect its customers from fraud and scams, unwilling to come clean about the scope of its problems, and incapable of providing a satisfactory explanation for these failures.

¹ Letter from Sen. Elizabeth Warren to Charles Scharf, Chief Executive Officer and President, Wells Fargo, October 6, 2022, <https://www.warren.senate.gov/imo/media/doc/Wells%20Fargo%20October%20Letter1.pdf>.

² Letter from Mary Mack, Wells Fargo CEO – Consumer and Small Business Banking, to Sen. Elizabeth Warren, October 20, 2022, [link OR on file with the Office of Senator Elizabeth Warren].

³ Letter from Wells Fargo & Company to Senators Warren and Menendez, September 28, 2022, [On file with the Office of Senator Elizabeth Warren]; Letters from PNC, US Bank, and Wells Fargo to Senators Warren, Menendez, Reed, and Colleagues, August 8, 2022, [On file with the Office of Senator Elizabeth Warren]; Letter from Bank of America to Senators Warren and Menendez, September 28, 2022, [On file with the Office of Senator Elizabeth Warren].

⁴ *Id.*

There are several specific concerns I have about your response. For example, you stated that data we published on Zelle-related problems at Wells Fargo and other banks contained “apples-to-oranges comparisons,” because Wells Fargo’s “response to your data request included gross claims [and] ... [o]ther responses may have used different dimensions.”⁵ But this assertion, which is an attempt to minimize the impact of the problem at Wells Fargo, is false. I asked for, and received, gross claims data from Wells Fargo and from several other banks – and this data revealed that Wells Fargo’s gross percentage of fraud and scam claims from consumers on Zelle were more than twice as high as the average gross percentage from the other banks.⁶

Wells Fargo’s response did not adequately address evidence I obtained indicating that the percentage of claims in which its customers reported fraud or scams on Zelle was more than 2.5 times higher in 2022 than it was in 2019. Instead, Wells Fargo attempted to mislead me about the facts, providing only limited data comparing 2018 and 2021 fraud rates, and failing to provide any direct comparison between total fraud and scam claims for all of 2022 to date.⁷

Your responses to the remainder of my questions were insulting and useless to your customers, who have been the victims of fraud and scams on Zelle and are unaware of the higher risks they face on the platform as a customer of your bank. I have, on at least four occasions,⁸ sought information from Wells Fargo that would allow Congress, federal regulators, and the public to understand the full scope of fraud and scams perpetrated against Wells Fargo customers on the Zelle platform. Each time, you have refused to make this data public.⁹

This ongoing refusal to provide transparency about the full scope of Well Fargo’s problem with fraud and scams is yet another example of the bank’s years-long record of mistreating its customers. On behalf of those customers, I again ask that you provide the following information no later than November 21, 2022:

- 1) Will Wells Fargo commit to publicly releasing up-to-date information on the extent of Zelle fraud and scams reported by customers, and the extent to which your bank is reimbursing customers who are defrauded or scammed?

⁵ Letter from Mary Mack, Wells Fargo CEO – Consumer and Small Business Banking, to Sen. Elizabeth Warren, October 20, 2022.

⁶ Letter from Sen. Elizabeth Warren to Charles Scharf, Chief Executive Officer and President, Wells Fargo, October 6, 2022, <https://www.warren.senate.gov/imo/media/doc/Wells%20Fargo%20October%20Letter1.pdf>.

⁷ Letter from Mary Mack, Wells Fargo CEO – Consumer and Small Business Banking, to Sen. Elizabeth Warren, October 20, 2022.

⁸ Letter from Sen. Elizabeth Warren to Charles Scharf, Chief Executive Officer and President, Wells Fargo, July 7, 2022, <https://www.warren.senate.gov/imo/media/doc/Letters%20to%20Banks%20re%20Zelle.pdf>; At Hearing, Warren Blasts Bank CEOs on Failure to Protect Consumers From Zelle Fraud, September 22, 2022, <https://www.warren.senate.gov/newsroom/press-releases/at-hearing-warren-blasts-bank-ceos-on-failure-to-protect-consumers-from-zelle-fraud>; Letter from Sen. Elizabeth Warren to Charles Scharf, Chief Executive Officer and President, Wells Fargo, September 22, 2022, <https://www.warren.senate.gov/imo/media/doc/Letters%20to%20Bank%20CEOs.pdf>; Letter from Sen. Elizabeth Warren to Charles Scharf, Chief Executive Officer and President, Wells Fargo, October 6, 2022, <https://www.warren.senate.gov/imo/media/doc/Wells%20Fargo%20October%20Letter1.pdf>.

⁹ See e.g., and here we should cite a response letter from Wells Fargo that either says they won’t make the data public, or doesn’t share data that we asked for.

- 2) Please provide the dollar value of the refunds Wells Fargo provided to customers who reported cases of scams on Zelle in each of the years from 2017 – 2021 and for the period of January 2022 – September 2022. Please do not combine these values with any other values.
- 3) Please provide the dollar value of the refunds Wells Fargo provided to customers who reported cases of fraud on Zelle in each of the years from 2017 – 2021 and for the period of January 2022 – September 2022. Please do not combine these values with any other values.
- 4) Please provide the number of Zelle fraud claims Wells Fargo reimbursed in each of the years from 2017 – 2021 and for the period of January 2022 – June September. Please provide this information broken down by year.
- 5) Please provide the number of Zelle scam claims Wells Fargo reimbursed in each of the years from 2017 – 2021 and for the period of January 2022 – June 2022. Please provide this information by year.

Sincerely,



Elizabeth Warren
United States Senator