



Sending and Receiving Money Via Apps

by Bryan Smith, LTCL Tech Coach

Today's column comes to us from two sources. The weekly LTCL Tech Q&A Zoom class and... my mother (Hi Mom!). I didn't attend the Tech Q&A class, but I can certainly tell you why this is a topic that I want my mother to understand. The topic is sending money online with things called Venmo, Zelle, Apple Pay, Cash App, and others. Are they safe? How does one use them? What's the best one? Well, read on...

Back to my motivation to write this week's column for my mom and others... You see, I have two sons out in the world working and living on their own. And my dear mother likes to send them money on special occasions. She's sweet like that. Well, she sends them checks. Except for one reason or the other, the U.S. First Class letter seems to get returned as undeliverable or "no such address". So, she mails the checks to... ME! I don't get to see my sons as often as I'd like, so I then sit on a letter until I do see them. Mom – please stop sending me their checks and check out these easy online ways to safely send money to your grandsons! 😊

Officially, these apps are called mobile peer-to-peer payment services, and for sure, they are here to stay. They are a great way to split a dinner tab (one person pays and the other transfers money for their portion to the first person) or to send grandchildren birthday money. There are many different services as each one is slightly different, but there are similarities between them. And according to Consumer Reports, all of these services listed (yes, there are others that I'm not including here) are secure enough to use, but there is one main caution: Be sure that you are sending money to the right person because if you don't, chances are, the person you did send the money to will not return it.

These systems provide a way to connect to your bank account, specify an amount and a recipient by phone number, email address, or account #, and then whoosh – it's sent. All of these systems require both the sender and receiver to sign up for the service. Some systems, like Zelle, send the money instantaneously. Others take a day or two for the recipient to receive the money but also provide options where you can pay a small amount in return for getting the money immediately – this is how they make money – on the interest of the money held. All but Zelle are like a separate bank account – when you receive money, the money stays in the app's account until you send it to someone else or until you transfer a portion of the entire balance to your bank account. Zelle is different because it is a collaboration across several major banks, and they are simply opening up the ACH (Automated Clearing House) capability to individuals that has existed for many years and may be the way that you have paid your HOA dues or utilities.

Venmo, operated by PayPal, was arguably the first mobile payment system. It's very popular among the younger crowd because it has some social features in it, like the ability to let your friends know who you received money from and who you sent money to. Yes, really. Zelle nor the Cash app has the social feed.

Zelle is commonly built into [existing banking apps](#). So, if you have a checking or savings account with Bank of America, USAA, Wells Fargo, Chase, Capital One, ... the ability to register with Zelle and transfer or request money is already built into your existing banking app. Simple. It's one reason why I prefer it.

Apple Pay has been rated by some sources as the most secure mobile payment system. The biggest drawback with Apple Pay is that it requires an Apple product (iPhone, Mac, etc.). Transfers with Apple Pay are immediate.

Cash App is quickly gaining a lot of popularity. It is operated by Square, the company that makes those credit card readers that plug into smartphones. Other than popularity, the other distinct feature of it is that it offers an investing feature. You can invest in stocks and ETFs for as little as \$1 and no commission fees.

Can you use more than one? Sure. Can you try one and later decide to stop using it? Sure. Why would you use more than one? Because the person you want to send to or receive from may only use a certain app.

And let me reiterate the most important point in this column.... Be sure you are sending money to the right person. For example, let's say I use one of my email addresses as the way to identify myself to one of these systems... bryanfsmith49362732TX@gmail.com. This is not my email address, but it points out that if you miss even one character while trying to type this out on a small phone screen, not only will I not get the money, but if the mistyped address is a valid email address, then **that** person would get the money and chances of you getting that reversed are solely up to that unknown person. For this reason, some of these services offer the ability for someone to "request" money from another user on the system – if that person receives the request, then you have established correct credentials between each other, and all of these systems allow you to save others contacts within the app.

So, what do you think mom?

Tech Coach Assistance

Tech Coaches are now providing remote Tech Coaching. Simply send an email to techcoach@laketravislibrary.org and one of our coaches will respond to assist you with any questions or challenges you may have.