PEER TO PEER PAYMENT PRACTICES AND ASSOCIATED RISKS: A SURVEY OF CONNECTICUT ADULTS AGES 18+

April 2020
Table of Contents

Background and Methodology 3
Key Findings 4
Peer-to-Peer Payment Platforms 6
Methodology 13
Appendix 15
BACKGROUND AND METHODOLOGY

A growing number of consumers are using peer-to-peer payment (P2P) platforms to send money to someone else’s account – a relatively quick and easy way to transfer money. Although it’s convenient, scammers have caught on to this method of payment.\[1\] Once money has left a person’s account, it’s very difficult to recover it if it falls into a scammer’s hands.

Some consumers are unaware that peer-to-peer payment platforms are meant to be used between people you know and trust. Venmo’s website specifically states, “Avoid payments to people you don’t know, especially if it involves a sale for goods and services (like event tickets and Craigslist items).”\[2\] Scammers have been known to place false classified ads for tickets to a sporting event, to buy goods or services, or even to buy a pet.

This report reflects results from a larger survey among 801 Connecticut adults ages 18 and older which highlights people’s experiences with peer-to-peer payment platforms.* The survey has a sampling margin of error of ±4.6 percent. This survey was also conducted nationally and in three other states: Pennsylvania, Vermont, and Washington. To view the national and state reports and/or the full study methodology for these studies, please go to www.aarp.org/p2prisks.

*The peer-to-peer payment questions were part of a larger survey, Season’s Cheatings: Beware of Holiday Scams, released in December 2019. The full annotated questionnaire may be found at www.aarp.org/seasonscheatings. The results of this report focus only on P2P questions.
Key Findings

➢ The majority of Connecticut adults report using P2P payment platforms. And among those users, two in three say that they sometimes or frequently use P2P while a third report rarely using them.

➢ More education is needed to raise awareness on how peer-to-peer (P2P) payment platforms operate. Over half of Connecticut adults incorrectly answered a quiz question about being able to reclaim your money if you make an error sending money through a peer-to-peer payment system. (You typically cannot.)

➢ Connecticut adults are using P2P payment platforms to send money to people they don’t know. When making a purchase through an online bidding site (i.e., eBay), over two in five send the money to a seller with whom they have previously never done business and half send the money to a seller rated highly for fulfillment and delivery. (It is unsafe to use P2P payment platforms in this way.)
PEER-TO-PEER (P2P) PAYMENT PLATFORMS
The majority (67%) report using P2P payment platforms.

Younger adults are more likely than older adults to use P2P payment platforms.

Q20. Have you used any of the following Peer-to-Peer payment platforms? Base: All respondents
Two in three Connecticut adults say that they use P2P payment platforms sometimes or frequently.

In fact, younger adults are more likely than older adults to say that they use it *sometimes or frequently*. And, older adults are more likely to report that they *rarely* use it.

How Often Adults Use Peer-to-Peer Payment Platforms

Q21: Again, only thinking of your experiences with individuals and not retailers, how often do you use the Peer-to-Peer payment platforms?

Base: Those who have used a Peer-to-Peer payment platform

<table>
<thead>
<tr>
<th></th>
<th>Frequently</th>
<th>Sometimes</th>
<th>Rarely</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL (n=535)</td>
<td>24%</td>
<td>42%</td>
<td>34%</td>
</tr>
<tr>
<td>&lt;50 (n=323)</td>
<td>31%</td>
<td>42%</td>
<td>28%</td>
</tr>
<tr>
<td>50+ (n=212)</td>
<td>13%</td>
<td>42%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Q21. Again, only thinking of your experiences with individuals and not retailers, how often do you use the Peer-to-Peer payment platforms?

Base: Those who have used a Peer-to-Peer payment platform
Over half of Connecticut adults incorrectly answered a quiz question about being able to reclaim your money if you make an error sending money through a peer-to-peer payment system.

QUIZ QUESTION: If you make an error when sending money through a Peer-to-Peer payment system, you will be able to reverse the transaction to reclaim your money.

FALSE (45% answered the question correctly)
The top three reasons for using P2P payments are sending money to a family member, purchasing an item through an online bidding site, and sending money to a friend.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Send money to a family member</td>
<td>41%</td>
</tr>
<tr>
<td>Purchase an item through an online bidding site (i.e., eBay)</td>
<td>37%</td>
</tr>
<tr>
<td>Send money to a friend</td>
<td>33%</td>
</tr>
<tr>
<td>Reimburse someone for tickets to a movie, for your share of a restaurant tab, etc)</td>
<td>17%</td>
</tr>
<tr>
<td>Purchase a ticket to an event</td>
<td>17%</td>
</tr>
<tr>
<td>Pay someone for services (i.e., housekeeping, babysitting)</td>
<td>16%</td>
</tr>
<tr>
<td>Purchase an item through classified ads (i.e., Craigslist)</td>
<td>7%</td>
</tr>
<tr>
<td>Send money to someone you met online</td>
<td>7%</td>
</tr>
<tr>
<td>Send money to a neighbor</td>
<td>6%</td>
</tr>
<tr>
<td>Make a payment for a new pet</td>
<td>3%</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>11%</td>
</tr>
</tbody>
</table>

Q22. Have you ever used a Peer-to-Peer payment platform to do any of the following? Select all that apply. Please do not include your experiences with retailers.

Base: Those who have used a Peer-to-Peer payment platform
Age differences were found among those who say they used P2P payment platforms.

Younger adults are more likely to use P2P payment platforms to send money to a family member or a friend while older adults are more likely to use it to purchase an item through an online bidding site.

### Top Three Reasons Adults Use Peer-to-Peer Payment Platforms

- **Send money to a family member**
- **Purchase an item through an online bidding site**
- **Send money to a friend**

#### TOTAL (n=535)

- Send money to a family member: 41%
- Purchase an item through an online bidding site: 46%
- Send money to a friend: 37%

#### <50 (n=323)

- Send money to a family member: 30%
- Purchase an item through an online bidding site: 41%
- Send money to a friend: 32%

#### 50+ (n=212)

- Send money to a family member: 33%
- Purchase an item through an online bidding site: 47%
- Send money to a friend: 21%

Q22. Have you ever used a Peer-to-Peer payment platform to do any of the following? Select all that apply. Please do not include your experiences with retailers.

**Base:** Those who have used a Peer-to-Peer payment platform
At least two in five Connecticut adults send P2P payments to make purchases from sellers* they have never done business with before or highly rated sellers.

<table>
<thead>
<tr>
<th>Reasons for Using P2P Payment Platforms</th>
<th>Family member</th>
<th>Friend</th>
<th>Neighbor</th>
<th>Co-worker</th>
<th>Stranger</th>
<th>Seller never done business with before</th>
<th>Seller did business with before</th>
<th>Highly rated seller</th>
<th>Acquaintance</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase an item through an online bidding site (i.e., eBay) (n=199)</td>
<td>15%</td>
<td>12%</td>
<td>2%</td>
<td>3%</td>
<td>18%</td>
<td>42%</td>
<td>32%</td>
<td>50%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Reimburse someone for tickets to a movie, for your share of a restaurant tab, etc. (n=101)</td>
<td>58%</td>
<td>75%</td>
<td>17%</td>
<td>16%</td>
<td>10%</td>
<td>7%</td>
<td>10%</td>
<td>11%</td>
<td>16%</td>
<td>--</td>
</tr>
</tbody>
</table>

Q23. When you used the Peer-to-Peer payment platform to [INSERT RESPONSE FROM Q22], who did you send money to? Base: Those who have used a Peer-to-Peer payment platform.
*Through an online bidding site, through classified ads, or for a ticket to an event. (Note: The following response options were excluded due to a small base: purchase an item through classified ads, purchase a ticket to an event, pay someone for services (i.e., housekeeping, babysitting), make a payment for a new pet, send money to someone you met online, and other.)
METHODOLOGY
Methodology

• **Objectives**: To understand Connecticut consumer experiences and reasons for using P2P payment platforms.

• **Methodology**: Online survey via NORC’s AmeriSpeak® Panel, a probability-based panel, and from Dynata’s non-probability online opt-in panel, with sample targeting Connecticut adults ages 18 and older. The AmeriSpeak panel is designed to be representative of national general household population, with the Connecticut AmeriSpeak cases being a subsample from a national general population survey.

• **Qualifications**: Ages 18 or older; resides in Connecticut; goes online or accesses the Internet (e.g., sending or receiving email)

• **Sample**: NORC’s AmeriSpeak online probability panel, n=801 adults ages 18 and over

• **Interviewing Dates**: November 4-8, 2019

• **Weighting**: Sample were weighted to the population by age, gender, and race/ethnicity.

• **Margin of error**: ± 4.6 percent at the 95 percent confidence level
APPENDIX
About AARP

AARP is the nation’s largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation’s largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.

Lona Choi-Allum, AARP Research
lallum@aarp.org

For media inquiries, please contact media@aarp.org

For more information on the issue:
Kathy Stokes (KStokes@aarp.org)

This research was designed and executed by AARP Research