

**Letitia James**

New York Attorney General

Attorney General James Secures \$45 Million from Block for Enabling Fraud and Misleading Cash App Users

Block Falsely Promised Secure Accounts and Advanced Fraud Detection While Allowing Cash App Scams to Spread

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NEW YORK – New York Attorney General Letitia James and a bipartisan coalition of 45 other attorneys general today [secured \\$45 million from Block, Inc. \(Block\)](#), the company behind the popular peer-to-peer payments app Cash App, for misleading its users and failing to protect them from scams and fraud. Attorney General James and the coalition allege that Block failed to help users when they were scammed, misled consumers about the safety of Cash App, and failed to provide the fraud protection and resolution that it promised and was required to provide by law. As part of the settlement with Attorney General James and the coalition, Block must implement changes to protect users from fraud, ensure users have access to live customer service agents, and stop all misleading marketing. Block must also pay \$1.6 million in penalties to New York.

“New Yorkers were promised that Cash App was a safe and secure platform to send money, but in reality, the app exposed them to rampant fraud,” said **Attorney General James**. “For years, Cash App users lost money to costly scams because Block cared more about profits than protecting its users. I am proud that this bipartisan group of attorneys general came together to hold Block accountable and ensure Cash App protects its users’ funds.”

An investigation by Attorney General James and the coalition found that Block misled Cash App users with advertising and that falsely implied the app worked like a bank with the same protections for customers’ funds that banks have. Block claimed in its terms of service that it had “cutting edge... fraud detection technology” when the company

lacked a consistent fraud detection system. Block also did not have a functioning fraud hotline for users to report scams.

Block knew fraud on its platform was rising sharply, but instead of warning users or strengthening protections, it doubled down on marketing. Block focused on drawing in new customers while allowing scam accounts to proliferate. Cash App accounts did not require a Social Security number or date of birth to create, and there was no limit on how many accounts one person could open, allowing one bad actor to operate an entire network of scam accounts. Cash App limited chargebacks on accounts while incentivizing the creation of new accounts, which caused fraud to proliferate.

Block made a particular push to reach unbanked and underbanked consumers by promoting direct deposits of paychecks and government benefits into Cash App. Users who relied on Cash App as their primary financial account were especially vulnerable to fraud, yet Block grew its user base without introducing security and fraud prevention measures that would protect these customers' accounts.

While some of Block's policies failed to stop fraud, others actively enabled it. Because Cash App had no phone number to call for support, users who got locked out of their accounts searched online for a customer service number and often ended up calling fake numbers run by scammers posing as Cash App customer service. Those scammers would then take over victims' Cash App accounts or drain users' other financial accounts. Block knew this was happening and failed to warn users or set up a real phone line until 2021.

Block also ran a social media promotion called Cash App Fridays, encouraging users to publicly post their unique Cash App identifier for a chance to win a weekly prize. Fraudsters would then contact those users, tell them they had won, and trick them into handing over their login information. Attorney General James and the coalition's investigation found that Block was aware of these scams but kept running the promotion, training staff to expect defrauded customers to contact them.

Block's failures to provide adequate customer service and fulfill its promise to protect users from fraud caused confusion and financial hardship for its users. Cash App users who experienced automated account locks for suspicious transactions were frequently locked out of their accounts for weeks without a way to access their money. Victims of fraud through the app were often left with no recourse. Block's delays made it impossible

to get stolen money back from scammers and Block failed to investigate unauthorized transactions or issue refunds when required by law.

As a result of the settlement, Block must implement responsible practices to resolve these issues, including:

- Maintaining customer support services that can resolve fraud complaints, account lockouts, and other problems.
- Offering live support 24 hours a day, with a real person available by phone at least 13.5 hours a day and by live chat at least 18 hours a day.
- Stopping false or misleading claims about Cash App's safety and how it protects users from fraud.
- Discontinuing marketing practices known to increase fraud on the platform.
- Directly educating consumers about common types of fraud.
- Fulfilling its legal obligations to investigate fraud claims and reimburse users for unauthorized transactions.

Joining Attorney General James in securing this settlement are the attorneys general of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin.

Attorney General James is a national leader in protecting New Yorkers from online scams. In August 2025, Attorney General James [sued the company behind Zelle for enabling widespread fraud](#). In June 2025, Attorney General James took action [to stop a crypto scam targeting Russian-speaking New Yorkers](#). In January 2025, Attorney General James [became the first regulator to provide notice of litigation by depositing a nonfungible token \(NFT\) into the wallets of scammers used to steal the victims' cryptocurrency](#). In June 2024, Attorney General James [sued cryptocurrency trading company NovaTechFx](#) for engaging in an illegal pyramid scheme that defrauded hundreds of thousands of investors worldwide, including over 11,000 New Yorkers of over a billion dollars' worth of cryptocurrency.

For New York, this matter was handled by Deputy Bureau Chief Clark Russell under the supervision of Bureau Chief Kim Berger of the Bureau of Internet and Technology. The Bureau of Internet and Technology is a part of the Division for Economic Justice, which is led by Chief Deputy Attorney General Chris D'Angelo and overseen by First Deputy Attorney General Jennifer Levy.