



**Testimony to the Senate Finance Committee**

**SB659 Commercial Law - Consumer Wire Transfers - Liability (Elder Fraud Prevention Act of 2025)**

**Position: Favorable**

02/20/2025

The Honorable Pamela Beidle, Chair  
Senate Finance Committee  
3 East Miller Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401  
cc: Members, Senate Finance

Honorable Chair Beidle and members of the committee:

Economic Action Maryland Fund (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action provides direct assistance today while passing legislation and regulations to create systemic change in the future.

As a part of our work, Economic Action's Securing Older Adult Resources program, or SOAR, works with older adults across the state to assist them in securing financial resources and provide educational tools for financial security and safety. Although in theory it is easy to teach older adults about the warning signs of online finance and crypto scams, scammers are constantly changing their strategy and modernizing their techniques, making it difficult to keep up. Now, in the era of artificial intelligence and deep fakes, where a scammer can pretend to be a financial institution to ask for money over the phone, it is important to ensure that older adults are protected from multiple angles, through education and through law.

According to the FTC, Americans lost \$343.7 million in 2023 on wire transfer fraud alone.<sup>1</sup> Most other types of electronic transfer are covered under the federal Electronic Funds Transfers Act (EFTA), which includes a private right of action against the banks, this allows fraud victims to sue their bank for not questioning/stopping the transaction. Because wire transfers are not currently covered by EFTA, victims of wire fraud can only get their money back if they can track down the scammer, which is a long process that is often fruitless, especially if that money has already been spent. This process also makes it difficult for older adults without the resources or ability to go after the scammer themselves. Banks have an obligation to protect their customers. SB659 would protect victims of wire fraud by holding banks adequately liable for the fraud and would create a private right of action for victims to sue their banks. This would ensure that banks are vigilant when it comes to wire transfers, hopefully preventing more of this fraud from occurring in the future.

For these reasons, we urge your favorable report on SB659.

Sincerely,  
Zoe Gallagher, Policy Associate

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<sup>1</sup> [https://www.ftc.gov/system/files/ftc\\_gov/images/CSN-1pager-2023.png](https://www.ftc.gov/system/files/ftc_gov/images/CSN-1pager-2023.png)