



What you Need to Know about Wires:

The mechanics of a wire transfer make it a popular settlement option for moving money quickly.

Unfortunately, the speed of settlement and permanence of the transaction also make wires a popular payment method for scammers. Unlike checks, there is no such thing as a "stop payment" for a wire.

Here are a few points to bear in mind when sending a wire transfer.

- Establish protocols at your business to ensure that money transfers are legitimate.
 - *Email and texting are great communication tools but should not be relied on for approvals or money transfer instructions alone.*
 - *All money transfer instructions received electronically (email/text), even from another person in your own company, should be verified by **calling** the person requesting the money at a known good number (not a number provided in an email).*
 - When the wire is initiated, the money is **immediately** withdrawn from the sender's account and delivered to the receiving financial institution where it is deposited into the receiver's account according to the instructions provided by the sender
- ***Once a wire transfer is authorized the money is transferred and the sending bank cannot recover it or stop the process.***
- Due to privacy laws, banks cannot provide details or confirm the beneficiary account information on the wire. If the account number on the wire form matches an account number at the receiving bank, the money may post to that account regardless of the name on the account at the other bank.
- ***FDIC insurance does not cover wire transfers that do not reach the intended beneficiary.*** For more information about FDIC insurance, please visit the FDIC site at <https://www.fdic.gov/about/what-we-do/>.

Because a wire transfer cannot be stopped or the funds recovered once initiated, they are a popular tool used by scammers who may pose as a vendor or employee of a company and attempt to receive a payment via wire. To help protect your funds, your banker may ask questions when you request a wire transfer. These are not intended to pry, but to check for red flags that might indicate a possible scam. Questions could include:

- **Why are you sending a wire instead of using another payment method?**
- **Have you sent a wire to this account/routing number before?**
- **How were the wire instructions received?**