

Vice Chair of Supervision Bowman Signals a Broader Supervisory Push on Consumer Fraud

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On Tuesday, May 5, Federal Reserve Vice Chair for Supervision Michelle W. Bowman [addressed the Women in Housing and Finance Symposium](#). In her speech, the Vice Chair framed consumer fraud as more than just a consumer protection issue, describing it instead as an emerging supervisory, payments system, and financial stability concern.

The speech was notable less for announcing a specific regulatory initiative than for signaling that the Federal Reserve increasingly views fraud as a threat to confidence in the banking system itself. Vice Chair Bowman argued that modern fraud differs from historical scams in its “scale, sophistication, and impact,” particularly as criminals leverage digital platforms, social engineering, malware, and real-time payment systems.

Vice Chair Bowman highlighted a range of increasingly common fraud schemes, including impersonation scams, fake package-delivery texts, fraudulent retailer alerts, and situations where consumers are coached in real time by scammers while standing at a bank teller window. The consistent theme, she said, is that these communications appear authentic to the consumer and exploit consumer trust.

Vice Chair Bowman repeatedly tied fraud directly to the Federal Reserve’s institutional responsibilities. She noted that “nearly every fraud affects a bank account or is tied to a payment that involves a bank account,” making fraud prevention relevant not only to consumer protection but also to bank supervision and payment system integrity.

Vice Chair Bowman cited Federal Reserve survey data showing that 21% of U.S. adults experienced financial fraud or scams during 2024. While credit-card fraud remains the most common category, she focused particular attention on fraud involving bank accounts and other products where up to two-thirds of the time consumers are not eligible for reimbursement protections.

Vice Chair Bowman stated that non-credit-card fraud produced approximately \$84 billion in losses in 2024, of which only \$21 billion was recovered, leaving roughly \$63 billion in net consumer losses. She emphasized that the median fraud loss was approximately \$500—an amount exceeding the emergency savings available to many households.

Importantly, Vice Chair Bowman stated that fraud runs across demographic groups. Older consumers may suffer larger losses, but she noted that fraud incidence was broadly similar across income, race, ethnicity, and gender categories. Her broader point was clear: regulators increasingly see fraud as systemic and pervasive rather than a niche problem targeting the most vulnerable of consumers.

For banks, the Vice Chair Bowman’s remarks reinforced the growing operational and financial burden associated with fraud mitigation. Vice Chair Bowman noted that fraud losses are among the largest expenses for many community banks and referenced the Financial Stability Oversight Council’s recent focus on cyber-enabled fraud and its impact on household balance sheets.

The most tangible portion of the speech concerned next steps. Vice Chair Bowman highlighted the joint [Request for Information](#) issued with the FDIC and OCC last year and noted that regulators are evaluating enhanced supervisory guidance, improved fraud-detection tools, and greater standardization of fraud terminology and reporting.

Vice Chair Bowman also previewed an upcoming public-private roundtable involving Treasury Secretary Scott Bessent and FCC Chair Brendan Carr focused on fraud coordination efforts. The broader message was unmistakable: the Federal Reserve increasingly appears prepared to treat payments fraud as a cross-sector supervisory issue requiring coordinated action among regulators, banks, law enforcement, and payment system operators.