

February 6, 2026

The Honorable Ruben Gallego
United States Senate
302 Hart Senate Office Building
Washington, DC 20510

The Honorable Bernie Moreno
United States Senate
284 Russell Senate Office Building
Washington, DC 20510

Dear Senators Gallego and Moreno:

The American Bankers Association (ABA)¹ writes today in strong support of S.3774, the Safeguarding Consumers from Advertising Misconduct or SCAM Act, which was introduced on February 4, 2026. We enthusiastically commend this effort to fight fraud and protect consumers.

Fraud and related scams take an extraordinary financial and emotional toll on American consumers. Although the lack of comprehensive data makes the full scope difficult to quantify, annual financial losses are estimated to exceed \$195 billion. No sector invests more to protect Americans from fraud and scams than the banking industry, which expends significant resources on fraud prevention, detection, and recovery. But banks cannot solve this problem alone. When social media companies perform minimal, if any, vetting of the advertisements placed on their networks, criminals can exploit these platforms to impersonate banks and other legitimate companies and gain consumers' trust. As long as fraudulent ads continue to drive revenue for platforms without consequence, more must be done to protect consumers.

This legislation would deploy a critical new weapon in the fight against fraud and scams. The bill establishes a strong framework to improve social media companies' urgency in monitoring for and removing fraudulent advertising, stopping countless scams before they start. The bill requires social media companies to verify advertisers' identity, implement systems to detect fraudulent advertisements, and investigate and remove fake ads. The bill also explicitly limits Section 230 immunity in this context. For too long, the social media scam ecosystem has been generating profits for social media platforms. Under the SCAM Act, a greater volume of scams will no longer mean greater revenue.

ABA is proud to endorse S.3774 and strongly encourages all members of the United States Senate to support this critical, commonsense measure to protect the American people. Thank you again for your leadership on this important issue that touches consumers and businesses across the country.

Sincerely,



¹ The American Bankers Association is the voice of the nation's \$25.1 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2.1 million people, safeguard \$19.7 trillion in deposits and extend \$13.2 trillion in loans.