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NEWS FOR IMMEDIATE RELEASE

July 8, 2026

**Wisconsin DOJ and Coalition Announce \$45 Million Multistate Settlement
with Block Inc. Over Alleged Deceptive Practices on Cash App**

Wisconsin to receive over \$650,000 of the settlement

MADISON, Wis. – The Wisconsin Department of Justice (DOJ) and a coalition of 45 other states today announced a \$45 million multistate settlement with Block, Inc., the company behind the popular peer-to-peer payments app Cash App. The settlement resolves allegations that Block misled consumers about the safety of Cash App, failed to protect users from fraud on the platform, and didn't provide the fraud protection and resolution that it promised and that was required by law. In short, the company allegedly failed to help people when things went wrong.

“Consumers who entrust a company with their money should be provided with a clear picture of how safe their money will be,” said AG Kaul. “Companies that take responsibility for people’s money must not mislead their users or customers about the strength of their consumer protections.”

Block allegedly told Cash App users their money was safe – implying that the app worked like a bank, with the same protections, which allegedly wasn't true. At the same time, Block allegedly knew fraud on its platform was rising sharply – and instead of warning users or strengthening protections, it allegedly doubled down on marketing.

For years, Block allegedly actively promoted direct deposits of paychecks and government benefits into Cash App. It allegedly made a particular push to reach unbanked and underbanked consumers – people who would often rely on Cash App as their primary financial account, and who were especially vulnerable to fraud. Block

allegedly grew its user base without making sure it could support those users when problems arose.

Over \$650,000 of the \$45 million settlement will be paid by Block to the state of Wisconsin.

Block's policies didn't just fail to stop fraud – in several ways they allegedly made it easier. According to the multistate coalition's allegations:

- Block's sign-up process was designed to be fast and frictionless, with minimal identity verification. That made it easy for fraudsters to create accounts, not just legitimate users.
- For years, Cash App had no phone support. Users who needed help could only message through the app or on social media. People who got locked out – or just wanted to talk to someone – searched online for a phone number and often ended up calling fake 1-800 numbers run by scammers posing as Cash App. Those scammers would then take over accounts or drain users' other financial accounts. Block knew this was happening and didn't warn users or set up a real phone line until years later.
- Block ran a social media promotion called Cash App Fridays, encouraging users to publicly post their \$cashtag – a unique Cash App identifier – for a chance to win a weekly prize. Fraudsters would then contact those users, tell them they'd won, and trick them into handing over their login information. Block knew about these scams and kept running the promotion anyway, for years.

Block's alleged failure to provide adequate customer service and to fulfill its promise to protect users from fraud had real consequences for real people. Innocent users who experienced automated account locks for suspicious transactions were allegedly frequently locked out of their accounts for weeks without a way to access their money. Victims of alleged fraud through the app were often left with no recourse, because delays allegedly made it impossible to get stolen money back from scammers and because Block allegedly failed to investigate unauthorized transactions and to issue refunds when required by law.

Under the settlement, Block has agreed to implement and maintain responsible practices to resolve these issues, including to:

- Maintain customer support that can resolve fraud complaints, account lockouts, and other problems.
- Offer live support 24 hours a day, with a human available by phone at least 13.5 hours a day and by live chat at least 18 hours a day.

- Stop making false or misleading claims about Cash App's safety and how it protects users from fraud.
- Discontinue marketing practices known to increase fraud on the platform.
- Directly educate consumers about common types of fraud.
- Fulfill its legal obligations to investigate fraud claims and reimburse users for unauthorized transactions.

The multistate settlement also reaffirms Block's commitment to distribute between \$75 million and \$120 million to compensate consumers nationwide as part of a [settlement with the CFPB](#).

Wisconsin DOJ was joined by 45 other states in securing this settlement.

The [complaint](#), [summons](#), and [proposed consent judgment](#) are linked.