

AUGUST 20,2026

Wyden, Warren Demand FINRA Strengthen Cybersecurity Standards to Prevent ACATS Brokerage Fraud

Millions of Americans' life savings at risk due to a lack of basic online account holder features by leading brokerages

Washington, D.C. – U.S. Senators Ron Wyden and Elizabeth Warren today called for the Financial Industry Regulatory Authority (FINRA) to strengthen consumer protections and prevent Automated Customer Account Transfer Service (ACATS) brokerage fraud.

ACATS is an automated system managed by the National Securities Clearing Corporation which allows investors to seamlessly transfer their stocks, bonds, and cash from one brokerage firm to another. Designed to keep brokerages from slowing transfers, ACATS' rapid process also gives fraudsters an opportunity to exploit the system's weak security measures before victims can respond.

Under current regulations, brokerages have one business day to validate or object to a transfer request and three business days to complete asset transfers. FINRA recommends, but does not require, that brokerages notify customers before they transfer their assets to another company. Most firms rely on a bare-bones electronic verification process and do

not verify the transfer with the outgoing account holder. Some do not even notify customers about the transfer of their assets. As a result, the press has reported that fraudsters can open accounts in victims' names and use the ACATS system to drain their investments before they realize what has happened.

“It is unacceptable that major brokerage firms are putting customers’ life savings at risk of being ripped off by criminals because of inadequate account protections,” the senators said in their letter to Robert W. Cook, the President and CEO of FINRA. **“FINRA must step in to protect consumers.”**

An analysis conducted by the senators’ offices revealed an inconsistent security landscape, with only a fraction of brokerages voluntarily providing customers with strong protections. While firms like Fidelity and Vanguard allow customers to independently block outgoing ACATS transfers, and several others will block transfers if requested through customer service, several others offer customers no way to protect their account from fraudulent ACATS transfers. Following direct outreach from the senators, several brokerages—including Webull, Robinhood, and Interactive Brokers—agreed to upgrade their security by developing self-service transfer locks.

The senators called for the regulator to require that brokerage firms notify account holders of ACATS requests. FINRA currently recommends this practice. Similarly, the senators also demanded that FINRA require brokerages to protect customer accounts from hackers with phishing-resistant multi-factor authentication technology, such as passkeys. These are important cyber defenses that many financial institutions already offer.

Strengthening the ACATS process and forcing brokerages to upgrade their cybersecurity standards will eliminate account vulnerabilities for millions of retail investors, regardless of where they hold their assets. Every American should feel confident that their life savings are protected by the strongest measures available.

The text of this letter is [here](#).

HOW FIRMS PROTECT CONSUMERS FROM ACATS BROKERAGE FRAUD			
	STRONG MFA / PASSKEYS	TRANSFER LOCK	TRANSFER ALERTS
VANGUARD	YES	YES, SELF SERVICE	YES
FIDELITY	IN PROGRESS	YES, SELF SERVICE	YES
WEBULL	YES	YES, SELF SERVICE IN PROGRESS	YES
ROBINHOOD	YES	YES, SELF SERVICE IN PROGRESS	YES
INTERACTIVE BROKERS	YES	SELF SERVICE IN PROGRESS	YES
WELLS FARGO	YES	YES, VIA CUSTOMER SERVICE	NO
BANK OF AMERICA/ MERRILL LYNCH	YES	NO	YES
MORGAN STANLEY WEALTH MANAGEMENT	YES	NO	YES
J.P. MORGAN	WEB ONLY	YES, VIA CUSTOMER SERVICE	YES
E*TRADE	IN PROGRESS	NO	YES
CHARLES SCHWAB	NO	NO	YES
CITI	NO	NO	NO
RON WYDEN UNITED STATES SENATOR FOR OREGON			

###

Recent News

08/20/26 Wyden, Garcia Launch Inquiry into Shady Groups Awarded \$394 Million in Contracts by Trump Administration to Represent Unaccompanied Minors

08/20/26 Wyden Questions Customs and Border Protection Over Favorable Treatment of Dominican Corporation’s Sugar Imports Despite Clear Evidence of Ongoing Forced

Labor

08/20/26 Wyden, Warren Demand FINRA Strengthen Cybersecurity Standards to Prevent ACATS Brokerage Fraud

08/18/26 Wyden Demands Answers on Millions in Payments to Trump Businesses By Korean Company Involved in Trade Dispute

08/18/26 Wyden Questions Whether Gift of Diamond-Encrusted Gold Ring to Trump Corruptly Influenced Trump's Decision to Let Belgium Diamond Industry Dodge New Tariffs