Payments or withdrawals can be taken out of a consumer’s bank account, and sometimes out of a prepaid account, in several different ways:

- **The check system:** Traditional paper checks, as well as remotely created checks and remotely created payment orders, flow through the check system. However, a consumer’s check may also be converted to an ACH payment, either at the outset or after it bounces. Payments by check are discussed in Chapter 3, infra. Checks that are converted to ACH payments are discussed in § 5.15.3.3 [2], infra.

- **The ACH system:** The ACH system is one of the largest payment systems in the United States and, after debit cards, is the primary way in which electronic payments are made. ACH debits can be taken out of a consumer’s account in several ways, including when the consumer initiates a payment through his or her bank’s online payments system; by giving the payee (or an intermediary like PayPal) the account and routing number; or when a check is converted to an ACH payment. An overview of the ACH system is in § 5.1.6 [3], infra, and most ACH payments are electronic fund transfers, discussed in Chapter 5, infra.

- **ATMs:** ATM withdrawals are electronic fund transfers, discussed in Chapter 5, infra. ATM-specific issues are addressed in § 5.11 [5], infra.

- **The debit and credit card networks:** Debit card payments are electronic fund transfers, discussed in Chapter 5, infra. Debit card payments often travel over the same card networks (that is, Visa and MasterCard networks) as credit card payments do. Visa and MasterCard authorization rules are discussed in §§ 5.3.1.3.4 [7] and 5.5.9 [8], infra. However, if a payment is made using a personal identification number (PIN), then it will travel over a PIN debit network, not over the card network. The way in which the payment is processed does not change the consumer’s rights under the Electronic Fund Transfer Act, but it may impact whether the Visa or MasterCard rules apply.

- **Wire transfers.** Wire transfers are regulated either by the Electronic Fund Transfer Act or by UCC Article 4A. Application of the EFTA is discussed in Chapter 5, infra. International wire transfers are discussed in § 6.5 [9], infra. Wire transfers regulated by UCC Article 4A are discussed in § 6.7 [10], infra.

- **Mobile payments:** Mobile payments generally use one of the networks described above. An overview of mobile payments is found in §§ 5.14.1 [11] and 5.15 [12], infra.

- **Bank setoff of funds in customer accounts:** Banks may seize funds in customer accounts to offset funds owed to the bank. The right of setoff is established by state statute or common law. Complicated issues arise as to whether otherwise exempt funds can be set off. This is discussed in § 10.2 [13], infra.

**Footnotes**

10 {10} Prepaid accounts are discussed in Chapter 7, infra. In general, prepaid accounts do not have checks, but some do. General-use prepaid accounts can typically be accessed through the card networks, but many also permit ACH debits. The rules vary account to account.
1.2.2 Transfers Directly Out of the Consumer's Bank or Prepaid Account

[12] https://library.nclc.org/nclc/link/CBP.05.15
[13] https://library.nclc.org/nclc/link/CBP.10.02
[14] https://library.nclc.org/nclc/link/CBP.07