

Hargrave, Witherspoon Analyze EFTA Expansion Risk, Legal Shifts in Wire Transfers in *Law360*

In the News

02.21.2025

Stinson LLP Partners [Mark Hargrave](#) and [Tom Witherspoon](#) authored a *Law360* article, "Citibank Wire Transfer Ruling Creates New Liability For Banks," evaluating the recent U.S. District Court for the Southern District of New York decision in *New York v. Citibank NA* and its implications for financial institutions under the Electronic Fund Transfer Act (EFTA).

The attorneys analyze how the court's ruling broadens EFTA protections to intrabank transfers that fund consumer-requested wire transfers – transactions that were previously thought to be outside the law's reach. The ruling is a shift from decades of industry practice and regulatory guidance, potentially imposing new compliance burdens and liabilities on banks. It also conflicts with existing regulations and undermines the established liability framework of Article 4A of the Uniform Commercial Code (UCC), which has traditionally governed wire transfers.

"The case is very troubling for financial institutions subject to courts that will make their own constructions of the complicated legal language of payments with little regard to long-held regulatory authority and discussions," the attorneys write.

Hargrave assists financial institutions and other businesses in navigating transactional, regulatory and operational litigation within finance and commercial law. He has deep experience providing guidance related to payment systems, secured lending, regulatory compliance and UCC matters.

Witherspoon's practice focuses on FinTech, payment systems, credit and other banking financial products. He helps banks and other financial institutions navigate the complexities of federal and state law and regulations applicable to their operations, relationships, product development and compliance management.

Hargrave, Witherspoon Analyze EFTA Expansion Risk, Legal Shifts in Wire Transfers in *Law360*

Sign in to *Law360* to [read the full article](#).

CONTACTS

Mark Hargrave

Thomas C. Witherspoon

RELATED CAPABILITIES

Banking & Financial Services

Consumer Financial Services

STINSON

STINSON LLP \ STINSON.COM