



MEMORANDUM

DATE: February 11, 2025

TO: Interested Parties

FROM: Ben Kaufman, Fellow
Persis Yu, Deputy Executive Director and Managing Counsel
Mike Pierce, Executive Director

RE: **Twitter/X Payments: Public Corruption Poses Risks for Consumers and Competition**

Elon Musk has been attempting to [operate a payments company](#) at the domain X.com since the 1990s. Now, with the acquisition and rebranding of Twitter, he appears to be close to realizing this dream. Public statements and reporting indicate that Twitter/X's pivot to payments is a core aspect of its strategy for profitability, and that this payment function [will be up and running](#) in 2025—in partnership with the payments giant Visa.

The Twitter/X-Visa deal would make Musk's firm one of the largest non-bank financial firms in the world—pushing a novel financial product onto a user base of hundreds of millions of people across the globe. Typically, a new entrant in the financial services market would be met with scrutiny by the Consumer Financial Protection Bureau (CFPB)—the federal regulator that Congress created after the 2008 financial crisis specifically to oversee so-called “non-bank” financial firms like the one Musk is building. Given Musk's history of deceiving investors, cheating customers, and playing fast-and-loose with the law, regulators should be skeptical of Twitter/X's bid to enter the highly regulated consumer finance sector.

However, news broke over the weekend that Musk had used his position leading DOGE to execute a coup at the CFPB, putting [into action](#) his [longstanding plan](#) to infiltrate and defang the agency. In doing so, Musk is underscoring how his corrupt conduct poses risks for both consumers and competition.

Elon Musk's Twitter/X is Aggressively Elbowing Into the Payments Space

It is now abundantly clear that Elon Musk is trying to turn Twitter/X into a payments company. Musk and his allies have said so many times:

- [June 2022](#): A leaked transcript of Musk's first meeting with Twitter staff cites him as saying, "I think it would make sense to integrate payments into Twitter so that it's easy to send money back and forth. . . . [M]y goal would be to maximize the usefulness of the service — the more useful it is, the better. And if one can use it to make convenient payments, that's an increase in usefulness."
- [June 2022](#): Musk says, "You basically live on [the combined payments and social media app] WeChat in China because it's so useful and so helpful to your daily life. And I think if we could achieve that, or even close to that with Twitter, it would be an immense success."
- [July 2023](#): Musk says, "In the months to come, we will add comprehensive communications and the ability to conduct your entire financial world."
- [October 2023](#): Musk says, "[W]hen I say payments, I actually mean someone's entire financial life. If it involves money, it'll be on our platform. Money or securities or whatever. So, it's not just like 'send \$20 to my friend.' I'm talking about, like, you won't need a bank account."
- [April 2024](#): Twitter/X Payments Chief Information Security Officer Christopher Stanley pointed to plans for Twitter/X Payments to replace the entire financial system, tweeting "Think Venmo at first. Then, as things evolve, you can gain interest, buy products, eventually use it to buy things in stores (think Apple Pay). The end goal is if you ever have any incentive to take money out of our system, then we have failed, you shouldn't ever need to take money out because you should be able to do anything you need on our platform."
- [November 2024](#): A screenshot (right) Elon Musk took of Joe Rogan's Twitter/X account from his own reveals a "\$" button, prompting later confirmed speculation that Twitter/X would eventually add payment functionality.



In addition, Twitter/X [CEO Linda Yaccarino](#) has indicated that the company's payments functionality will include peer-to-peer payments, debit transactions between consumers and banks, and consumer-to-business payments.

While Twitter/X does not currently operate a payments system along these lines, Twitter/X currently holds money transmitter licenses in [41 states](#), and it is pursuing [additional ones](#). In early 2025, the Twitter/X influencer Alex Finn [speculated](#) that an update to Twitter/X's codebase

had already made the website operationally ready to launch a payment platform, regardless of whether the proper licenses were in place.

In a sign that momentum is building, Twitter/X [announced a partnership](#) only a few weeks ago with Visa aimed at accelerating the social media platform's entrance into the payments space. This announcement came as part of the broader rollout of "[X Money](#)," which appears to be the umbrella branding for Twitter/X's digital wallet and payments products.

Elon Musk Has a Profound Financial Interest in the Success of Twitter/X's Payment Franchise

The pace and strategy of Twitter/X's pivot toward payments arises in part out of the company's pressing need to generate cash flow. Public reporting indicates that the interest expense on the debt that Twitter/X took on for Musk's 2022 buyout costs the company more than [\\$1 billion per year](#). Meanwhile, advertising revenues have reportedly dropped [more than 80 percent](#) since the buyout. In an internal email from early 2025, Musk [described growth](#) on Twitter/X as "stagnant" and revenue as "unimpressive" while stating "we're barely breaking even."

Elon Musk personally owns [9.6 percent](#) of the now-private Twitter/X, a stake likely worth [roughly \\$1 billion](#). But this stake should be understood as part of a broader and interconnected web of Musk's financial interests. For example, after Musk confirmed that Twitter/X would introduce payments, Dogecoin [reportedly rose](#) by 2.3 percent in value.

Twitter/X's Payments Push Poses Massive Risks for Consumers and Competition

Twitter/X's foray into payments [poses notable risks](#), both with regard to consumers' privacy and the platform's own safety and soundness. In particular, the combined ability to capture and monetize both personal and financial data raises key questions about surveillance, [consumer opt-ins](#), and the circumstances under which consumers could have accounts suspended or shut down. In addition, it is unclear what plans or competence Twitter/X has with regard to [maintaining solvency](#) as a payment processor. The latter risks are made more acute by Musk's history of [cutting corners](#) operationally and financially in the name of short-term profits and Musk's [own proclivities](#). In addition, the history of so-called "super-apps" has involved [extensive corporate abuses](#) and privacy invasions at individuals' expense.

At least one state (New York) already appears to have [raised concerns](#) with Twitter/X operating a payments processor, leading the company to withdraw its application for a payment processing license in the state.

Musk is Now Focused on Eliminating Twitter/X's Would-Be Primary Federal Regulator

The CFPB stands to be Twitter/X's only federal financial regulator with respect to the company's role as a global payments firm. Indeed, the CFPB is the primary regulator for non-bank financial institutions in the U.S., a role that Congress crafted with [intentional breadth](#) in recognition of the key role that non-banks play in financial markets.

The CFPB was active in this role under the Biden Administration, particularly as it pertained to the movement of Big Tech into the consumer finance space. Actions along these lines included a [lawsuit against Block](#) (operator of the Cash App), a publicly disclosed [investigation against Meta](#), and the finalization of a [rulemaking to ensure](#) that the agency's supervisory tool reached Big Tech payment companies. Unfortunately, the result of the CFPB's activeness on payments during the Biden Administration is that Musk, who sits atop the CFPB via DOGE, now has access to a treasure trove of damaging information about the largest players (that is, his competitors) in the payments market.

Musk and his allies have long been active in advocacy against the CFPB. Musk tweeted "[Delete CFPB](#)" in November 2024, and "[CFPB RIP](#)" in February 2025. Similarly, both [Marc Andreessen](#) and [Mark Zuckerberg](#) criticized the CFPB in appearances on Joe Rogan's podcast. In the former case, Andreessen accused the CFPB of "terrorizing" financial institutions, while not mentioning that companies he has invested in have run into a [litany of issues](#) with law enforcement agencies including allegations [of fraud](#), [money laundering](#), the violation of crucial consumer protections for [military families](#), and extensive unfair and deceptive [practices](#). In the latter case, Zuckerberg claimed not to have known what the CFPB was, while failing to disclose that the agency had been investigating the company for [violating consumer protection laws](#) in its advertising of financial products.

Finally, in a move that appears to have foreshadowed future conflicts, Twitter/X's trade association (NetChoice) [sued the CFPB](#) in early 2025 over the agency's efforts to ensure oversight of the non-bank payments market.

Conclusion: Unparalleled and Uncharted Risks as Twitter/X Enters Payments, and as Musk Takes Over the Payments Regulator

It is unclear if consumer finance marketplaces have ever witnessed such a stark conflict of interests. The richest person in the world is at the helm of one of the most influential companies on the planet, and he is trying to kill that company's key regulator. His success or failure will trigger significant concerns not just for criminal ethics and corruption, but also for competition and consumer protection. And if he does succeed, the next set of questions will be how far

America's unelected "[co-president](#)" will go in controlling and weaponizing his company and its regulator.