



## CP53E: Request to Update or Add Bank Account Information for Direct Deposit of Refund and the Refund That Launched a Thousand Scams

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There are few things as reliably unsettling as receiving unexpected mail from the IRS. A close second is receiving an IRS notice that mentions a refund—because now you’re anxious and curious. In 2025 and into this filing season, IRS Notice CP53E has managed to do both, while also creating a growth opportunity for scammers with too much free time.

The notice itself is legitimate. Unfortunately, so is the fraudulent attention it attracts.

- **What CP53E Is (and Isn’t)**

The CP53E notice, Request to Update or Add Bank Account Information for Direct Deposit of Refund, is sent when the IRS owes a taxpayer a refund but does not have direct deposit information on file. It is part of a broader effort to reduce paper refund checks and encourage electronic payments. The message, in theory, is straightforward: “We have your money. Please tell us how you’d like it delivered.”

As of March, the IRS had reportedly issued more than 1.4 million CP53E notices, which explains why so many taxpayers—and advisors—are suddenly very familiar with this otherwise forgettable IRS correspondence.

Unfortunately, this type of volume breeds opportunity.

- **Scammers Spot an Opening**

Accounting firms across the country, including some top firms, have recently warned clients about fraudulent CP53E notices circulating alongside real ones. Scammers are using the legitimacy of the notice to trick taxpayers into providing bank information through unofficial channels.

These fake notices often:

- Ask taxpayers to provide or “confirm” bank account information by email, text, or phone
- Use urgent or threatening language demanding immediate action
- Claim refunds will be frozen, forfeited, or delayed unless the taxpayer responds right away

For reference, legitimate CP53E notices provide a 30-day response window. Fraudulent versions often compress timelines or manipulate dates to manufacture panic. Panic, of course, being highly incompatible with sound financial decision-making.

- **A Key Reality Check**

Despite appearances, the IRS does not collect or update bank account information by phone, email, or text, and IRS employees cannot make this change for a taxpayer. Any request asking you to share account numbers outside your secure IRS online account should be treated as a scam—full stop.

Professionals have emphasized this point repeatedly, noting that even when IRS correspondence is legitimate, the agency’s procedures remain rigid, slow, and blissfully not adapted for urgency.

- **When the IRS Is Legitimate... but Still Confusing**

Adding to the confusion, it has been reported that many CP53E notices may have been issued in error, including notices sent to taxpayers who are not actually due refunds. This has led to a noticeable increase in calls that start with: “I got a letter... but I don’t think this applies to me.”

Often, that instinct is correct.

A notice can be genuine and still incorrect—which is frustrating, but very on brand for government correspondence.

- **The Smart (and Unexciting) Way to Respond**

If you receive a CP53E notice:

1. Do not react immediately. Urgency is a hallmark of scams, not tax administration.
2. Do not provide banking information by phone, text, or email.
3. Manually navigate to IRS.gov and access your online individual account to review notices and determine whether action is actually required.
4. If something feels off—or simply doesn’t make sense—call your tax advisor before responding.

Yes, this adds a step. It also dramatically reduces the likelihood that you fall victim to scammers.

## A Final Word from the Professionally Cautious

CP53E is a real notice with a legitimate purpose. It is also a reminder that anytime the IRS changes behavior—even slightly—fraudsters move faster and without oversight, ethics, or documentation requirements.

When the IRS truly wants something, it gives you time, communicates formally, and makes you work a little to comply. Anything that feels rushed, overly helpful, or alarmingly efficient should raise suspicion.

In summary: The IRS may be slow, confusing, and occasionally wrong—but it is never impulsive. Anyone acting otherwise likely isn't the IRS. Our team at Prager Metis is closely monitoring these developments and is available to assist in reviewing IRS correspondence, advising on appropriate next steps, and helping safeguard against potential fraud. We can also provide guidance on navigating IRS procedures and ensuring that any required actions are handled securely and in compliance with current regulations.

Please contact your Prager Metis representative to discuss your specific situation or to arrange a consultation with one of our tax professionals.

## ABOUT US

Prager Metis' National Tax Advisory Group is here to help you interpret and navigate tax changes from international, federal, state and local tax and administration. Our National Tax Advisory Group of professionals offers a wide breadth of tax knowledge and experience. Our team is uniquely positioned to help you prepare for the impact of tax-related changes affecting your personal and professional world. The National Tax Advisory Group is a leading resource for clients looking to stay current with tax-related developments. The group also assists with resolving complex tax matters in a wide range of areas, including transaction planning, high-level federal, state and local tax research activities, tax position analysis, Internal Revenue Service (IRS) rulings controversy, and much more.

Our team will help you stay abreast of current tax developments. Prager Metis will be communicating tax alerts regularly through a variety of channels, including newsletters, articles, client briefings and webinars.

### NATIONAL TAX ADVISORY TEAM

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