GAO Highlights

BANKING SERVICES

Cannabis Businesses Face Access Challenges

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A report to congressional requesters.

For more information, contact: Courtney LaFountain at lafountainc@gao.gov.

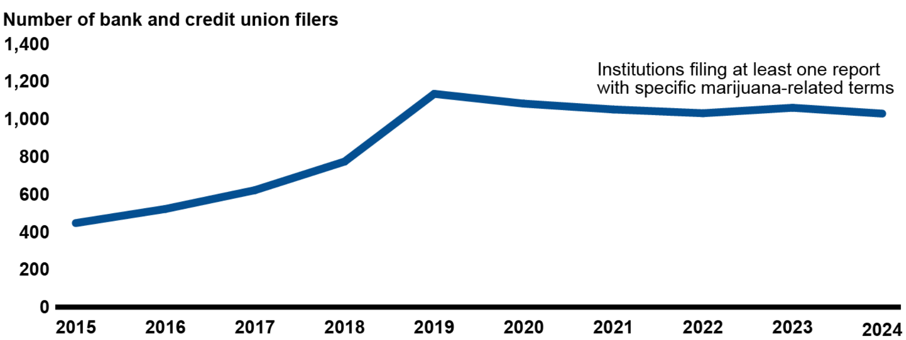
What GAO Found

In 2014, the Financial Crimes Enforcement Network (FinCEN)—a federal agency that helps combat financial crimes—issued guidance on how financial institutions can serve cannabis-related businesses (CRB) while complying with Bank Secrecy Act (BSA) requirements. This guidance instructs institutions to gather thorough information on CRB customers and file suspicious activity reports for certain transactions involving CRBs. Federal banking regulators help oversee institutions' compliance with these requirements through BSA examinations.

Financial institutions consider various factors when deciding whether to serve CRBs, according to GAO's focus groups and interviews. Factors dissuading institutions from serving CRBs include potential legal and regulatory sanctions and the costs of complying with BSA requirements. Conversely, some institutions decide to serve CRBs to meet community needs or as a business opportunity.

According to FinCEN data, the number of financial institutions that reported providing services to CRBs increased from 2015 to 2019 and then remained relatively steady through 2024. FinCEN requires institutions to include specific terms when filing suspicious activity reports on transactions involving CRBs. FinCEN data indicate that about 1,000 banks and credit unions filed such reports in 2024. These data do not identify how many institutions accept CRBs as ongoing customers as institutions may not report or may not know they are providing services to CRBs, or they may report providing services to a CRB in an occasional transaction but not accept CRBs as ongoing customers. In addition, some institutions filing these reports may only serve ancillary businesses, not plant-touching businesses that directly grow, manufacture, or sell cannabis.

FinCEN Analysis of Numbers of Banks and Credit Unions Filing Selected Suspicious Activity Reports, Fiscal Years 2015–2024



Source: Financial Crimes Enforcement Network (FinCEN) data. | GAO-26-107498

Obtaining and maintaining financial services remain difficult for CRBs, according to CRB owners and managers. For example, CRBs may experience bank account closures, high fees for bank accounts, and high interest rates for business loans. Further, accepting customer payments is difficult largely because two major credit card companies prohibit cannabis purchases. In addition, CRB owners and managers reported that they and their employees face challenges accessing personal financial services due to their work in the cannabis industry.

Why GAO Did This Study

CRBs include state-licensed businesses that grow, manufacture, or sell cannabis products (plant-touching businesses), as well as businesses that support those operations, such as suppliers of growing equipment or providers of legal services (ancillary businesses). Financial institutions may be reluctant to serve CRBs because, with certain exceptions, cannabis is a controlled substance under federal law. As a result, serving these businesses poses legal risks and triggers ongoing BSA compliance obligations.

GAO was asked to review issues related to financial institutions serving CRBs. This report examines (1) the guidance and oversight federal agencies provide to financial institutions on serving state-sanctioned CRBs, (2) factors that affect financial institutions' decisions about serving CRBs, and (3) challenges CRBs and their employees face in accessing financial services.

GAO reviewed relevant agency guidance and documents, obtained FinCEN's analysis of data on suspicious activity reports for CRB-related transactions filed from 2015 through 2024, and reviewed literature on CRBs' access to banking. GAO also conducted nine focus groups and 11 interviews involving a total of 74 financial institutions (selected to represent different asset sizes, institution types, and policies on serving CRBs). Participants were the BSA officer or cannabis banking program manager for each institution. GAO also conducted eight focus groups with owners and managers from 51 CRBs (selected to represent different business sizes and types). Finally, GAO interviewed agency officials, financial and cannabis industry associations, and other interest groups (selected for their expertise or public comments on banking CRBs).