

The Consumer Financial Protection Bureau (CFPB) has ordered Bank of America, NA and FIA Card Services, NA to provide an estimated \$727 million in relief to consumers harmed by practices related to credit card add-on products. Approximately 1.4 million consumers were impacted by Bank of America's deceptive marketing of add-on products. The Bank also illegally charged some 1.9 million consumer accounts for credit monitoring and credit reporting services that they were not receiving. In addition to providing an estimated \$727 million in relief to consumers harmed by those improper actions, Bank of America will pay a \$20 million civil penalty to CFPB.

From 2010 through 2012, Bank of America marketed two credit card payment protection products, "Credit Protection Plus" and "Credit Protection Deluxe." Both products allowed customers to request that Bank of America cancel some amount of credit card debt in the event of certain hardships such as involuntary unemployment or disability and certain life events such as entering college or retirement. CFPB found that the telemarketing scripts Bank of America used for these products contained misstatements. Also, the telemarketers often departed from the script and made sales pitches that were misleading and omitted pertinent information.

Bank of America misled consumers about the cost of the coverage. The Bank led some consumers to believe that the first 30 days of coverage were free of charge even though consumers were agreeing to purchase the credit protection products by enrolling. Also, some consumers were told that additional steps were required for enrollment, even though the Bank was enrolling the consumers during the calls and then charging consumers for the products. CFPB further found that Bank of America billed consumers for services they did not receive. Some consumers were charged interest charges on fees for services that were never received. Additionally, some consumers were led to believe that their credit was being monitored for fraud and identity theft, when, in fact, these services were either not being performed at all or were only partially performed.

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the CFPB has the authority to take action against institutions engaged in unfair, deceptive, or abusive practices. Bank of America ended the marketing and sales of credit protection products in August 2012, canceled all existing accounts as of September 2013, and provided six months of no-cost coverage to consumers enrolled as of March 2013. Bank of America stopped marketing the identify protection products in approximately December 2011. As part of the CFPB Consent Order with

Bank of America, the Bank is prohibited from marketing any credit protection or credit monitoring add-on products until it submits a compliance plan to the CFPB; Bank of America will provide roughly \$268 million in refunds and additional relief to more than 1.4 million customers subjected to deceptive marketing practices; the Bank will pay \$459 million to roughly 1.9 million customer accounts of 1.5 million consumers who enrolled in the credit monitoring products and were charged while Bank of America did not perform all of the promised services; and Bank of America will pay a \$20 million penalty to the CFPB's Civil Penalty Fund.

This enforcement action was the result of CFPB's investigation into Bank of America's payment protection products and of work started by the Office of the Comptroller of the Currency (OCC) regarding unfair billing practices of the identity protection products, which the CFPB joined. The OCC is separately ordering restitution from Bank of America for the unfair billing practices, requiring Bank of America to pay \$25 million in civil money penalties for the unfair billing practices, in addition to those ordered by the CFPB.

The CFPB's press release regarding this enforcement action can be read on the [CFPB's website](#). You can also read the full text of the [consent order](#).