

**UNITED STATES OF AMERICA  
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING

File No. 2015-CFPB-0020

In the Matter of:

**CONSENT ORDER**

**RBS CITIZENS FINANCIAL GROUP,  
INC. (N/K/A CITIZENS FINANCIAL  
GROUP, INC.), RBS CITIZENS, N.A.  
(N/K/A CITIZENS BANK, N.A.), and  
CITIZENS BANK OF  
PENNSYLVANIA**

The Consumer Financial Protection Bureau (“Bureau”) has reviewed the deposit processing practices of RBS Citizens Financial Group, Inc. (now known as Citizens Financial Group, Inc.), RBS Citizens, N.A. (now known as Citizens Bank, N.A.), and Citizens Bank of Pennsylvania (collectively, the “Respondents” as defined below) and has determined: (1) the Respondents processed deposits such that certain customers did not receive credit for the full amount of deposited funds, which is an unfair act or practice in violation of 12 U.S.C. §§ 5531, 5536; and (2) the Respondents’ disclosures relating to the deposit process were deceptive in violation of 12 U.S.C. §§ 5531, 5563. Under Sections 1053 and 1055 of the Consumer Financial Protection Act of 2010 (“CFPA” as defined below), 12 U.S.C. §§ 5563, 5565, the Bureau issues this Order.

## **I Jurisdiction**

1. The Bureau has jurisdiction over this matter under Sections 1053 and 1055 of the CFPB, 12 U.S.C. §§ 5563, 5565.

## **II Stipulation**

2. Each Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” (“Stipulations”), each of which is incorporated by reference and accepted by the Bureau. By these Stipulations, Respondents consented to the issuance of this Order by the Bureau under Sections 1053 and 1055 of the CFPB, 12 U.S.C. §§ 5563 and 5565, without admitting or denying any of the findings of fact or conclusions of law, except that Respondents admit the facts necessary to establish the Bureau’s jurisdiction over Respondents and the subject matter of this action.

## **III Definitions**

3. The following definitions apply to this Order:
  - a. “Affected Consumers” means all consumers who have maintained a non-commercial deposit account with either of the Banks, where (i) the consumer’s deposit account experienced a Deposit Discrepancy under ETS (as defined below), and (ii) that Deposit Discrepancy resulted in the consumer being under-credited for the deposit.
  - b. “Banks” means RBS Citizens, N.A. (now known as Citizens Bank, N.A.) and Citizens Bank of Pennsylvania.

- c. “Board” means Respondents’ (as defined below) duly elected and acting Boards of Directors unless otherwise specified.
- d. “CBP” means Citizens Bank of Pennsylvania.
- e. “CFPA” means the Consumer Financial Protection Act of 2010.
- f. “Citizens” means RBS Citizens, N.A. (now known as Citizens Bank, N.A.).
- g. “Citizens Holding Company” means RBS Citizens Financial Group, Inc. (now known as Citizens Financial Group, Inc.).
- h. “Deposit Discrepancy” means a deposit transaction where the total deposit amount the Banks read on the deposit slip differed from the total of the amounts read from the checks, cash deposited, and/or other deposit items.
- i. “Effective Date” means the date on which the Order (as defined below) is issued.
- j. “Enforcement Director” means the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau, or his/her delegate.
- k. “Order” means this Consent Order.
- l. “Regional Director” means the Regional Director for the Northeast Region for the Office of Supervision for the Consumer Financial Protection Bureau, or his/her delegate.
- m. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Respondents based on substantially the same facts as described in Section IV of this Order.

- n. “Relevant Period” includes the period from January 1, 2008 through November 30, 2013.
- o. “Respondents” means Citizens Holding Company, Citizens, CBP, and their successors and assigns.
- p. “Service Provider” has the same meaning as set forth in Section 1002(26) of the CFPA, 12 U.S.C. § 5481.

#### **IV Bureau Findings and Conclusions**

The Bureau finds the following:

- 4. Citizens Holding Company is a commercial bank holding company with \$136 billion in total assets. Citizens and CBP are separately chartered banks that are subsidiaries of Citizens Holding Company.
- 5. Citizens is an insured depository institution with \$106 billion in assets as of March 31, 2015. CBP is an insured depository institution with \$34 billion in assets as of March 31, 2015. Therefore, both Citizens and CBP are insured depository institutions with assets greater than \$10 billion within the meaning of 12 U.S.C. § 5515(a). They are also covered persons as that term is defined by 12 U.S.C. § 5481(6).
- 6. Citizens Holding Company performed centralized compliance management for both Banks, including in relation to the consumer communications and deposit processing practices that are the subject of this Order. Citizens Holding Company, therefore, acted as a Service Provider to its banking subsidiaries Citizens and CBP.

#### **Findings and Conclusions as to Unfair Practices in Connection with Deposit Processing**

7. During the Relevant Period, the Banks used an Enterprise Transaction System (“ETS”) for processing deposits.
8. The Banks generally required consumers making a deposit to present (i) the deposit items (e.g., checks, cash); and (ii) a deposit slip on which the customer indicated the total amount of funds being deposited. Having received those documents, Citizens or CBP then provided the consumer with a receipt for the transaction reflecting the amount stated on the deposit slip.
9. Each branch then assembled the deposit items and deposit slips into batches, and sent those batches to one of several centralized processing facilities shared by the Banks.
10. ETS flagged for the Banks’ attention deposit transactions where the total deposit amount the Banks read on the deposit slip appeared to differ from the total of the amounts read from the checks, cash deposited, and/or other deposit items (a Deposit Discrepancy as defined above).
11. Deposit Discrepancies indicated to the Banks that a question existed as to the amount the customer deposited.
12. For transactions where the Deposit Discrepancy was above a defined threshold (\$50.00 prior to September 2012 and \$25.00 thereafter), it was the Banks’ practice to review the underlying documents (e.g., checks) to determine the actual deposit amount, and then make any adjustments necessary to correct the amount the consumer was credited.
13. Where, however, a Deposit Discrepancy fell below those levels, the Banks followed a different practice: rather than attempting to ascertain the actual deposit

amount, they credited the consumer's account with the amount read on the deposit slip, even where the Banks knew the items the consumer deposited indicated a different amount.

14. In most cases of Deposit Discrepancies, the amount read on the deposit slip was incorrect. As a result, the Banks' customers received credit for a deposit amount that was likely inaccurate.
15. Because ETS would not accept a transaction in which the amount credited to a customer's account did not match the funds deposited with the Bank, the Banks created "substitution tickets" which credited or debited the Banks' general ledger account with the difference between the amounts credited to the customer's account and funds deposited with the Banks.
16. The Banks' practice harmed consumers when the amount scanned on the deposit slip was less than the amount of the deposit items associated with the deposit. In such cases, the Banks did not give consumers full credit for their deposits.
17. When the amount scanned on the deposit slip was more than the amount of the deposit items associated with the deposit, consumers were credited for more than their actual deposit amount.
18. During the Relevant Period, the Banks under-credited consumers by approximately \$12.3 million.
19. The Banks' practices with respect to Deposit Discrepancies (as described above) did not comply with their own policy. The Banks' policy was to perform a limited review of the underlying documents when the Deposit Discrepancy fell within an intermediate range (most recently, between \$5.00 and \$25.00; prior to February 2011, between \$23.00 and \$50.00); and to provide no review when the Deposit

Discrepancy fell beneath the intermediate range. Contrary to the Banks' policy, in most cases they did not perform the limited review for Deposit Discrepancies in the intermediate range; and, as described above, credited consumers with the amount on the deposit slip.

20. Respondents failed to detect this compliance failure due to weaknesses in the Banks' compliance management system and oversight failures.
21. In November 2013, the Banks fully implemented technological and practice changes to their deposit processing system, and transitioned away from ETS.
22. Section 1036(a)(1)(B) of the CFPA prohibits "unfair, deceptive, or abusive" acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause consumers substantial injury that is not reasonably avoidable and if the substantial injury is not outweighed by countervailing benefits to consumers or to competition.
23. The Banks' practice for resolving Deposit Discrepancies resulted in consumers receiving less than full credit for their deposits and caused substantial injury to consumers. This injury was not reasonably avoidable or outweighed by any countervailing benefit to consumers or to competition.
24. Thus, the Banks engaged in unfair acts and practices in violation of Sections 1036(a)(1)(B) and 1031(c)(1) of the CFPA. 12 U.S.C. §§ 5536(a)(1)(B) and 5531(c)(1).

**Findings and Conclusions as to  
Deceptive Practices in Connection with Deposit Processing**

25. Citizens Holding Company approved for use by the Banks the Personal Deposit Account Agreement, which the Banks then distributed to consumers.

26. Respondents did not disclose the practice relating to Deposit Discrepancies.

Instead, the Banks' Personal Deposit Account Agreement stated, in relevant part,

All deposits to your accounts, regardless of how made, are subject to verification, final payment and our Funds Availability disclosures which can be found in this Agreement . . . . You agree that our count of the currency and coins in your deposit is correct as to the amount of the deposit. We reserve the right to make adjustments to your account, in our sole discretion, for computation or other errors to your account.

27. As described in Paragraph 26, in connection with the advertising, marketing, promoting, offering for sale, or sale of deposit accounts, in numerous instances, Respondents represented, expressly or impliedly, that consumer deposits were subject to verification; and that the Banks would take steps to ensure consumers were credited with the correct deposit amount.

28. In fact, in numerous instances, the Banks did not verify and correct the deposit inaccuracies ETS identified.

29. As described in Paragraph 26, in connection with the advertising, marketing, promoting, offering for sale, or sale of deposit accounts, in numerous instances, Respondents represented, expressly or impliedly, that that consumer's deposits were subject to verification. Respondents failed to disclose or disclose adequately that the Banks' practice for resolving Deposit Discrepancies resulted in consumers receiving less than full credit for their deposits. Respondents' failure to disclose this fact, in light of the representation made, constitutes a deceptive act or practice.

30. Therefore, Respondent engaged in deceptive acts or practices in violation of sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

**ORDER**

**V**

**Conduct Provisions**

**IT IS ORDERED**, under Sections 1053 and 1055 of the CFPA, that:

31. Respondents and their officers, agents, servants, employees, and attorneys who have actual notice of this Order, whether acting directly or indirectly, may not violate, including by taking reasonable measures to ensure that their Service Providers, Affiliates, and other agents do not violate, Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536, in connection with deposit transactions and resolving Deposit Discrepancies and must take the following affirmative actions:
- a. Respondents must correct all violations of law described herein and must implement procedures to prevent their reoccurrence as set forth in this Order; and
  - b. Respondents and their officers, agents, servants, employees, and attorneys who have actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of deposit accounts, may not misrepresent, or assist others in misrepresenting, expressly or impliedly their deposit processing practices.

**VI**

**Compliance Committee and Compliance Plan**

**IT IS FURTHER ORDERED that:**

32. The Board must establish a committee of at least three directors of the Banks or Citizens Holding Company, of which at least two must not be officers or employees of the division or business line that has direct responsibility for or oversight of the processing of deposits and Deposit Discrepancies (“Compliance Committee”).
33. Within 14 days of the Effective Date, Respondents must provide in writing to the Regional Director the name of each member of the Compliance Committee. If there is a change of membership of the Compliance Committee, Respondents must submit the name and title of any new member in writing to the Regional Director.
34. The Compliance Committee will be responsible for monitoring and coordinating Respondents’ adherence to the provisions of this Order. The Compliance Committee must meet at least bi-monthly, and must maintain minutes of its meetings.
35. The Compliance Committee must review all submissions (including plans, reports, programs, policies, and procedures) required by this Order prior to submission to the Bureau.
36. Within 90 days of the Effective Date, the Compliance Committee must submit a Compliance Plan to the Regional Director for review and determination of non-objection.
37. At a minimum, the Compliance Plan must:

- a. Enhance or incorporate compliance functions or measures to ensure the processing of deposits and Deposit Discrepancies complies with Federal consumer financial laws and the terms of the Order;
  - b. Enhance or incorporate policies, procedures and practices to ensure the processing of deposits and Deposit Discrepancies complies with Federal consumer financial laws;
  - c. Incorporate sufficient monitoring and oversight of the processing of deposits and Deposit Discrepancies to ensure the practice at the Banks adheres to the Banks' policies and procedures;
  - d. Incorporate corrective actions sufficient to address any issues identified in the monitoring and auditing of the processing of deposits and Deposit Discrepancies;
  - e. Incorporate sufficient training of personnel involved in the processing of deposits and Deposit Discrepancies to ensure such personnel understands the Banks' policies and procedures related to the processing of deposits and the resolution of Deposit Discrepancies;
  - f. Enhance or incorporate complaint procedures and processing to ensure complaints related to the processing of deposits and Deposit Discrepancies are identified, tracked, and resolved in accordance with the Banks' policies and procedures; and
  - g. Specific timeframes and deadlines for implementation of the steps described above.
38. The Regional Director will have the discretion to make a determination of non-objection to the Compliance Plan or direct Respondents to revise it. If the

Regional Director directs Respondents to revise the Compliance Plan, Respondents must make revisions and resubmit the Compliance Plan to the Regional Director within 30 days or within any longer timeframe the Regional Director specifies.

39. After receiving notification that the Regional Director has made a determination of non-objection to the Compliance Plan, Respondents must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan. The Compliance Committee must ensure that Respondents implement and adhere to the Compliance Plan. Any material proposed changes to or deviations from the Compliance Plan must be submitted in writing to the Regional Director for determination of supervisory non-objection.
40. Within 90 days from the Effective Date, the Respondents must develop a written Consumer Compliance Internal Audit Program for the processing of deposits and Deposit Discrepancies (the “Internal Audit Program”). The Compliance Committee must ensure that Respondents submit this Internal Audit Program to the Regional Director for determination of supervisory non-objection.
41. At minimum, the Internal Audit Program must include:
  - a. Written policies and procedures for conducting audits of Respondents’ compliance with Federal consumer financial laws with respect to the processing of deposits and Deposit Discrepancies. These policies and procedures must specify the frequency, scope, and depth of these audits;
  - b. Written policies and procedures for expanding sampling when exceptions based on potential violations of applicable Federal consumer financial laws are

- detected with respect to the processing of deposits or Deposit Discrepancies;  
and
- c. Specific timeframes and deadlines for implementation of the steps described above.
42. After receiving notification that the Regional Director has made a determination of non-objection to the Internal Audit Program, Respondents must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Internal Audit Program. The Compliance Committee must ensure that Respondents implement and adhere to the Internal Audit Program. Any material proposed changes to or deviations from the Internal Audit Program must be submitted in writing to the Regional Director for determination of supervisory non-objection.

## VII Role of the Board

### **IT IS FURTHER ORDERED that:**

43. Although this Order requires Respondents to submit certain documents for the review or non-objection by the Regional Director, the Board will have the ultimate responsibility for proper and sound management of Respondents and for ensuring that Respondents comply with Federal consumer financial law and this Order.
44. In each instance that this Order requires the Board to ensure adherence to, or perform certain obligations of Respondents, the Board must:

- a. Authorize whatever actions are necessary for Respondents to fully comply with the Order;
- b. Require timely reporting by management to the Board on the status of compliance obligations; and
- c. Require timely and appropriate corrective action to remedy any material non-compliance with Board directives related to this Section.

### **MONETARY PROVISIONS**

#### **VIII Order to Pay Redress**

**IT IS FURTHER ORDERED that:**

45. Within 10 days of the Effective Date, Respondents must reserve or deposit into a segregated deposit account an amount not less than \$11 million for the purpose of providing redress to Affected Consumers as required by this Section.
46. Within 90 days of the Effective Date, Respondents must submit to the Regional Director for review and non-objection a comprehensive written plan for providing redress consistent with this Order (“Redress Plan”). The Regional Director will have the discretion to make a determination of non-objection to the Redress Plan or direct Respondents to revise it. If the Regional Director directs Respondents to revise the Redress Plan, Respondents must make the revisions and resubmit the Redress Plan to the Regional Director within 15 days. After receiving notification that the Regional Director has made a determination of non-objection to the Redress Plan, Respondents must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.

47. The Redress Plan must apply to all Affected Consumers and, at a minimum:
- a. Specify how Respondents will identify all Affected Consumers and reimburse all Affected Consumers for the redress amount specified in the Redress Plan (“Redress Amount”).
  - b. Detail a methodology for calculating the Redress Amount for Affected Consumers. At a minimum, the proposed methodology must:
    - i. consider only those Deposit Discrepancies that resulted in a credit to one of the general ledger accounts the Banks used for Deposit Discrepancy adjustments;
    - ii. include any fees the Affected Consumer incurred reasonably related to the under-crediting, including but not limited to overdraft fees, insufficient fund fees, and monthly maintenance fees; and
    - iii. include an amount reflecting a reasonable estimate of interest on the amount under-credited and any fees reimbursed, as calculated pursuant to the methodology set forth in the Redress Plan.
  - c. Require Respondents to retain an independent third party consultant or auditor (“Redress Plan Consultant”), acceptable to the Regional Director, to assist in the review and assessment of Respondents’ compliance with the terms of the Redress Plan;
  - d. Include the form of the letter or other communication (“Redress Notification Letter”) to be sent notifying Affected Customers of the redress and the form of any envelope that will contain the Redress Notification Letter. The Redress Notification Letter must explain how the Redress Amount was calculated, explain why the Affected Consumer is receiving redress, state that

Respondents are providing redress because of this Consent Order, and direct the Affected Consumer to the Bureau's website address that contains the Consent Order. Respondents may not include in any envelope containing a Redress Notification Letter any materials other than the approved letter, and when appropriate, redress checks, unless Respondents have obtained written confirmation from the Regional Director that the Bureau does not object to the inclusion of the additional materials;

- e. Provide processes for reimbursing all Affected Consumers regardless of whether the Affected Consumer is currently an accountholder with either of the Banks. The processes must include the following requirements:
  - i. For any open account, Respondents must provide a credit of the Redress Amount posted to the Affected Consumer's account, regardless of whether the crediting of an Affected Consumer's account results in a credit balance.
  - ii. For any closed account with no balance outstanding, Respondents must mail a certified or Bank check for the Redress Amount to the Affected Consumer.
  - iii. For any charged-off account, either a credit will be issued decreasing the charged-off balance by the Redress Amount, or Respondents must issue redress consistent with the requirements for closed accounts in Paragraph 47(e)(ii). Where a credit is issued that is greater than the existing charged-off balance, Respondents must mail to the Affected Consumer a certified or Bank check in the amount of the excess.

- iv. With respect to any bankruptcy, estate, accounts in litigation, and sold charged-off accounts, Respondents must make a refund in accordance with applicable law.
  - f. When Respondents make restitution to Affected Consumers by check, require Respondents to send the check by United States Postal Service first-class mail, address correction service requested, to the Affected Consumer's last address as maintained in Respondents' records;
  - g. For any Affected Consumer whose restitution check is returned, require Respondents to make reasonable attempts to obtain a current address using standard address search methodologies, including a standard address search using the National Change of Address system and to promptly re-mail all returned restitution checks to current addresses, if any; and
  - h. If the check for any eligible consumer is returned to Respondents after a second mailing, or if a current mailing address cannot be identified using standard address search methodologies, require Respondents to retain the Redress Amount of that Affected Consumer for a period of three-hundred sixty (360) days from the date the restitution check was originally mailed, or a shorter period of time if required by law, during which period such amount may be claimed by such Affected Consumer upon appropriate proof of identity and, after such time, dispose of these monies in accordance with this Section.
48. Within 120 days from completion of the Redress Plan, an internal audit department of one of the Respondents must review and assess compliance with the terms of the Redress Plan (the "Redress Review").

49. The Redress Review must include an assessment of the Redress Plan and the methodology used to identify Affected Customers, the Redress Amount for each Affected Consumer, the procedures used to issue and track payments of the Redress Amounts to Affected Consumers, and whether the Redress Plan has been properly executed. The Redress Review must also include an audit of the Redress Amount to provide reasonable assurance that Affected Consumers received the correct Redress Amount.
50. The Redress Plan Consultant must review and assess Respondents' compliance with the terms of the Redress Plan, by, at a minimum, reviewing an appropriate sample of accounts of Affected Consumers to assess the adequacy and completeness of the redress provided. The work to be conducted by the internal audit department in the Redress Review and by the Redress Plan Consultant must be submitted for non-objection by the Regional Director.
51. The Redress Review will be summarized in a written report (the "Redress Review Report"), which must be completed within 60 days of completion of the Redress Review. Within 14 days of its completion, Respondents must submit the Redress Review Report to the Regional Director and to the Board.
52. After completing the Redress Plan, if the amount of redress provided to Affected Consumers is less than \$11 million, less the amount of any Deposit Discrepancy that resulted in a credit to one of the general ledger accounts the Banks used for Deposit Discrepancy adjustments but did not cause consumer harm, within 30 days of the completion of the Redress Review, Respondents must pay the difference to the Bureau, by wire transfer to the Bureau or to the Bureau's agent, and according to the Bureau's wiring instructions.

53. If the Bureau determines, in its sole discretion, that additional redress to Affected Consumers is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional redress is completed, any remaining funds will be deposited in the U.S. Treasury as disgorgement. Respondents will have no right to challenge any actions that the Bureau or its representatives may take under this paragraph.
54. Respondents may not condition the payment of any redress to any Affected Consumer under this Order on that Affected Consumer waiving any right.

## **IX**

### **Order to Pay Civil Money Penalties**

#### **IT IS FURTHER ORDERED that:**

55. Under Section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Order, and taking into account the factors set forth in 12 U.S.C. § 5565(c)(3), Respondents must pay a civil money penalty of \$7.5 million to the Bureau.
56. Within 10 days of the Effective Date, Respondents must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.
57. The civil money penalty paid under this Order will be deposited in the Civil Penalty Fund of the Bureau as required by Section 1017(d) of the CFPA, 12 U.S.C. § 5497(d).
58. Respondents must treat the civil money penalty paid under this Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Respondents may not:

- a. Claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty that Respondents pay under this Order; or
  - b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Order.
59. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Respondents may not argue that Respondents are entitled to, nor may Respondents benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer Action because of the civil money penalty paid in this action (“Penalty Offset”). If the court in any Related Consumer Action grants such a Penalty Offset, Respondents must, within 30 days after entry of a final order granting the Penalty Offset, notify the Bureau, and pay the amount of the Penalty Offset to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

**X**  
**Additional Monetary Provisions**

**IT IS FURTHER ORDERED that:**

60. In the event of any default on Respondents’ obligations to make payment under this Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.

61. Respondents must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondents.
62. Under 31 U.S.C. § 7701, Respondents, unless they have already done so, must furnish to the Bureau their taxpayer identification numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Order.
63. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondents must notify the Regional Director of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondents paid or are required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

## **XI Reporting Requirements**

**IT IS FURTHER ORDERED** that:

64. Respondents must notify the Bureau of any development that may affect compliance obligations arising under this Order, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of any bankruptcy or insolvency proceeding by or against Respondents; or a change in Respondents' names or addresses. Respondents must provide this

notice at least 30 days before the development or as soon as practicable after the learning about the development, whichever is sooner.

65. Within 90 days of the Effective Date, and again one year after the Effective Date, Respondents must submit to the Regional Director an accurate written compliance progress report (“Compliance Report”) that has been approved by the Compliance Committee, which, at a minimum:
  - a. Describes in detail the manner and form in which Respondents have complied with this Order; and
  - b. Attaches a copy of each Order Acknowledgement obtained under Section XII, unless previously submitted to the Bureau.
66. Respondents must submit to the Regional Director additional Compliance Reports or other requested information within 30 days of receiving a written request from the Bureau.

## **XII Order Distribution and Acknowledgment**

### **IT IS FURTHER ORDERED that,**

67. Within 30 days of the Effective Date, Respondents must deliver a copy of this Order to each of their board members and executive officers, as well as to any managers, employees, Service Providers, or other agents and representatives who have responsibilities related to the subject matter of the Order.
68. For 5 years from the Effective Date, Respondents must deliver a copy of this Order to any business entity resulting from any change in structure referred to in Section XI, any future board members and executive officers, as well as to any Service Providers, agents, or other representatives who will have oversight or managerial

responsibilities related to the subject matter of the Order before they assume their responsibilities.

69. Respondents must secure a signed and dated statement acknowledging receipt of a copy of this Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.*, within 30 days of delivery, from all persons receiving a copy of this Order under this Section.

### **XIII Recordkeeping**

**IT IS FURTHER ORDERED** that

70. Respondents must create, for at least 5 years from the Effective Date, the following business records:
- a. All documents and records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Bureau and all documents and records pertaining to the Redress Plan and Redress Review described in Section VIII;
  - b. Copies of all forms of account agreements and training materials relating to deposit processing; and
  - c. All consumer complaints relating to redress made under this Order, and any responses to those complaints or requests.
71. Respondents must retain the documents identified in Paragraph 70 for at least 5 years.
72. Respondents must make the documents identified in Paragraph 70 available to the Bureau upon the Bureau's request.

### **XIV**

## Notices

### **IT IS FURTHER ORDERED that:**

73. Unless otherwise directed in writing by the Bureau, Respondents must provide all submissions, requests, communications, or other documents relating to this Order in writing, with the subject line, *In re RBS Citizens Financial Group, Inc. (N/K/A Citizens Financial Group, Inc.), RBS Citizens, N.A. (N/K/A Citizens Bank, N.A.), and Citizens Bank of Pennsylvania*, File No. 2015-CFPB-0020, and send them either:

a. By overnight courier (not the U.S. Postal Service), as follows:

Regional Director, Northeast Region  
Consumer Financial Protection Bureau  
140 East 45th St., 4th Floor  
New York, NY 10017

Assistant Director for Enforcement  
Consumer Financial Protection Bureau  
ATTENTION: Office of Enforcement  
1625 Eye Street, N.W.  
Washington D.C. 20006; or

b. By first-class mail to the below address and contemporaneously by email to:

Enforcement\_Compliance@cfpb.gov:

Regional Director, Northeast Region  
Consumer Financial Protection Bureau  
140 East 45th St., 4th Floor  
New York, NY 10017

Assistant Director for Enforcement  
Consumer Financial Protection Bureau  
ATTENTION: Office of Enforcement  
1700 G Street, N.W.  
Washington D.C. 20552.

### **Modifications to Non-Material Requirements**

**IT IS FURTHER ORDERED that:**

74. Respondents may seek a modification to non-material requirements of this Order (e.g., reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Regional Director.
75. The Regional Director may, in his/her discretion, modify any non-material requirements of this Order (e.g., reasonable extensions of time and changes to reporting requirements) if he/she determines good cause justifies the modification. Any such modification by the Regional Director must be in writing.

### **XVI**

#### **Administrative Provisions**

**IT IS FURTHER ORDERED that,**

76. The provisions of this Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Respondents, except as described in Paragraph 80.
77. This Order is intended to be, and will be construed to be, a final consent order issued under Section 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.
78. This Order will remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

79. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
80. The Bureau releases and discharges Respondents from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Order in future enforcement actions against Respondents and their affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Order, or to seek penalties for any violations of the Order.
81. This Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Order and the accompanying Stipulation. This Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.
82. Nothing in this Order or the accompanying Stipulation may be construed as allowing the Respondents, their respective Board of Directors, officers, or employees to violate any law, rule, or regulation.
83. Nothing in this Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

84. The provisions of this Order will be enforceable by the Bureau. For any violation of this Order, the Bureau may impose the maximum amount of civil money penalties allowed under Section 1055(c) of the CFPB, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Order in federal district court, the Bureau may serve Respondents wherever Respondents may be found and Respondents may not contest that court's personal jurisdiction over Respondents.

IT IS SO ORDERED, this 11<sup>th</sup> day of August, 2015.

  
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Richard Cordray  
Director  
Consumer Financial Protection Bureau