Office of the Comptroller of the Currency
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OCC Assesses $500 Million Penalty Against Wells Fargo, Orders Restitution for Unsafe or Unsound Practices

WASHINGTON—The Office of the Comptroller of the Currency (OCC) today assessed a $500 million civil money penalty against Wells Fargo Bank, N.A., and ordered the bank to make restitution to customers harmed by its unsafe or unsound practices, and develop and implement an effective enterprise-wide compliance risk management program.

The OCC's action was closely coordinated with an action by the Bureau of Consumer Financial Protection and made possible through the collaborative approach taken by the bureau. Separately, the bureau assessed a $1 billion penalty against the bank and credited the amount collected by the OCC toward the satisfaction of its fine.

The OCC took these actions given the severity of the deficiencies and violations of law, the financial harm to consumers, and the bank's failure to correct the deficiencies and violations in a timely manner. The OCC found deficiencies in the bank's enterprise-wide compliance risk management program that constituted reckless, unsafe, or unsound practices and resulted in violations of the unfair practices prong of Section 5 of the Federal Trade Commission (FTC) Act. In addition, the agency found the bank violated the FTC Act and engaged in unsafe and unsound practices relating to improper placement and maintenance of collateral protection insurance policies on auto loan accounts and improper fees associated with interest rate lock extensions. These practices resulted in consumer harm which the OCC has directed the bank to remediate.

The $500 million civil money penalty reflects a number of factors, including the bank's failure to develop and implement an effective enterprise risk management program to detect and prevent the unsafe or unsound practices, and the scope and duration of the practices. The OCC penalty will be paid to the U.S. Treasury. The OCC also reserves the right to take additional supervisory action, including imposing business restrictions and making changes to executive officers or members of the bank's board of directors.

The order also modifies restrictions placed on the bank in November 2016 relating to the approval of severance payments to employees and the appointment of senior executive officers or board members. The original restrictions related to severance payments applied to all employees, which unnecessarily delayed severance payments to employees who were not responsible for the bank's deficiencies or violations. This order maintains restrictions on the approval of severance payments to senior and executive officers and the appointment of senior executive officers or board members.

Related Links

- Consent Order for the Assessment of a Civil Money Penalty (PDF)
- Cease and Desist Order (PDF)

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