

Senator Warren Questions Financial CEOs About Their Positions on CFPB Forced Arbitration Rule, Requests Data on Firms' Use of Arbitration

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Text of the letters available [here](#) (PDF)

Washington, DC - U.S. Senator Elizabeth Warren (D-Mass.) today sent letters to the CEOs of 16 large financial institutions asking whether they supported or opposed the Consumer Financial Protection Bureau's (CFPB) forced arbitration rule. The letters also request data on the firms' use of arbitration clauses in consumer agreements and the outcomes of arbitration proceedings.

Senator Warren noted in her letters to the firms that "A number of lobbying groups representing big banks and financial firms have condemned the rule, asserting that it will harm consumers. . . These organizations represent your bank and your industry, but you - and other CEOs of large banks - have remained silent on the rule." The senator asked, "If your lobbyists are taking such strong positions against the rule, is there a reason both you and your bank have been unwilling to take a public position?"

In requesting information about the banks' positions on the CFPB rule and their use of arbitration, the senator also explained, "This information is particularly important and time-sensitive because Republicans in Congress have introduced a resolution to reverse the CFPB rule using the fast-track Congressional Review Act process."

Last month, the CFPB [issued its rule](#) on forced arbitration clauses after spending three years conducting a congressionally mandated study of the impact of these clauses on consumers. Its analysis found that forced arbitration clauses that prohibit consumers from entering class action lawsuits against companies are commonplace in financial product contracts, and make it more difficult for consumers to hold banks accountable for misconduct.

The senator asked the financial firms' CEOs to state whether they agree or disagree with the CFPB's analysis. She also requested data on how their firms have fared in arbitration during the past five years. She requested responses by September 1st.

The letters were sent to the heads of JP Morgan Chase, Bank of America, Wells Fargo & Company, Citigroup Inc., U.S. Bancorp, PNC Financial Services Group, Inc., TD Group US Holdings, Capital One Financial Corporation, HSBC North America Holdings, Charles Schwab Corporation, BB&T Corporation, Suntrust Bank, Barclays US, Ally Financial Inc., American Express Company, and Citizens Financial Group.

Read a PDF copy of the 16 letters [here](#).

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