

Consumer Financial Protection Bureau Announces Action Against Citizens Bank, N.A.

JAN 30, 2020

WASHINGTON, D.C. – Today the Consumer Financial Protection Bureau (Bureau) filed suit against Citizens Bank, N.A. (Citizens), a national banking association headquartered in Providence, Rhode Island. The Bureau’s complaint alleges violations of the Truth in Lending Act (TILA) and TILA’s implementing Regulation Z, including violations of amendments to TILA contained in the Fair Credit Billing Act (FCBA) and the Credit Card Accountability Responsibility and Disclosure Act (CARD Act).

As described in the complaint, the Bureau alleges that for several years Citizens violated TILA, as amended by the FCBA, and Regulation Z by failing to properly manage and respond to credit card disputes. The complaint alleges that Citizens automatically denied consumers’ billing error notices and claims of unauthorized use in certain circumstances. The complaint further alleges that Citizens failed to fully refund finance charges and fees when consumers asserted meritorious disputes or fraud claims, and failed to send consumers required acknowledgement letters and denial notices in response to billing error notices.

The Bureau further alleges that for several years Citizens violated TILA by violating provisions passed under the CARD Act. The Bureau alleges that Citizens violated TILA and Regulation Z by failing to provide credit counseling referrals to consumers who called Citizens’ toll-free number designated for that purpose. These alleged violations of TILA—including those under the FCBA and the CARD Act—and Regulation Z also constitute violations of the Consumer Financial Protection Act.

The Bureau filed its complaint in the U.S. District Court for the District of Rhode Island on January 30, 2020. The Bureau’s complaint seeks, among other remedies, an injunction against defendants and the imposition of civil money penalties.

The complaint is not a finding or ruling that the defendant has violated the law.

The complaint is available

at: https://files.consumerfinance.gov/f/documents/cfpb_citizens-bank_complaint_2020-01.pdf

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