



FDIC Announces Three Orders Against Discover Bank, Greenwood, Delaware

April 18, 2025

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) today announced the issuance of three orders against Discover Bank, Greenwood, Delaware (Bank). Specifically, the FDIC issued an Amended and Restated Consent Order requiring corrective action, an Order for Restitution requiring a restitution plan to distribute at least \$1.225 billion to adversely affected merchants, merchant acquirers, and other intermediaries (collectively, merchants), and an Order to Pay assessing a \$150 million civil money penalty.

The FDIC determined that:

- For approximately 17 years, the Bank misclassified millions of consumer credit cards as commercial, resulting in higher interchange fees for transactions processed on the Discover network.
- As a result of the Bank's misclassification, merchants were overcharged over \$1 billion in interchange fees when accepting payments with the misclassified credit cards.

In a concurrent action, the Board of Governors of the Federal Reserve System issued an order requiring corrective action and assessing a civil money penalty of \$100 million against the Bank's parent holding company, Discover Financial Services, Riverwoods, Illinois, and its subsidiary, DFS Services LLC.

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