



Bank of America ordered to pay \$727 million to consumers

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[JURIST] The [Consumer Financial Protection Bureau](#) (CFPB) [official website] on Wednesday [ordered](#) [text, PDF] [Bank of America](#) [corporate website] to pay \$727 million in relief to consumers for its illegal credit card practices. The CFPB asserts that Bank of America used [deceptive marketing and unfair billing practices](#) [CFPB press release] in violation of the [Dodd-Frank Wall Street Reform and Consumer Financial Protection Act](#) [text]. With respect to marketing, the CFPB charges that Bank of America made sales pitches that were misleading and that omitted pertinent information when marketing two of its credit card payment protection products. Additionally, Bank of America used unfair billing practices in enrolling consumers in identity protection credit card add-on products by billing consumers for services they did not receive, unfairly charging for interest and fees, failing to provide product benefits, and improperly charging accounts that were not receiving the full product services. The CFPB order requires Bank of America to end its illegal and unfair practices, repay affected consumers and pay a fine to the CFPB's Civil Penalty Fund.

The CFPB was established under the Dodd-Frank Act, which was [signed into law](#) [JURIST report] by President Barack Obama in July 2010 in response to the 2008 financial collapse and created new regulations designed to strengthen oversight of the financial industry and protect consumers. The Act also established the [Financial Stability Oversight Council](#) [official website] (FSOC) to identify and monitor banks that may become 'too big to fail.' Additionally, the Act gives the [Commodities Futures Trading Commission](#) (CFTC) [official website] the ability to regulate the derivatives market, and the [Federal Reserve](#) [official website] new oversight over the largest financial institutions. JURIST guest columnist [Louise Bennetts](#) [official profile] of the Cato Institute [argues](#) [JURIST op-ed] that Dodd-Frank is a poorly drafted statute with unclear principles that gives regulators too much discretion to promulgate rules.