

CFPB Takes Action Against Fintech for Alleged Deceptive ATM Fee Disclosures and Violations of the Electronic Fund Transfer Act

January 31, 2025 | [Erik Kosa](#) and [Mark D. Metrey](#)

HIGHLIGHTS:

- Director Chopra continues aggressive pursuit of enforcement actions into early days of new presidential administration.
- The Consumer Financial Protection Bureau ("CFPB") alleged violations of the Consumer Financial Protection Act and Electronic Funds Transfer Act, in connection with the Company's ATM fee disclosure practices.
- The Company will pay a \$2.025 million civil penalty and \$450,000 in consumer redress.

CASE SUMMARY:

On January 30, 2025, the CFPB entered into a consent order with the Company, alleging violations of the Consumer Financial Protection Act ("CFPA") and Electronic Fund Transfer Act ("EFTA"). The Bureau found that the Company allegedly engaged in deceptive acts and practices by misrepresenting ATM withdrawal fees and failing to provide accurate fee disclosures, as well as violating the EFTA and its implementing Regulation E. As part of the settlement, the Company will pay \$450,000 in consumer redress and a \$2.025 million civil penalty, and must implement compliance measures to ensure adherence to federal consumer financial laws.

The Bureau alleged the Company led consumers to believe they would experience lower ATM fees when many actually faced higher charges. The CFPB claimed thousands of consumers were overcharged approximately \$156,000 in ATM fees, primarily due to the Company presenting outdated or factually inaccurate disclosure forms regarding the fee structure for its products. Additionally, the Company allegedly lacked sufficient internal policies and procedures to ensure compliance with federal remittance and prepaid account rules, leading to systemic compliance failures. The Bureau also alleged that the Company improperly charged consumers more than \$130,000 in excessive fees related to euro balances and credit card-funded transactions. The Company also allegedly failed to provide legally required disclosures regarding error resolution, did not properly

investigate consumer-reported transaction errors, and failed to issue refunds in a timely manner.

Without admitting or denying the allegations, the Company has agreed to a settlement requiring it to provide \$450,000 in consumer redress to affected customers and to pay a \$2.025 million civil penalty to the CFPB's Civil Penalty Fund. The Company must also implement compliance reforms, including improving its consumer disclosures, properly investigating and resolving reported errors, and maintaining transaction records to ensure accountability.

This enforcement action reflects the CFPB's continued scrutiny of financial technology companies and their compliance with federal consumer protection laws. Despite speculation about shifts in enforcement priorities during the Trump presidency, CFPB Director Rohit Chopra has maintained an aggressive approach to consumer protection, particularly in the digital payments sector. This action illustrates the Bureau's continued efforts to impose the same requirements on fintech firms providing remittance and prepaid account services as traditional financial institutions.

RESOURCES:

You can review all of the relevant court filings and press releases at the [CFPB's Enforcement Page](#).

- [Consent Order](#)
- [Stipulation](#)
- [CFPB Press Release](#)

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