Capital One Settles Consumer Lawsuit

July 18, 2012 - Capital One has settled a law suit with the federal government over deceptive advertising practices. The overall value of the settlement includes $150 million in refunds to approximately 2.5 million consumers. Additionally, the company will pay the Comptroller of the Currency $35 million and an additional $25 million fine to the government.

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s.type = 'text/javascript';
s.src = 'http://widgets.digg.com/buttons.js';
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})();
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The suit was filed against Capital One over the process the company used to add-on services to its credit card customers. Those services included credit monitoring and payment protection services; both of which have been highly profitable for lenders. The company was judged by the CFPB to be using high pressure sales tactics.

At the time that the suit was filed, Capital One was being monitored by staff of the CFPB. Those monitors observed call center employees that worked for a subcontractor of Capital One using sales tactics that the agency didn't approve of.

In the settlement, Capital One didn't admit any wrong-doing but the company did say that the vendor involved violated instructions that it had received from Capital One. They went on to say that they were responsible for the actions of their vendors.

The Capital One customers who will be receiving refunds are those that purchased add on services between August, 2010 and January, 2012. These consumers should see full refunds from the company.

byJim Malmberg
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