

Wells Fargo and Citigroup Lawsuit over Incorrect Credit Reporting Moves Forward

October 29, 2014 - U.S. Federal Judge Janis Sammartino has refused to dismiss a lawsuit against Wells Fargo and Citigroup for incorrect credit reporting. The suit alleges that the two banks misreported thousands of short sales to credit bureaus as foreclosures or bankruptcies. Furthermore, the banks are accused of refusing to make corrections when consumers disputed their reports. In addition to the two banks, Experian is also named as a defendant in the suit.

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In her ruling, Judge Sammartino stated that consumers had provided facts that support their claims against the banks and that those inaccuracies had made it much more difficult or impossible for those consumers to obtain new loans.

The lawsuit claims that the credit report inaccuracies occurred because the bank used incorrect codes when making reports to the credit reporting agencies. Both banks were apparently making their reports to Experian.

The reason that Experian is named as a defendant is because the company allegedly failed to insure the accuracy of the information that was being reported and that the company didn't properly investigate when consumers disputed the information on their credit reports. Federal law requires that credit reporting agencies go to great lengths to the accuracy of information they are reporting. Even so, nearly 80% of all consumer credit reports contain inaccurate information.

The lawsuit is seeking class action status and is pursuing damages under the Fair Credit Reporting Act. The case (Shaw v Experian Information Solutions Inc. et al) is being tried in the US District Court for the Southern District of California.
by Jim Malmberg

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