



FOR IMMEDIATE RELEASE

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**FLORIDA ALLIANCE FOR CONSUMER PROTECTION Celebrates New
Rule to Restore Consumers' Ability to Enforce Rights and Protections in
Court**

Today, the Consumer Financial Protection Bureau (CFPB) finalized its rule to restore consumers' right to join together in challenging financial fraud and scams in court. The result of five years of careful [study](#) and consideration, the rule as proposed would restrict the financial industry's use of forced arbitration – a tactic Wall Street banks and payday lenders use to block consumers from challenging illegal behavior in court.

Corporate attorneys bury “ripoff clauses” in the fine print of financial contracts to evade public accountability for charges of fraud and lawbreaking by forcing consumers into secret arbitration proceedings rigged in the banks' favor. These clauses often ban class action lawsuits as well, leaving consumers unable to challenge widespread misconduct since it is often too expensive to pursue small-dollar disputes one-by-one in arbitration. Wells Fargo has repeatedly invoked ripoff clauses in legitimate account contracts to block customers from suing together over fraudulent accounts, and the practice [helped](#) the bank hide its misconduct for years.

“These rules will protect all consumers, including our servicemembers, insuring servicemembers can defend their rights to enforce Servicemembers' Civil Relief Act (SCRA) protections against lenders that target the military,” highlighted Alice Vickers, Director of FLACP. “These are important protections for all consumers.”

While the CFPB took a more modest approach rather than banning all forms of forced arbitration, the rule restores consumers' right to join together in class action lawsuits and returns transparency to individual arbitration by establishing a public record of claims and outcomes. During the public comment period last August, Florida Alliance for Consumer Protection joined with 280 consumer, civil rights, labor, and community [groups](#) and more than 100,000 individual [consumers](#) across the country to support the proposed rule.

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Florida Alliance for Consumer Protection is a nonprofit, nonpartisan organization whose mission is to advance consumer protection and tenant rights through research, education and advocacy.