



CONSUMER ATTORNEYS OF CALIFORNIA

Seeking Justice for All

Bill to block Wells Fargo forced arbitration introduced

Sen. Dodd looks to protect consumer victims of fraudulent accounts

SACRAMENTO (Dec. 5, 2016) – Consumer Attorneys of California is backing a measure introduced today by California state Sen. Bill Dodd (D-Napa) in response to the recent Wells Fargo scandal involving the bank’s illegal creation of more than 2 million fictitious banking, credit and other accounts without permission of their clients.

Dodd’s bill, Senate Bill 33, hits at the use of forced arbitration by Wells Fargo and other banks to evade public scrutiny and full accountability when they commit fraud.

Instead of having such cases decided by closed-door arbitration, which favors a financial institution that hires the arbitrator, the disputes would under Dodd’s bill instead be decided in a public court by a judge and citizen jury.

Earlier this year, media reports revealed that Wells Fargo had for several years been misusing its own clients’ personal information to create more than two million fictitious accounts without consumers’ consent as part of a widespread conspiracy to top corporate sales goals. Instead of fighting the banking behemoth in court, clients were forced into the secretive arbitrations, allowing Wells Fargo to continue its deceit free of attention or regulatory crackdown.

The fraudulent accounts generated millions of dollars in charges and fees for the bank. But for defrauded clients, it meant identify theft that damaged consumer credit ratings and caused financial losses.

Dodd’s bill addresses the reality that Wells Fargo was able to push the disputes into arbitration under contract terms established for prior accounts established by their clients – ignoring the fact that the client legal complaints concerned accounts consumers never agreed to in the first place.

“We applaud Sen. Dodd’s actions to bring these abuses of forced arbitration to an end in California,” said Consumer Attorneys of California president Greg Bentley. “To say that consumers agreed not to sue over accounts they never agreed to open is mind-boggling.”

SB 33 will receive its first hearing in early 2017.

Consumer Attorneys of California is a professional organization of plaintiffs’ attorneys representing consumers seeking accountability against wrongdoers in cases involving personal injury, product liability, environmental degradation and other causes.

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