



CONSUMER ATTORNEYS OF CALIFORNIA

Seeking Justice for All

Wells Fargo-inspired arbitration bill passed by California Senate

SB 33 opens courthouse doors to defrauded consumers

SACRAMENTO (May 30, 2017) – A bill sponsored by Consumer Attorneys of California that was inspired by Wells Fargo’s massive consumer fraud was approved by the California Senate today on a vote of 26-13.

Senate Bill 33 by Sen. Bill Dodd (D-Napa), also sponsored by California Treasurer John Chiang and the Consumer Federation of California, will allow California consumers to take disputes to court when they are the victim of fraud or identity theft by financial institutions.

The bill is in response to the fraudulent behavior of Wells Fargo in creating millions of unrequested bank accounts and credit cards in order to meet company sales goals. . Those accounts harmed consumers in some cases by generating fees and damaging credit ratings.

SB 33 ensures that fraud and identity theft cases are heard in the public setting of a court instead of secret arbitration hearings. In the case of Wells Fargo, consumers have been trying to sue over these fraudulent accounts since at least 2013. The bank successfully argued arbitration agreements in the legitimate accounts customers agreed to open also applied to the fraudulent accounts customers were completely unaware existed.

“At a time when corporations are increasingly trying to avoid accountability in court, SB 33 will protect consumer legal rights when a financial institution commits fraud,” said Consumer Attorneys of California President Greg Bentley. “It’s one thing for Wells Fargo to demand arbitration to resolve a dispute over a bank account a consumer knowingly opened. It’s shocking and incomprehensible for Wells Fargo to attempt to block a consumer’s right to go to court to litigate a sham account they neither signed up for nor wanted.”

SB 33 now moves to the Assembly, where it will first be heard by the Judiciary Committee.

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.

For more information:

**J.G. Preston, CAOC Press Secretary, 916-669-7126, jgpreston@caoc.org
Eric Bailey, CAOC Communications Director, 916-669-7122, ebailey@caoc.org**