



Enforcement Alert from Hudson Cook, LLP: CFPB Files Lawsuit Against Nationwide Credit Reporting Agency and Senior Executive for Allegedly Violating 2017 Order

April 12, 2022 | [Lucy E. Morris](#) and [Kristen Yarows](#)

HIGHLIGHTS:

- CFPB announced that it is filing a lawsuit today against a nationwide credit reporting agency, two related companies, and a top executive for violating a January 2017 consent order with the CFPB.
- The lawsuit alleges that the companies failed to implement required measures from the 2017 order and committed additional violations of consumer financial protection laws in violation of the Consumer Financial Protection Act of 2010, Regulation V of the Fair Credit Reporting Act, and the Electronic Fund Transfer Act.
- In the CFPB's press release accompanying the announcement, Director Chopra emphasized that enforcement of repeat offenders is a top priority for the CFPB.

CASE SUMMARY:

The complaint, filed in the U.S. District Court for the Northern District of Illinois, alleges that the companies, acting as a common enterprise, violated the 2017 consent order by failing to implement specific remedial measures. The CFPB alleges that they continued to engage in deceptive conduct in the marketing and sale of credit-related products and used digital dark patterns (described as hidden tricks or trapdoors built into websites) to deceive customers. The complaint alleges that the companies violated the 2017 order by: continuing to mislead consumers about the nature and terms of their credit-monitoring product; failing to add a checkbox to their trial offer subscription products to ensure consumers consented to enrolling in such products; and failing to provide a way for consumers to easily and immediately cancel their subscriptions and obtain refunds.

The CFPB alleges that the companies crafted their website to deceive consumers into recurring payments and make it difficult for consumers to cancel these subscriptions. The complaint alleges that these tactics diverted consumers from seeking their free annual credit report and signed them up for a paid subscription for credit monitoring. The complaint also alleges that the companies misrepresented their credit monitoring service

as a standalone credit score or credit report. The complaint seeks monetary relief for consumers, injunctive relief, and civil money penalties. The complaint is not a final finding or ruling that defendants have violated the law.

RESOURCES:

You can review all of the relevant court filings and press releases at the [CFPB's Enforcement Page](#).

- [Complaint](#)
- [2017 Consent Order](#)
- [Press Release](#)

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