

**UNITED STATES OF AMERICA  
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING  
File No. 2025-CFPB-0001

In the Matter of:

**BLOCK, INC.**

**CONSENT ORDER**

The Consumer Financial Protection Bureau (Bureau) has reviewed the practices of Block, Inc. (Respondent, as defined below) with respect to certain deposit and peer-to-peer money-transfer activities and the provision of stored-value or payment instruments through its mobile payment application, Cash App. The Bureau has identified the following violations of law: Respondent failed to provide effective customer service for Cash App in a manner that was unfair in violation of the Consumer Financial Protection Act (CFPA), 12 U.S.C. §§ 5531(c) and 5536(a)(1)(B); failed to take timely, appropriate, and effective measures to prevent, detect, limit, and address fraud on the Cash App platform in a manner that was unfair in violation of the CFPA, 12 U.S.C. §§ 5531(c) and 5536(a)(1)(B);

employed dispute resolution and chargeback practices in a manner that was unfair in violation of the CFPA, 12 U.S.C. §§ 5531(c) and 5536(a)(1)(B); made representations to consumers relating to Cash App in a manner that was deceptive in violation of the CFPA, 12 U.S.C. §§ 5531(a) and 5536(a)(1)(B); failed to comply with error resolution requirements of the Electronic Fund Transfer Act (EFTA) and Regulation E, as set forth in 12 C.F.R. § 1005.11, including § 1005.11(b)-(d), and § 1005.18(e); failed to retain evidence of compliance with the EFTA and Regulation E for a period of at least two years in violation of 12 C.F.R. § 1005.13; failed to comply with limitation of liability requirements in a manner that violated Regulation E, 12 C.F.R. §§ 1005.6-1005.7; and, through its violations of the EFTA and Regulation E, violated the CFPA, 12 U.S.C. § 5536(a)(1)(A). Under §§ 1053 and 1055 of CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

## **I.**

### **Jurisdiction**

1. The Bureau has jurisdiction over this matter under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565 and EFTA, 15 U.S.C. § 1693o.

## **II.**

### **Stipulation**

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated January 15, 2025 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, without admitting or denying any of the findings of fact or conclusions of law, except that Respondent admits the facts necessary to establish the Bureau’s jurisdiction over Respondent and the subject matter of this action.

## **III.**

### **Definitions**

3. The following definitions apply to this Consent Order:
  - a. “Affected Consumers” includes, relating to transactions as of July 1, 2019, the following:
    - i. Consumers (No Investigation Affected Consumers) for whom Respondent failed to initiate or complete investigations following a Notice of Error disputing an Unauthorized Transfer, who did not receive refunds, and who fall into one of the following categories:

- (1) a consumer who, after filing a Notice of Error with Respondent regarding an Unauthorized Transfer that originated from the consumer's linked bank deposit account debit card, was instructed by Respondent to contact their bank in connection with an Unauthorized Transfer; or
- (2) a consumer who filed a Notice of Error, and Respondent then directed the consumer to reach out to the merchant to resolve their dispute instead of beginning or completing an investigation; or
- (3) a consumer who filed a Notice of Error, and Respondent then required the consumer to first reach out to law enforcement and obtain a police report before Respondent would begin or complete an investigation; or
- (4) a consumer who filed a Notice of Error, and Respondent then sent a "need more information" macro requiring the consumer to provide additional information not required to initiate an investigation under Regulation E and Respondent did not conduct or complete an investigation on the basis of the customer's failure to provide this information; or

(5) a consumer who filed a Notice of Error alleging that an unauthorized third party had taken control of their account, and Respondent did not refund the consumer on the basis that the consumer had indicated that they had been deceived into allowing the unauthorized third party to take control of the account; or

(6) a consumer who filed a Notice of Error alleging that a peer-to-peer payment was unauthorized because their device was lost or stolen, and Respondent did not conduct or complete an investigation on that basis.

ii. Consumers (60 Day Affected Consumers) who submitted a Notice of Error regarding an Unauthorized Transfer more than sixty days after the Unauthorized Transfer took place, but submitted such Notice of Error either:

(1) within sixty days after Respondent's transmittal of a periodic statement to the consumer reflecting the Unauthorized Transfer, which Respondent then declined to refund on the basis that the consumer had not timely submitted the Notice of Error; or

(2) with respect to a Cash Card transaction, within sixty days from the date the consumer electronically accessed the account information reflecting the Unauthorized Transfer, or the date on which the financial institution sent the consumer a written account history requested by the consumer pursuant to 12 C.F.R. § 1005.18(c)(1)(iii) reflecting the Unauthorized Transfer, which Respondent denied to refund on the basis that the consumer had not timely submitted the Notice of Error.

iii. Consumers (Partial Refund Affected Consumers) who submitted a Notice of Error regarding an Unauthorized Transfer:

(1) more than sixty days after the transmittal of a periodic statement to the consumer reflecting the Unauthorized Transfer, for which Respondent failed to provide a partial refund in compliance with 12 C.F.R. § 1005.6(b)(3); or

(2) with respect to Cash Card transaction, more than sixty days from the date the consumer electronically accessed the account information reflecting the Unauthorized Transfer, or the date on which the financial institution sent the consumer a written account history requested by the consumer

pursuant to 12 C.F.R. § 1005.18(c)(1)(iii) reflecting the Unauthorized Transfer, for which Respondent failed to provide a partial refund in compliance with 12 C.F.R. § 1005.6(b)(3).

- iv. Consumers who had accounts frozen by Respondent for a period of at least fourteen days and then unfrozen (Frozen Account Affected Consumers), where the balance on the account at the time it was frozen (inclusive of any transfers that were suspended during the period of the freeze that were subsequently unsuspended) was at least \$25, except instances where (1) the account was frozen for purposes of complying with a request from law enforcement, with a court order or other governmental order, or with statutory or regulatory requirements; or (2) in the context of enhanced verification suspension actions by Respondent requiring the customer to submit verification information and the consumer failed to submit information sufficient to overcome the suspension, causing the delay.
- v. Consumers for whom Respondent did not provide a provisional credit in the amount of the alleged error within ten business days of receiving the consumer's Notice of Error when Respondent was

unable to complete its investigation within ten business days of receiving the Notice of Error, where the amount of the alleged error was at least \$10 (No Provisional Credits Affected Consumers).

- b. “Board” means Respondent’s duly-elected and acting Board of Directors.
- c. “Clearly and Prominently” means:
  - i. in textual communications (e.g., printed publications or words displayed on the screen of an electronic device), the disclosure must be of a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background on which it appears;
  - ii. in communications disseminated orally or through audible means (e.g., radio or streaming audio), the disclosure must be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it;
  - iii. in communications disseminated through video means (e.g., television or streaming video), the disclosure must be in writing in a form consistent with subsection (i), and must appear on the



screen for a duration sufficient for an ordinary consumer to read and comprehend it;

- iv. in communications made through interactive media such as the internet, online services, and software, the disclosure must be unavoidable and presented in a form consistent with subsection (i);
  - v. in communications that contain both audio and visual portions, the disclosure must be presented simultaneously in both the audio and visual portions of the communication; and
  - vi. in all instances, the disclosure must be presented in an understandable language and syntax, and with nothing contrary to, inconsistent with, or in mitigation of the disclosures used in any communication with the consumer.
- d. “Effective Date” means the date on which the Consent Order is entered on the administrative docket.
  - e. “Enforcement Director” means the Enforcement Director of the Enforcement Division of the Consumer Financial Protection Bureau, or their delegate.
  - f. “Notice of Error” means an oral or written notice from a consumer regarding any of the types of errors identified in 12 C.F.R.

§ 1005.11(a)(1), which meets the requirements of 12 C.F.R.

§ 1005.11(b).

- g. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.
- h. “Respondent” means Block, Inc., and its successors and assigns.
- i. “Unauthorized Transfer” means an “electronic fund transfer from a consumer’s account initiated by a person other than the consumer without actual authority to initiate such transfer and from which the consumer receives no benefit, but the term does not include any electronic fund transfer (A) initiated by a person other than the consumer who was furnished with the card, code, or other means of access to such consumer’s account by such consumer, unless the consumer has notified the financial institution involved that transfers by such other person are no longer authorized, (B) initiated with fraudulent intent by the consumer or any person acting in concert with the consumer, or (C) which constitutes an error committed by a financial institution.” 15 U.S.C. § 1693a(12).

## IV.

### **Bureau Findings and Conclusions**

The Bureau finds the following:

4. Respondent is a publicly traded Delaware corporation whose principal executive offices are in Oakland, California. Respondent operates the Cash App payment system (Cash App or the App), which is a mobile payments application launched in 2013 through which consumers can send and receive money through peer-to-peer transfers. Cash App also supports a number of other types of transactions, including transfers of money in or out of the App and purchases using a prepaid virtual or physical card (Cash Card) linked to the funds in a consumer's Cash App account. Respondent made approximately \$7.5 billion in gross profit in 2023, approximately \$4 billion of which was generated by Cash App.
5. Respondent is a covered person under the CFPA because it engages in offering and providing consumer financial products or services. Its Cash App application includes deposit-taking activities, transmitting or exchanging funds and providing payment and other financial data processing products or services to consumers by technological means, which are offered

to or provided for use by consumers primarily for personal, family, or household purposes. 12 U.S.C. §§ 5481(5), (6), (15)(A)(iv), (15)(A)(vii).

6. Respondent is a “financial institution” under EFTA and Regulation E because it is a person that directly or indirectly holds an account belonging to a consumer, or that issues an access device and agrees with a consumer to provide electronic fund transfer services. 15 U.S.C. § 1693a(9); 12 C.F.R. § 1005.2(i).

*Respondent’s Failure to Provide Customer Support by Telephone for Cash App*

7. From 2016 until February 2021, Respondent failed to provide live customer support for Cash App.
8. Respondent did not provide its customers with a telephone line that had live customer support until February 2021, but still included a telephone number on the back of its Cash Card and in its Cash App Terms of Service. This telephone number did not connect consumers to customer support of any type. Instead, it led to a pre-recorded message directing consumers to contact customer support through the App. For years, it did not allow consumers to leave messages.
9. Because consumers could not reach a customer representative at this number, many would search for a Cash App telephone number online. This provided an opening for fraudsters, who posted fake Cash App customer

service phone numbers on websites to trick consumers. As a result, consumers seeking assistance from Respondent instead unwittingly contacted fraudsters posing as Cash App customer service representatives and were tricked into providing information that allowed the fraudsters to take over the consumers' accounts.

10. For example, some consumers called a fake Cash App customer support phone number and were instructed by the fake Cash App customer service representatives to download malware described as a “remote support application” or “remote access tool.” After the consumer followed the instructions, the fraudsters would be able to remove or transfer funds out of the consumer’s Cash App account and into their own.
11. Respondent did not alert consumers that it did not have a customer service telephone line, even after account takeovers from the use of fake customer service telephone numbers occurred. Respondent was aware of the fake Cash App support numbers, but did nothing to inform consumers about risks of this or other scams and fraud until late 2020. Respondent made some attempts to have ads for fake support numbers removed from the internet, but its efforts were ineffective.
12. As a result of the fake phone numbers and Respondent’s actions and failures to act, fraudsters were able to gain unauthorized access to and take over

control of consumers' accounts and steal consumers' money. In many instances, these fraudsters could also obtain access to and then misappropriate information stored on the consumer's phone, including personal identifying information of the consumer. Consumers complained they lost substantial amounts of money as a result of contacting fake Cash App representatives.

13. Respondent's failure to provide live telephone support also harmed consumers who had their identities or personal information stolen elsewhere and used to open Cash App accounts, but who were not themselves Cash App customers. Many of these consumers were unaware that their identities were being misappropriated until they received Cash Cards they had not requested in the mail.
14. Even though stolen consumer personal information was being used to open unauthorized Cash App accounts, Respondent did not provide any reasonable mechanism for non-customer consumers to contact the company to report identity theft until it provided a live customer service telephone line in 2021. The only way these consumers would be able to reach Respondent was either to contact Cash App via social media, send a letter by U.S. mail or sign up for a new Cash App account, which allowed them to contact Respondent through the App or website, and get an email response.

15. The difficulty and delay faced by identity theft victims whose identities were stolen elsewhere frustrated their ability to explain the account was created without their consent or knowledge.
16. Until 2021, Respondent did not provide live customer service. The telephone number Respondent provided ended in a recording, which did not allow consumers to leave a message, except for a limited time. Nevertheless, Respondent made the following representations to consumers in Cash App's Terms of Service at various times in 2019 and 2020:
  - a. "In case of errors or questions about your account call us at (855) 949-7782 ... as soon as you can if you think an error has occurred in your Account."
  - b. "In case of errors or questions about your account call us at (855) 949-7782, please note ... this is the only phone number customers can call for Cash App support...."
  - c. "Please let us know if you believe there is an Unauthorized Transaction on your Account. Telephoning is the best way of keeping your possible losses down."
17. These statements represented to consumers that they could reach Respondent by telephone when in fact they could not.

18. Even when consumers communicated with Respondent through the App or the U.S. mail, at times Respondent was slow to respond; it could take days for consumers to get a response and additional time to receive a substantive response. Moreover, the response consumers received was often a form response that did not directly respond to the consumers' individual issues. As a result, their issues – including those related to the money that consumers held on the App, and to the amounts that consumers could not access or that had been illegally transferred – were not always timely addressed by Respondent.

*Respondent's Deficient Investigation and Consumer Communication Process*

19. Under EFTA and Regulation E, Respondent is required to promptly investigate to determine whether an error occurred within ten business days of receiving a Notice of Error from a consumer, and to report the results to the consumer within three business days after completing its investigation. 15 U.S.C. § 1693f; 12 C.F.R. § 1005.11(c); 12 C.F.R. § 1005.18(a); and 12 C.F.R. § 1005.18(e)(2).
20. Respondent's policies and procedures relating to Regulation E were noncompliant, and initially conceived and developed by individuals who did not have experience in Regulation E compliance.



21. Respondent's lack of live customer support until 2021 impeded consumers' ability to provide Notices of Error, including errors relating to Unauthorized Transfers.
22. Even for consumers who were able to reach Respondent to provide Notices of Error, Respondent delayed or avoided investigations. Sometimes Respondent would respond to Notices of Error by instructing consumers to look elsewhere for help rather than investigate the issue itself. For example, Respondent would:
  - a. tell consumers to reach out to the merchant to resolve their dispute, rather than promptly investigating the errors itself;
  - b. refuse to investigate claims of Unauthorized Transfers for peer-to-peer transfers that originated from the consumer's linked deposit account debit card, instead telling consumers to file chargeback requests with their bank; or
  - c. tell consumers that the outcome of their claim may be negatively affected unless they reached out to law enforcement and obtained a police report.
23. Respondent represented to consumers in the Cash App Terms of Service that their "dispute resolution rights are determined by the funding source used to fund the applicable transaction. Please consult the terms and conditions of

such funding source for more detail.” But consumers’ error resolution rights are provided in EFTA and Regulation E, and do not depend on the source used to fund the transfer at issue.

24. When consumers sent Notices of Error through the App, Respondent would automatically send template communications called “macros.” One macro was the “need more information” macro. This macro asked a series of questions seeking information not required by Regulation E before starting an investigation, such as whether and when the consumer attempted to contact the merchant. If the consumer didn’t provide this information, Respondent either did not complete its investigation or did not initiate an investigation at all.
25. Respondent used several other macros that had the effect of delaying, frustrating, and otherwise obfuscating consumers’ ability to have errors addressed by the company, including the “pushback” and “inquiry” macros.
26. “Pushback” macros essentially told consumers there was nothing more Respondent could do and the case would be closed, even though Respondent failed to address the issue at all. For these prematurely closed cases, the consumer would have to contact Respondent again to open a new case, repeating the same facts.

27. Respondent also used bulk “inquiry” macros just to clear queues for unresolved old cases. Respondent would ask consumers if their issue was still unresolved even though Respondent had not done anything to actually help the consumer resolve the issue. By finally responding to the consumer’s initial inquiry, even just to ask if the issue was still unresolved, Respondent pushed the issue back to the consumer and cleared its queue of the consumer’s case.
28. Respondent has maintained other policies that it used to turn away consumers without investigating Notices of Error. For example, Respondent had a policy of not investigating Notices of Error received more than 60 days after the unauthorized transaction took place, rather than in the timeframes as required by 12 C.F.R. § 1005.11(b)(1)(i) or § 1005.18(e).
29. Even where Respondent did conduct Regulation E investigations, it did not always begin these investigations promptly upon receiving a Notice of Error. When it was slow to investigate consumers’ Notices of Error, Respondent did not ensure that those consumers had the funds they were entitled to in the meantime by providing provisional credits.
30. Under Regulation E, 12 C.F.R. § 1005.11(c), Respondent was required to provide consumers provisional credits in the amount of the alleged error if its investigation took longer than 10 business days. However, where

Respondent took longer than 10 business days to investigate Unauthorized Transfers, Respondent often failed to provide provisional credits at all or in a timely manner.

31. For example, Respondent maintained and enforced a policy that failed to provide provisional credits at all for allegations of account takeovers and peer-to-peer Unauthorized Transfers, even though it would often take more than 10 business days to complete such investigations. Respondent also failed to provide provisional credits where required for at least 153,866 claims of unauthorized Cash Card transfers where Respondent took longer than 10 business days to investigate.
32. Many of Respondent's actions following investigations were also nonexistent, delayed, or insufficient. For example, Respondent failed to refund some consumers within one business day of determining that an error occurred, which is required by Regulation E, 12 C.F.R. § 1005.11(c)(1).
33. Additionally, contrary to Regulation E, 12 C.F.R. § 1005.11(d)(1), Respondent did not provide any written explanation of its findings when Respondent found no error occurred or that an error occurred in a manner or amount different from that described by the consumer occurred. Nor did it note the consumer's right to request the documents that Respondent relied on in making its determination.

34. Respondent's affirmative communications with consumers were also deficient. For example, Respondent did not always notify consumers when the consumer's account was locked due to a suspected account takeover. Respondent also did not always notify consumers when their Cash Card was suspended. Consumers would not learn of these restrictions until they were unable to complete a transaction.
35. When Respondent closed or froze accounts, Respondent did not provide any explanation of why the account was closed or frozen beyond a generic statement that the customer violated the Terms of Service. Likewise, after Respondent instituted an appeals process for closed and frozen accounts in or around 2021, Respondent did not proactively inform the consumer that it had a process that allowed the consumer to appeal the actions taken on their account.
36. When consumers whose accounts were frozen appealed or asked for reconsideration of the freezing, Respondent's response was slow. Even where such appeals were successful, Respondent regularly took weeks to unfreeze accounts. In many cases, even though consumers may have been permitted to withdraw their funds, some consumers were unaware of that fact. Many consumers complained that they could not access their money.

37. Respondent's communications also contained inaccurate information. For example, Respondent's macros often misstated consumers' error resolution rights under Regulation E and Respondent had insufficient quality control for macros' content.
38. Finally, Respondent failed to retain evidence of compliance with EFTA and Regulation E for a period of at least two years.

*Respondent's Denial of Refunds and Failure to Conduct Reasonable Investigations*

39. Respondent has wrongly denied many refunds to Cash App consumers who submitted a Notice of Error.
40. Respondent represented to consumers that its policy was to make refunds for Unauthorized Transfers; for example, in the Cash App Terms of Service, Respondent stated under the heading, "Your Liability for Unauthorized Transactions": "We will protect you from Unauthorized Transactions in your Account."
41. But despite Respondent's stated policy, Respondent's policies and practices for refunds for Unauthorized Transfers due to account takeovers were constantly changing, and often not in compliance with Regulation E. In many instances, Respondent did not actually issue refunds for Unauthorized Transfers. For example:

- a. For a period of time, Respondent refused refunds for consumers who had experienced account takeovers where they were deceived into providing access to their account.
- b. Respondent denied all refunds for peer-to-peer Unauthorized Transfers in which consumers provided a Notice of Error on the App unless Respondent determined the Unauthorized Transfer resulted from an account takeover.
- c. Respondent would at times deny requests for refunds, only relying on the fact that the claimed unauthorized activity was from a device that “regularly accesses the account” or a “known device,” and on that basis incorrectly concluded that the transactions were authorized.
- d. If a consumer who provided a Notice of Error of an Unauthorized Transfer had previously transacted with the recipient, Respondent would at times deny the refund requests, only relying on the presence of this factor in determining that these transactions were authorized.

*Respondent’s Wrongful Use of the Chargeback Process*

42. Respondent also wrongfully used the chargeback process and failed to conduct investigations of consumers’ allegations of Unauthorized Transfers where the funding source was the consumers’ bank account. Except for a period of a year, from 2017 until 2022, Respondent directed consumers who

alleged a peer-to-peer Unauthorized Transfer originating from their linked bank account to file chargeback requests with their bank, rather than Respondent doing its own investigation, as required by Regulation E.

43. When a consumer files a chargeback with their bank, Respondent can accept the chargeback, which returns money to the consumer's bank, or Respondent can challenge the request.
44. From 2019 to at least 2023, Respondent challenged at least 75% of the peer-to-peer chargebacks it received without assessing whether the underlying transaction was unauthorized. An internal document from August 2020 admitted, "[c]urrently we challenge nearly every chargeback we receive and make few distinctions about the nature of the payment." Respondent persisted in its chargeback practices even though it knew that some of the consumers disputing transactions had been the victims of fraud or account takeovers.
45. Respondent rejected these chargebacks without conducting an internal evaluation to determine whether the transactions were unauthorized; and, despite card network requirements, Respondent did not provide such information through the network as part of its chargeback rejections.
46. Even though it consistently challenged "nearly every chargeback," Respondent also acquiesced nearly every time an issuing bank re-presented a



chargeback after the initial denial. Not all issuing banks re-present denied chargebacks however, because doing so incurs costs like extra time and money.

47. Respondent's chargeback practices had the effect of reducing the number of chargebacks it had to pay out. The percentage of chargeback requests that Respondent ultimately did not have to pay out was referred to as the "win rate" or the "stick rate." From 2019 to 2022, Respondent maintained a win rate/stick rate between 25-36%.
48. As a result of these chargeback processes, Respondent was able to minimize the number of investigations it had to complete and the number of refunds it had to provide.

*Respondent's Security Policies and Practices Put Customers at Greater Risk of Harm*

49. Respondent's risk controls did not sufficiently deter fraud on the platform.
50. There were widespread reports that fraud was occurring on the Cash App platform, including account takeovers in which fraudsters exploited the Cash App platform to drain consumer accounts of funds. But Respondent reassured consumers that it would protect against fraud, encouraged consumers to rely on Cash App as an alternative to a bank, and implied its platform was safe.

51. Despite the fraud and potential for fraud on the Cash App platform that had been widely reported and Respondent's representations to consumers about safety, Respondent's efforts to combat fraud were not effective.
52. Respondent's first formal audit of Cash App's fraud strategy, conducted at the end of 2020, concluded that Respondent did not have and should develop and establish a fraud governance model to ensure a consistent approach to fraud prevention.

**Respondent Engaged in Unfair Acts or Practices in Violation of the CFPA**

53. It is unlawful for any covered person to engage in an unfair act or practice in connection with the offering or provision of a consumer financial product or service. 12 U.S.C. §§ 5531 and 5536(a)(1)(B).
54. An act or practice is unfair under the CFPA if it "causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers" and "such substantial injury is not outweighed by countervailing benefits to consumers or to competition." 12 U.S.C. § 5531(c)(1).

*Respondent's Acts or Practices Related to Ineffective Customer Support Are Unfair*

55. Respondent failed to provide Cash App consumers with a meaningful way to reach customer service to obtain an effective and timely response to their issues with fraud, account access, and other account-related problems.

56. By failing to provide meaningful or effective customer support, Respondent caused or was likely to cause substantial injury to Cash App consumers, including in the following ways:

- a. consumers were blocked from access to or recovery of their funds for an extended period of time, causing the consumer to be unable to pay bills or access their funds for other necessities;
- b. non-customer consumers could not take steps to mitigate theft of their identity and the creation of and use of accounts in their name without their permission on the Cash App platform; and
- c. consumers were harmed or put at risk of harm from fraudulent customer service scams capitalizing on the lack of a Cash App customer service phone line, where fraudsters posing as customer service agents gained access to consumers' accounts.

57. This injury or likely injury was not reasonably avoidable, because:

- a. Respondent held Cash App consumers' funds, and in order to address an error, regain access to funds, or report an Unauthorized Transfer, they needed to be able to reach Respondent to resolve it;
- b. non-Cash App consumers who suffered identity theft needed to be able to reach Respondent in order to close fraudulent accounts or provide notice of any Unauthorized Transfers resulting from such

accounts, and until they were able to do that, they were exposed to potential Unauthorized Transfers; and

- c. Cash App consumers could not have reasonably known that Respondent, despite its advertising of a live customer support phone line for addressing issues like fraudulent transactions, in fact maintained no such customer support.

58. The substantial injury was not outweighed by countervailing benefits to consumers or competition.

*Respondent's Acts or Practices Related to Failure to Take Timely, Appropriate, and Effective Measures to Prevent, Detect, Limit, and Address Fraud Are Unfair*

59. Respondent's failure to take timely, appropriate, and effective measures to prevent, detect, limit, and address fraud on the Cash App platform as described in Paragraphs 49 through 52 caused or was likely to cause substantial injury. Respondent's deficient customer service, security, and regulatory compliance put consumers at risk of being defrauded via identity theft, Unauthorized Transfers, and account takeovers.
60. Consumers could not reasonably avoid such substantial injury or likely injury because Respondent controls and sets the anti-fraud protocols for its platform, which were ineffective. Therefore, consumers could not have anticipated or acted to avoid the harm.

61. The substantial injury was not outweighed by the countervailing benefits to consumers or competition. Lack of sufficient fraud protection does not benefit consumers or competition.

*Respondent's Acts or Practices Related to Card Network Chargebacks Are Unfair*

62. Respondent's practice of directing Cash App consumers with unauthorized peer-to-peer transaction claims, including those who provide Notices of Error, to file chargeback claims through their banks, instead of conducting Regulation E investigations, and challenging nearly all incoming chargebacks without ascertaining their validity, caused or was likely to cause substantial injury. This practice delayed resolution of the consumers' issues, required additional unnecessary action on the part of the consumers, put consumers at risk of not getting refunds to which they were entitled, and for some consumers resulted in no refund where a refund should have been provided.
63. This substantial injury or likely injury was not reasonably avoidable by consumers because Respondent has sole control over whether it investigates on consumers' behalf, what, if any steps, it takes to ascertain the validity of a chargeback request, and its policies and practices with respect to responding to chargeback requests.

64. This substantial injury was not outweighed by countervailing benefits to consumers or competition. Neither consumers nor competition benefit from Respondent's failure to provide a Regulation E investigation or an efficient and appropriate dispute process.
65. Therefore, as to the acts and practices described in Paragraphs 42 through 48, Respondent engaged in unfair acts or practices in violation of the CFPA, 12 U.S.C. §§ 5531 and 5536(a)(1)(B).

**Respondent's Misrepresentations to Consumers Are Deceptive Acts or Practices in Violation of the CFPA**

66. The CFPA prohibits covered persons from engaging in deceptive acts and practices. 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).
67. An act or practice is deceptive if it involves a material misrepresentation or omission that is likely to mislead consumers acting reasonably under the circumstances.
68. Respondent made the following representations to consumers regarding Cash App:
- a. that it protects Cash App consumers from Unauthorized Transfers by providing refunds for Unauthorized Transfers;

- b. resolution for Cash App consumers’ issues of peer-to-peer Unauthorized Transfers would be handled only by the issuing bank; and
  - c. Unauthorized Transfers could be reported orally, and that Respondent provided live customer service by telephone.
69. In truth and in fact:
- a. Respondent did not always provide refunds for Unauthorized Transfers;
  - b. Cash App consumers’ error resolution rights are determined by Regulation E, which requires the financial institution that receives the Notice of Error – in this case Respondent— to conduct an investigation; and
  - c. until 2021, Respondent did not provide a way for consumers to report Unauthorized Transfers orally nor did Respondent provide live customer service by telephone.
70. These representations are material and misled or were likely to mislead consumers acting reasonably.
71. Respondent therefore engaged in deceptive acts and practices in violation of the CFPA, 12 U.S.C. §§ 5531(a); 5536(a)(1)(B).

## **Respondent's Violations of the EFTA and Regulation E**

### *Respondent Failed to Conduct Investigations Timely or at All*

72. The EFTA requires a financial institution to, upon receiving notice of consumer error, “investigate [an] alleged error, determine whether an error has occurred, and report or mail the results of such investigation and determination to the consumer within ten business days” of receiving Notice of Error. 15 U.S.C. § 1693f(a).
73. Regulation E provides that “A financial institution shall comply with the requirements [to investigate, report on, and correct Notices of Error] with respect to any oral or written Notice of Error from the consumer that: (i) Is received by the institution no later than 60 days after the institution sends the periodic statement or provides the passbook documentation, required by § 1005.9, on which the alleged error is first reflected; (ii) Enables the institution to identify the consumer's name and account number; and (iii) Indicates why the consumer believes an error exists and includes to the extent possible the type, date, and amount of the error....” 12 C.F.R. § 1005.11(b)(1). With respect to prepaid accounts, the time frame for a consumer to submit a Notice of Error may vary. 12 C.F.R. § 1005.18(e)(2).
74. Section 1005.11 of Regulation E requires that a financial institution must begin its investigation promptly upon receipt of an oral or written Notice of



Error and may not delay initiating or completing an investigation pending receipt of information from the consumer. See Comments 11(b)(1)-2 and 11(c)-2.

75. In numerous instances, Respondent failed to conduct investigations promptly or in some cases at all upon Notices of Error from consumers that provided the required information.
76. Therefore, Respondent violated Regulation E, 12 C.F.R. §§ 1005.11; 1005.18(a); 1005.18(e)(2).

*Respondent Failed to Provide Provisional Credits*

77. Under Regulation E, the financial institution may take up to 45 days for an investigation if it cannot complete its investigation within 10 business days, but it generally must provide consumers with provisional credits if it needs this additional time. 12 C.F.R. § 1005.11(c)(2).
78. In numerous instances, Respondent failed to provide provisional credits in a timely manner or at all where it took more than 10 business days to investigate Notices of Error.
79. Therefore, Respondent violated Regulation E, 12 C.F.R. §§ 1005.11(c)(2); 1005.18(a); 1005.18(e)(2).

*Respondent Failed to Conduct Reasonable Investigations*

80. When conducting an error resolution investigation under the EFTA and Regulation E, a financial institution “must determine whether an error has occurred,” 15 U.S.C. § 1693f, and the investigation “must be reasonable,” 71 Fed. Reg. 1638, 1654 (Jan. 10, 2006).
81. In numerous instances, Respondent failed to conduct reasonable error resolution investigations by not reviewing any relevant information and records for the particular account to make a determination of error, and it made determinations without reasonably considering such evidence, the consumer’s assertions, or the bases of the consumer’s assertions. For example, in certain instances, Respondent ignored a consumer’s narrative when making its determination to not refund. Therefore, Respondent violated the EFTA and Regulation E, 15 U.S.C. § 1693f, 12 C.F.R. §§ 1005.11(c); 1005.18(a); 1005.18(e)(2).

*Respondent Failed to Correct Errors within One Business Day*

82. Regulation E requires that after an investigation, if an error is found, the financial institution must correct the error “within one business day after determining that an error occurred.” 12 C.F.R. §§ 1005.11(c)(1); 1005.11(c)(2)(iii); and 1005.18(a).

83. In numerous instances, Respondent failed to refund Cash App consumers within one business day of determining that an error occurred.

84. Therefore, Respondent violated Regulation E, 12 C.F.R.

§§ 1005.11(c)(1); 1005.11(c)(2)(iii); 1005.18(a); and 1005.18(e)(2).

*Respondent Failed to Provide the Required Information in Report of Results of Investigations*

85. Under 12 C.F.R. § 1005.11(d)(1), if the financial institution determines that no error occurred or that an error occurred in a manner or amount different from that described by the consumer, the financial institution's report of the results of investigation "shall include a written explanation of the institution's findings and shall note the consumer's right to request the documents that the institution relied on in making its determination."

86. In numerous instances, where Respondent determined that no error occurred or a different error occurred, Respondent failed to provide an explanation of findings in its written responses to Cash App consumers' errors and to note the consumer's right to request the documents that the institution relied on in making its determination.

87. Therefore, Respondent violated Regulation E, 12 C.F.R. § 1005.11(d)(1); § 1005.18(a); and § 1005.18(e)(2).

*Respondent Failed to Conduct Investigations After Receiving Notice of Error Within 60 Days of Periodic Statement*

88. Regulation E provides that “A financial institution shall comply with the requirements [to investigate, report on, and correct Notices of Error] with respect to any oral or written Notice of Error from the consumer that: (i) Is received by the institution no later than 60 days after the institution sends the periodic statement or provides the passbook documentation, required by § 1005.9, on which the alleged error is first reflected; (ii) Enables the institution to identify the consumer's name and account number; and (iii) Indicates why the consumer believes an error exists and includes to the extent possible the type, date, and amount of the error....” 12 C.F.R. § 1005.11(b)(1).

89. In numerous instances, Respondent failed to investigate Notices of Error that were received within 60 days of sending its periodic statement.

90. Therefore, Respondent violated Regulation E, 12 C.F.R. § 1005.11(b)(1).

*Respondent Failed to Conduct Investigations After Notice of Error Received Within 60 Days of Electronically Accessing Account*

91. Regulation E covering prepaid products provides that “[a] financial institution need not furnish periodic statements required by [12 C.F.R. §] 1005.9(b) if the financial institution makes available to the consumer: (i) The consumer’s account balance, through a readily available telephone line;

(ii) An electronic history of the consumer's account transactions, such as through a Web site, that covers at least 12 months preceding the date the consumer electronically accesses the account; and (iii) A written history of the consumer's account transactions that is provided promptly in response to an oral or written request and that covers at least 24 months preceding the date the financial institution receives the consumer's request." 12 C.F.R. § 1005.18(c)(1).

92. A financial institution that provides information under § 1005.18(c)(1) "shall comply with the following: (i) For purposes of § 1005.6(b)(3), the 60-day period for reporting any Unauthorized Transfer shall begin on the earlier of: (A) The date the consumer electronically accesses the consumer's account under paragraph (c)(1)(ii) of this section, provided that the electronic account transaction history made available to the consumer reflects the Unauthorized Transfer; or (B) The date the financial institution sends a written history of the consumer's account transactions requested by the consumer under paragraph (c)(1)(iii) of this section in which the Unauthorized Transfer is first reflected." 12 C.F.R. § 1005.18(e)(1).
93. In numerous instances, Respondent failed to investigate sufficient Notices of Error relating to its prepaid products, including Cash Card and stored balance transactions, that were received within 60 days of the date the Cash

App consumer electronically accessed their account under paragraph (c)(1)(ii).

94. Therefore, Respondent violated Regulation E, 12 C.F.R. § 1005.18(e)(1).

*Respondent Failed to Comply with Limitations of Liability*

95. Under 12 C.F.R. § 1005.6(a), a consumer may be held liable, within the limitations described in 12 C.F.R. § 1005.6(b), for an Unauthorized Transfer involving the consumer's account only if the financial institution has provided the disclosures required by § 1005.7(b)(1), (2), and (3) and § 1005.18(d)(1), as appropriate, to account for the disclosures provided in connection with the prepaid account.
96. Under § 1005.7(b)(2), a financial institution must provide an initial disclosure that contains the telephone number and address of the person or office to be notified when the consumer believes that an Unauthorized Transfer has been or may be made.
97. If a financial institution provides the disclosures required under § 1005.7(b), a consumer's liability for Unauthorized Transfers will be limited to the extent provided in § 1005.6(b). That is, if the consumer fails to notify the financial institution within two business days after learning of the loss or theft of an access device, the consumer's liability shall not exceed the lesser of \$500 or the sum of:

(i) \$50 or the amount of unauthorized transfers that occur within the two business days, whichever is less; and (ii) The amount of unauthorized transfers that occur after the close of two business days and before notice to the institution, provided the institution establishes that these transfers would not have occurred had the consumer notified the institution within that two-day period.

12 C.F.R. § 1005.6(b)(2).

98. If a financial institution fails to provide the initial disclosure required by § 1005.7(b)(2), it cannot hold consumers liable for Unauthorized Transfers.

12 C.F.R. § 1005.6(a).

99. Respondent did not provide the disclosures required by § 1005.7(b)(2).

Before 2021, Respondent did not provide a telephone number that would allow a Cash App consumer to provide notice of an Unauthorized Transfer.

100. Therefore, until that time, Respondent was not entitled to hold Cash App consumers liable for Unauthorized Transfers.

101. During that time, Respondent withheld refunds to Cash App consumers for Unauthorized Transfers.

102. Respondent therefore violated Regulation E, 12 C.F.R. §§ 1005.6; 1005.7; 1005.18(a); and 1005.18(e)(1).

*Respondent Failed to Retain Required Records*

103. Section 1005.13(b)(1) requires that “[a]ny person subject to [EFTA and Subpart A of Regulation E] [to] retain evidence of compliance with the

requirements imposed by [EFTA and Subpart A of Regulation E] for a period of not less than two years from the date disclosures are required to be made or action is required to be taken.” 12 C.F.R. § 1005.13(b)(1).

104. Respondent failed to retain evidence of compliance with the EFTA and Regulation E for a period of at least two years in violation of 12 C.F.R. § 1005.13.

105. Respondent therefore violated Regulation E, 12 C.F.R. §§ 1005.13 and 1005.18(a).

*Respondent Violated the CFPA*

106. Respondent’s violations of EFTA and Regulation E described above also constitute violations of section 1036(a)(1)(A) of the CFPA, which makes it unlawful for covered persons to “offer or provide to a consumer any financial product or service not in conformity with Federal consumer financial law, or otherwise commit any act or omission in violation of a Federal consumer financial law.” 12 U.S.C. § 5536(a)(1)(A).



**V.**

**Conduct Provisions**

**Prohibited Conduct**

**IT IS ORDERED**, under §§ 1053 and 1055 of the CFPA, that:

107. Respondent and its officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with them who receive actual notice of this Consent Order, whether acting directly or indirectly, in connection with deposit and peer-to-peer money transfer activities and the provision of stored-value or payment instruments through its mobile payment application, Cash App, may not violate sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536; EFTA and Regulation E, specifically, 15 U.S.C. § 1693i; 12 C.F.R. §§ 1005.6-1005.7; 1005.11, including §§ 1005.11(b)-(d); 1005.13; 1005.18(a); and 1005.18(e); and is prohibited from:

- a. deploying written communications in response to consumer communications that are:
  - i. deceptive; or

- ii. likely to delay resolving a consumer's inquiry by requiring further information or response from the consumer that is unnecessary for the resolution.
- b. denying refunds without conducting an investigation in compliance with Paragraph 108(e) for Notices of Error regarding Unauthorized Transfers;
- c. misrepresenting, expressly or impliedly, to consumers concerning Cash App:
  - i. any fact material to consumers concerning Cash App, including how consumers may communicate with Respondent about issues relating to Cash App, including Notices of Error; or
  - ii. consumers' rights under EFTA or Regulation E, including:
    - (1) the availability of refunds for consumers whose access devices are used without the consumers' knowledge or permission; or
    - (2) consumers' liability for Unauthorized Transfers;
- d. requiring a consumer to take the following steps, or representing to a consumer that the following steps are required, for an investigation to be initiated, after a Notice of Error:

- i. contacting the recipient of the peer-to-peer transfer at issue;
  - ii. filing a police report or otherwise making contact with law enforcement agencies; or
  - iii. providing any additional information beyond that required from a Notice of Error pursuant to 12 C.F.R. § 1005.11(b).
- e. terminating, delaying, or suspending an investigation of a Notice of Error on the basis that a consumer has not responded to a request by Respondent for additional information;
- f. holding a consumer liable, in part or in full, for an Unauthorized Transfer from their Cash App account:
  - i. where Respondent has not provided the disclosures required by 12 C.F.R. § 1005.7(b) at the time the consumer's Cash App account is opened or before the consumer makes their first account funding or peer-to-peer transaction;
  - ii. where the consumer has submitted a Notice of Error reporting the Unauthorized Transfer within 60 days of Respondent's transmittal of their periodic statement; or
  - iii. with respect to a Cash Card transaction, where the consumer has submitted a Notice of Error reporting the Unauthorized Transfer within sixty days from the date the consumer electronically

accessed the account information reflecting the Unauthorized Transfer, or the date on which the financial institution sent the consumer a written account history requested by the consumer pursuant to 12 C.F.R. § 1005.18(c)(1)(iii) reflecting the Unauthorized Transfer.

- g. directing consumers who have filed a Notice of Error with Respondent regarding a Cash App transaction from a linked instrument to contact the bank that issued the debit card linked to their Cash App account to dispute the transaction;
- h. Re-presenting a fraud or unauthorized transaction chargeback related to a Cash App peer-to-peer transfer without conducting an internal evaluation that determines that the transaction was unauthorized.

### **Affirmative Requirements**

**IT IS ORDERED**, under §§ 1053 and 1055 of the CFPA, that:

- 108. Respondent must take the following affirmative actions in connection with deposit and peer-to-peer money transfer activities and the provision of stored-value or payment instruments through its mobile payment application, Cash App:
  - a. maintain live customer service, which is:

- i. capable of intaking and then either appropriately resolving or escalating the following:
    - (1) consumer complaints and Notices of Error;
    - (2) consumer issues concerning accessing accounts, including account freezes, suspensions, or blocks;
    - (3) suspicious activity and suspected fraud, including non-customers' reports of fraudulent use of their identities on Cash App; and
    - (4) any other consumer issues and questions.
  - ii. available twenty-four hours a day, with human voice communication available at least 12 hours each day, and with human chat available at least 18 hours each day.
- b. Clearly and Prominently display and provide on Cash App's landing page and within the App information regarding the live customer service, including directions on how to access it and the hours of its availability;
- c. establish, implement, and maintain a procedure which, within 24 hours of freezing, suspending, locking, closing, or otherwise restricting access to or limiting the functionality of any Cash App

account, provides a consumer with a written explanation, unless prohibited from doing so by law enforcement:

- i. of Respondent's decision to restrict access to or limit the functionality of the account (including when the decision is based on suspected fraud);
  - ii. of the procedure for appealing any such decision; and
  - iii. Except when the consumer's funds are frozen, Clearly and Prominently informing the consumer:
    - (1) whether they can transfer their funds out of Cash App; and
    - (2) how they can transfer their funds out of Cash App, if possible.
- d. establish, implement, and maintain a procedure for consumers to appeal Respondent's decision to restrict access to or limit the functionality of their Cash App account, including:
- i. Clearly and Prominently displaying on Cash App's customer support primary webpage and within the App instructions for initiating an appeal, or other change in status; and
  - ii. a timeframe of 10 business days-from receiving the request for appeal or other change in status to grant or deny the consumer's

request with written notification providing the explanation if denied.

- e. upon receipt of a Notice of Error from a consumer:
  - i. conduct a prompt, thorough, and reasonable investigation;
  - ii. provide a report of the results of the investigation of the Notice of Error to the consumer within three business days after completing its investigation, and if Respondent determines that no error occurred or that an error occurred in an amount or manner different from that described by the consumer, such report shall include a written explanation of its findings and shall note the consumer's right to request the documents that Respondent relied on in making its determination, copies of which shall promptly be provided to the consumer upon request;
  - iii. correct errors within one business day of Respondent's determination that an error has occurred;
  - iv. provide a provisional credit in the amount of the alleged error within ten business days of receiving the Notice of Error if Respondent is unable to complete its investigation by that time;

- f. implement and maintain policies, procedures, safeguards, and measures reasonably designed to mitigate, prevent, detect, limit, and address fraudulently induced transactions in Cash App, including:
- i. to identify accounts suspected of fraudulently inducing transactions from Cash App customers to prevent them from operating on the Cash App platform;
  - ii. to prevent individuals associated with the accounts referenced in subsection (i) from returning to the Cash App platform;
  - iii. to adequately staff and continuously operate and maintain a system to receive and track complaints and data related to fraudulently induced transactions and track trends relating to the same;
  - iv. to provide consumer refunds in connection with fraudulently induced transactions in accordance with Cash App policies; and
  - v. when Respondent suspects a transfer is the result of or may be an attempt at a fraudulently induced transaction, Clearly and Prominently disclose a readily understandable consumer fraud warning within the user experience through which Respondent allows consumers to initiate a transfer, segregated from all other disclosures and containing only information related to fraud prevention.



- g. establish and implement policies to ensure that Respondent provides sufficient information from its records in the chargeback process to allow for efficient and appropriate resolution; and
- h. develop, maintain, and implement policies and procedures to retain, for a period of no less than 2 years, evidence demonstrating its compliance with the EFTA and Regulation E.

### **Establishment of Committees**

109. Respondent must establish and maintain at least a single committee that shall be composed of officers and employees best positioned to assess and address the risks detailed for each working group below, including, at a minimum, the Chief Risk Officer, Chief Compliance Officer, Business Lead, Cash Customer Operations lead, and the Data Science Lead or the functional equivalents of these roles, and maintain the following working groups relating to Cash App:

- a. a Customer Support working group that shall:
  - i. assess risks and create and help implement policies and procedures that encourage and incentivize escalation and problem-solving regarding customer service issues affecting the ability of consumers to provide Notice of Error or otherwise address their concerns about access to or problems with their accounts, or

- affecting the ability of non-customers to address issues relating to fraud;
- ii. provide regular reports to Respondent's senior executives and the Board, or a committee thereof, on outstanding issues relating to customer service that present potential risk to consumers' ability to address issues with funds or fraud on Cash App;
  - iii. assess the adequacy of issue identification, escalation, and tracking policies and procedures for customer service issues, including by conducting periodic assessments of customer service processes against consumer complaints to determine whether customer service issues that present risk to consumers are being appropriately escalated; and
  - iv. propose and implement solutions for problems identified, including recommendations to the Board, or a committee thereof, regarding additional resources needed to address and remediate customer service issues that pose risk to consumers.
- b. a Fraud and Security working group that shall:
- i. assess risks and create and help implement policies and procedures that encourage and incentivize escalation and problem-solving

regarding issues relating to fraud and security of accounts on Cash App;

- ii. provide regular reports to Respondent's senior executives and the Board, or a committee thereof, on outstanding issues relating to fraud and security of accounts on Cash App that present potential risk to consumers, including processes addressing account takeovers, identity theft and fraud, Unauthorized Transfers, and data security;
  - iii. assess the adequacy of issue identification, escalation, and tracking policies and procedures, including by conducting periodic assessments of security processes against consumer complaints to determine whether issues that present security risks to consumers are being appropriately escalated; and
  - iv. propose and implement solutions for problems identified, including recommendations to the Board, or a committee thereof, regarding additional resources needed to address and remediate issues that pose security risks to consumers.
- c. an EFTA and Regulation E Compliance working group that shall:
- i. assess risks and create and direct the implementation of policies and procedures that encourage and incentivize escalation and

problem-solving regarding issues relating to compliance with EFTA and Regulation E by Respondent with respect to Cash App or any new product or feature Respondent introduces;

- ii. provide regular reports to Respondent's senior executives and the Board, or a committee thereof, on outstanding issues relating to compliance with the EFTA and Regulation E in connection with Cash App, including patterns and trends regarding increased Notices of Error and how Respondent plans to address such patterns and trends;
- iii. assess the adequacy of issue identification, escalation, and tracking policies and procedures, including by conducting periodic assessments of compliance with the EFTA and Regulation E in connection with Cash App against consumer complaints to determine whether issues relating to such compliance are appropriately escalated; and
- iv. propose and implement solutions for problems identified, including recommendations to the Board, or a committee thereof, regarding additional resources needed to address and remediate issues relating to compliance with the EFTA and Regulation E in connection with Cash App.

## VI.

### Compliance Plan

**IT IS FURTHER ORDERED** that:

110. Within 120 days of the Effective Date, Respondent must create and implement a comprehensive compliance plan designed to ensure that Respondent's deposit-taking activities, and activities relating to transmitting or exchanging funds, or otherwise acting as a custodian of funds, or selling, providing, or issuing stored value or payment instruments, or providing payments or other financial data processing products or services complies with all applicable laws that the Bureau enforces, including Federal consumer financial laws, and the terms of this Consent Order (Compliance Plan).
111. The Compliance Plan must include, at a minimum:
  - a. detailed steps for addressing each action required by this Consent Order;
  - b. a mechanism to ensure that the Board is kept apprised of the status of compliance actions; and
  - c. specific timeframes and deadlines for implementation of the steps described above.

112. Respondent will provide the Compliance Plan to the Bureau upon request.

## **VII.**

### **Role of the Board and Executives**

**IT IS FURTHER ORDERED** that:

113. Respondent's Board has the ultimate responsibility for ensuring that Respondent complies this Consent Order.
114. Respondent's Chief Executive Officer, Chief Operating Officer/Chief Financial Officer, and the Business Lead (collectively Respondent's Executives) and Respondent's Board, or a committee thereof, must review all plans and reports required by this Consent Order, and any submissions to the Bureau prior to such submission.
115. One year after the Effective Date, and yearly thereafter, Respondent must submit to the Enforcement Director an accurate written compliance progress report (Compliance Report) that has been approved by the Board, or a committee thereof, the accuracy of which is sworn to under penalty of perjury, and which, at a minimum:
- a. describes the steps that Respondent's Board, or a committee thereof, and Respondent's Executives have taken to reasonably assess whether Respondent is complying with the Redress Plan,

Compliance Plan, and each applicable paragraph and subparagraph of the Order;

- b. describes in detail whether and how Respondent has complied with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of the Order, including the manner of verification of such compliance and any corrective actions taken to remedy potential non-compliance with the applicable requirement, paragraph, or subparagraph; and
- c. attaches a copy of each Order Acknowledgment obtained under Section XII, unless previously submitted to the Bureau.

116. Respondent's Board, or a committee thereof, and Respondent's Executives must:

- a. authorize whatever actions are necessary for Respondent to assess whether Respondent is complying with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of the Order;
  - b. authorize whatever actions, including corrective actions, are necessary for Respondent to fully comply with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of the Order;
- and

- c. require timely reporting by management to Respondent's Board, or a committee thereof, and Respondent's Executives on the status of compliance obligations.

## **MONETARY PROVISIONS**

### **VIII.**

#### **Order to Pay Redress**

**IT IS FURTHER ORDERED** that:

117. Within 10 days of the Effective Date, Respondent must reserve or deposit into a segregated deposit account \$75 million, for the purpose of providing redress to Affected Consumers as required by this Section. Redress to Affected Consumers is not to exceed \$120 million.
118. Respondent must pay a pro rata amount of redress to each Affected Consumer as follows:
  - a. for No Investigation Affected Consumers and 60 Day Affected Consumers, Respondent must provide redress by paying a pro rata portion of the amount of the alleged Unauthorized Transfer.
  - b. For Partial Refund Affected Consumers, Respondent must provide redress by paying a pro rata portion of the amount to which each such



Affected Consumer would have been entitled pursuant to 12 C.F.R. § 1005.6(b)(3).

- c. For each Frozen Account Affected Consumer, Respondent must provide redress by paying a pro rata portion of \$50.
  - d. For each No Provisional Credit Affected Consumer, Respondent must provide redress by paying a pro rata portion of the amount that would have accrued, at a 30% APR (up to \$50) on the full amount of the alleged Unauthorized Transfer for the duration of the period of time that the consumer would have had use of a provisional credit.
119. Within 120 days of the Effective Date, Respondent must submit to the Enforcement Director for review and non-objection a comprehensive written plan for providing redress consistent with this Consent Order (Redress Plan). The Enforcement Director will have the discretion to make a determination of non-objection to the Redress Plan or direct Respondent to revise it. If the Enforcement Director directs Respondent to revise the Redress Plan, Respondent must revise and resubmit the Redress Plan to the Enforcement Director within 15 days. After receiving notification that the Enforcement Director has made a determination of non-objection to the Redress Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.

120. The Redress Plan must:

- a. describe Respondent's methodology used to identify all Affected Consumers and determine the amount of the refund that Respondent will provide to each Affected Consumer to comply with Paragraph 118;
- b. include a final list of all Affected Consumers and the amount of the refund that Respondent will provide to each Affected Consumer to comply with Paragraph 118;
- c. include the form of the communication (Redress Notice) to be sent notifying Affected Consumers who are entitled to redress of their right to redress;
- d. describe the process for providing redress to Affected Consumers, and must include the following requirements:
  - i. Respondent must send each Affected Consumer, or their authorized representative, a redress payment in the amount of the refund required by Paragraph 118;
  - ii. Respondent may make redress payments to Affected Consumers as follows:
    - (1) for consumers who have transacted on a Cash App account within the last six months as of the date of the Redress Plan,

Respondent may provide redress in the form of a credit to such Cash App account (Credit Redress);

(2) for consumers who have not transacted on a Cash App account within the last six months as of the date of the Redress Plan or on the date payments are made, Respondent must provide redress to such consumers in the manner set forth in the Redress Plan (Non-Credit Redress).

- e. set forth all procedures, deadlines, and timeframes for completing each step of the Redress Plan, consistent with the terms of this Consent Order; and
  - f. identify Respondent's officers, agents, servants, employees, and attorneys responsible for executing administration of the Redress Plan.
121. Respondent must pay Credit Redress and must begin paying non-Credit Redress as provided for in the Redress Plan (as applicable) within 30 days after the Enforcement Director has made a determination of non-objection to the Redress Plan.
122. Within 15 days of completing the Redress Plan, Respondent must submit to the Bureau a redress report detailing the number of consumers and consumer accounts who received redress, the total amount of redress paid to those

consumers, and any remainder of funds to be wired to the Bureau pursuant to Paragraph 123 (Redress Report).

123. After completing the Redress Plan, if the amount of redress provided to Affected Consumers is less than \$75 million, 90 days after submitting the Redress Report to the Bureau, Respondent must pay to the Bureau, by wire transfer to the Bureau or to the Bureau's agent, and according to the Bureau's wiring instructions, the difference between the amount of redress provided to Affected Consumers and \$75 million.
124. The Bureau may use these remaining funds to pay additional redress to Affected Consumers. If the Bureau determines, in its sole discretion, that additional redress is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional redress is completed, the Bureau will deposit any remaining funds in the U.S. Treasury. Respondent will have no right to challenge any actions that the Bureau or its representatives may take under this Section.
125. Respondent may not condition the payment of any redress to any Affected Consumer under this Consent Order on that Affected Consumer waiving any right.

## IX.

### Order to Pay Civil Money Penalty

**IT IS FURTHER ORDERED** that:

126. Under § 1055(c) of the CFPB, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, Respondent must pay a civil money penalty of \$55 million to the Bureau.
127. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.
128. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by § 1017(d) of the CFPB, 12 U.S.C. § 5497(d).
129. Respondent, for all purposes, must treat the civil money penalty paid under this Consent Order as a penalty paid to the government. Regardless of how the Bureau ultimately uses those funds, Respondent may not:
  - a. claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
  - b. seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment

made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.

130. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer Action because of the civil money penalty paid in this action or because of any payment that the Bureau makes from the Civil Penalty Fund. If the court in any Related Consumer Action offsets or otherwise reduces the amount of compensatory monetary remedies imposed against Respondent based on the civil money penalty paid in this action or based on any payment that the Bureau makes from the Civil Penalty Fund, Respondent must, within 30 days after entry of a final order granting such offset or reduction, notify the Bureau, and pay the amount of the offset or reduction to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

**X.**

**Additional Monetary Provisions**

**IT IS FURTHER ORDERED** that:

131. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.
132. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondent.
133. Respondent acknowledges that its Taxpayer Identification Number (Social Security Number or Employer Identification Number), which Respondent previously submitted to the Bureau, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.
134. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondent must notify the Enforcement Director of the final judgment, consent order, or settlement in writing. That

notification must indicate the amount of redress, if any, that Respondent paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

## **COMPLIANCE PROVISIONS**

### **XI.**

#### **Reporting Requirements**

**IT IS FURTHER ORDERED** that:

135. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address. Respondent must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.
136. Within 7 days of the Effective Date, Respondent must:



- a. designate at least one telephone number and email, physical, and postal addresses as points of contact that the Bureau may use to communicate with Respondent;
  - b. designate at least one telephone number and email, and postal addresses as points of contact for consumers with inquiries related to consumer relief under the Consent Order;
  - c. identify all businesses doing business in the United States, including its territories, for which Respondent is the majority owner, or that Respondent directly or indirectly controls, by all of their names, telephone numbers, and postal, email, and Internet addresses; and
  - d. describe the activities of each such business, including the products and services offered, and the means of advertising, marketing, and sales.
137. Respondent must report any change in the information required to be submitted under Paragraph 136 at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.

## **XII.**

### **Order Distribution and Acknowledgment**

**IT IS FURTHER ORDERED** that:

138. Within 7 days of the Effective Date, Respondent must submit to the Enforcement Director an acknowledgment of receipt of this Consent Order, sworn under penalty of perjury.
139. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of its Board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who have material responsibilities related to the subject matter of the Consent Order.
140. For 5 years from the Effective Date, Respondent must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section XI, any future Board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who will have material responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.

141. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.
142. Ninety days from the Effective Date, Respondent must submit to the Bureau a list of all persons and their titles to whom this Consent Order has been delivered under the Section of this Order titled “Order Distribution and Acknowledgment” and a copy of all signed and dated statements acknowledging receipt of this Consent Order under Paragraph 139.

### **XIII.**

#### **Recordkeeping**

**IT IS FURTHER ORDERED** that:

143. Respondent must create and retain the following business records:
  - a. all documents and records necessary to demonstrate full compliance with the Compliance Plan, Redress Plan, and each provision of this Consent Order, and the CFPA, the EFTA, and Regulation E, including all submissions to the Bureau.
  - b. all documents and records pertaining to the Redress Plan, described in Section VIII above.
  - c. copies of all material changes to advertisements, websites or mobile

apps (in their native forms or in a manner sufficient to view the consumer experience), form communications to consumers, and other marketing materials relating to Cash App regarding the following:

- i. whether Respondent provides protection from liability or refunds for Unauthorized Transfers,
  - ii. compliance with consumer laws,
  - iii. fraud prevention safeguards,
  - iv. whether resolution of consumers' issues relating to peer-to-peer Unauthorized Transfers are the responsibility of the issuing bank, and
  - v. how Unauthorized Transfers may be reported to Respondent.
- d. evidence demonstrating compliance with the EFTA and Regulation E, including but not limited to all consumer complaints, Notices of Error, and refund requests relating to Cash App (whether received directly or indirectly, such as through a third party), and any responses to those complaints or requests.

144. All documents and records must be maintained in their original electronic format. Data should be centralized, and maintained in such a way that access, retrieval, auditing and production are not hindered, including but not limited to retaining data and modifications to data in a manner that allows

for historical analysis without delayed recovery from archives or deep storage.

145. Respondent must make the documents identified in Paragraph 143 available to the Bureau upon the Bureau's request.

#### **XIV.**

#### **Notices**

**IT IS FURTHER ORDERED** that:

146. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, "In re Block, Inc., File No. 2025-CFPB-0001," and send them to the following email: Enforcement\_Compliance@cfpb.gov addressed as follows:

ATTN: Enforcement Director  
Consumer Financial Protection Bureau  
Enforcement Division

**XV.**

**Cooperation with the Bureau**

**IT IS FURTHER ORDERED** that:

147. Respondent must cooperate fully to help the Bureau determine the identity and location of, and the amount of injury sustained by, each Affected Consumer. Respondent must provide such information in its or its agents' possession or control within 14 days of receiving a written request from the Bureau.
148. Respondent must remain registered for the Bureau's Company Portal and in connection with responding to consumer complaints and inquiries on the Company Portal must comply with the timely response requirements that §1034(b)(1)-(3) of the CFPA, 12 U.S.C. § 5534(b).
149. Unless otherwise prohibited by law or regulation, Respondent must identify Clearly and Prominently to consumers that they can file a complaint with the Bureau and provide the applicable telephone, website, and mailing information to do so on the Cash App Support Center webpage and the support portal on the App.

## XVI.

### Compliance Monitoring

**IT IS FURTHER ORDERED** that:

150. Within 14 days of receipt of a written request from the Bureau, Respondent must submit additional Compliance Reports or other requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.
151. For purposes of this Section, the Bureau may communicate directly with Respondent, unless Respondent retains counsel related to these communications.
152. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview regarding: (a) this matter; (b) anything related to or associated with the conduct described in Section IV; or (c) compliance with the Consent Order. The person interviewed may have counsel present.
153. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

**XVII.**

**Modifications to Non-Material Requirements**

**IT IS FURTHER ORDERED** that:

154. Respondent may seek a modification to non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Enforcement Director.
155. The Enforcement Director may, in their discretion, modify any non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) if they determine good cause justifies the modification. Any such modification by the Enforcement Director must be in writing.

**XVIII.**

**ADMINISTRATIVE PROVISIONS**

**IT IS FURTHER ORDERED** that:

156. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau from taking any other action against Respondent, except as described in Paragraph 157. Further, for the avoidance of doubt, the provisions of this Consent Order do not bar, estop, or otherwise prevent any



other person or governmental agency from taking any action against Respondent.

157. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.
158. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.
159. This Consent Order will terminate on the later of 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondent if such action is

initiated within 5 years of the Effective Date. If such action is dismissed or the relevant adjudicative body rules that Respondent did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

160. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
161. Should Respondent seek to transfer or assign all or part of its operations that are subject to this Consent Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.
162. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve

Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.

163. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.
164. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent, its Board, its Executives, officers, or employees to violate any law, rule, or regulation.

**IT IS SO ORDERED**, this 16th day of January, 2025.

*Rohit Chopra*

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Rohit Chopra  
Director  
Consumer Financial Protection Bureau

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Cash App Users to Receive up to \\$120M in Refunds from CFPB Action Against Block](#)

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