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Contact: William Grassano
(202) 649-6870

OCC Assesses \$35 Million Penalty Against HSBC Bank USA, N.A.; Orders Restitution to Customers for Unfair Billing Practices

WASHINGTON – The Office of the Comptroller of the Currency (OCC) today assessed a \$35 million penalty against HSBC Bank USA, N.A., McLean, Virginia, and ordered the bank to identify and make restitution to harmed customers.

The OCC found that the bank's billing practices violated Section 5 of the Federal Trade Commission (FTC) Act, 15 U.S.C. § 45(a)(1), which prohibits unfair and deceptive acts or practices. The \$35 million civil money penalty reflects a number of factors, including the scope and duration of the violations and financial harm to customers from the unfair practices. The penalty will be paid to the U.S. Treasury.

Customers eligible for restitution include those who were unfairly billed for CreditKeeper, a credit-monitoring product marketed and sold by the bank, its affiliate HSBC Bank Nevada, N.A., Las Vegas, Nevada, and their vendors. The restitution will benefit customers who enrolled in and paid for the credit-monitoring product between January 2004 and May 2012, but did not receive the full benefit of the product. The restitution will include the full amount paid for this product, plus any associated over-limit fees, finance charges, and interest.

The OCC order also requires the bank to ensure compliance with the FTC Act, improve governance of third-party vendors associated with add-on consumer products, develop a risk management program for add-on consumer products marketed or sold by the bank or its vendors, and develop a consumer compliance internal audit program for add-on consumer products.

Related Links

- [Consent Order \(PDF\)](#)
- [Consent Order for Civil Money Penalty \(PDF\)](#)

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