

Bureau of Consumer Financial Protection Settles With Bluestem

Companies Substantially Delayed Transfers of Customers' Payments to Debt Buyers

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WASHINGTON, D.C. – The Bureau of Consumer Financial Protection (Bureau) and Bluestem Brands, Inc.; Bluestem Enterprises, Inc.; and Bluestem Sales, Inc. (the Bluestem companies), have filed an administrative consent order resolving the Bureau's allegations that after consumers made payments to the Bluestem companies on debts that the companies had already sold, the Bluestem companies substantially delayed sending those payments to the third-party debt buyers.

In the consent order, the Bureau found that the Bluestem companies violated the Consumer Financial Protection Act of 2010 by unfairly delaying the transfer of payments that customers had made to the Bluestem companies on charged-off accounts to the third-party debt buyers who had purchased those accounts. The Bureau found that between 2013 and 2016, Bluestem delayed forwarding payments for more than 31 days in 18,000 instances; in 3,500 of those instances, Bluestem delayed forwarding payments for more than a year. These delays likely subjected customers to misleading collection activity, including collection activity on accounts that they had completely paid off.

The consent order filed today requires the Bluestem companies to improve their processes to timely identify and forward customer payments on accounts that they have sold to third-party debt buyers. The companies must also improve their processes to prevent consumers from making payments by phone or on the companies' websites on sold accounts. And they must notify customers who do make payments to the Bluestem companies, for example by mailed check, on sold accounts that their accounts have been sold. The Bluestem companies will also pay a civil money penalty of \$200,000.

The Bluestem companies are headquartered in Eden Prairie, Minnesota, and do business throughout the United States under the names Fingerhut and Gettington.com.

A copy of the consent order filed today is available at:

https://files.consumerfinance.gov/f/documents/bcfp_bluestem-brands-inc_consent-order_2018-10.pdf 

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The Bureau of Consumer Financial Protection is a 21st century agency that helps consumer finance markets work by regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations, by making rules more effective, by consistently enforcing federal consumer financial law, and by empowering consumers to take more control over their economic lives. For more information, visit consumerfinance.gov.

Topics: ● DEBT COLLECTION ● ENFORCEMENT

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