



FDIC Announces Settlement with The Bancorp Bank, Wilmington, Delaware, for Unfair and Deceptive Practices

Harmed consumers to receive approximately \$1.3 million in restitution

FOR IMMEDIATE RELEASE
March 7, 2018

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The Federal Deposit Insurance Corporation (FDIC) announced a settlement with The Bancorp Bank, Wilmington, Delaware, relating to unfair and deceptive practices in violation of Section 5 of the Federal Trade Commission Act (Section 5). In addition, the FDIC found that the bank violated the Electronic Funds Transfer Act, the Truth in Savings Act, and the Electronic Signatures in Global and National Commerce Act.

As part of the settlement, the bank stipulated to the issuance of an Order for Restitution and Order to Pay Civil Money Penalty. The Order for Restitution requires the bank to prepare a comprehensive restitution plan, and to pay restitution of nearly \$1.3 million to approximately 243,000 harmed consumers who were assessed transaction fees exceeding what the bank disclosed. The Order for Restitution also requires The Bancorp Bank, its institution-affiliated parties, and its successors and assigns to fully comply with Section 5. The Order to Pay requires the bank to pay a civil money penalty of \$2.0 million. Consumers who are eligible for relief under the settlement are not required to take any action to receive compensation.

The Bancorp Bank issues prepaid cards on behalf of numerous non-bank entities. The FDIC determined that the bank violated Section 5 by overcharging transaction fees for certain point-of-sale, signature-based transactions (i.e., transactions not requiring a personal identification number or PIN) on certain stored-value cards, including the bank's Excella Visa Prepaid Debit Card.

As the issuing bank for these various prepaid cards, The Bancorp Bank was responsible for ensuring that these programs were operating in compliance with all applicable laws.

Attachment:

[Order for Restitution and Order to Pay Civil Money Penalty - The Bancorp Bank, Wilmington, Delaware](#)

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Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's banks and savings associations, 5,670 as of December 31, 2017. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars—insured financial institutions fund its operations.

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