GE Capital/Synchrony Bank Fined $225 Million Over Credit Card Marketing Practices

June 19, 2014 - A joint effort between the CFPB and the Department of Justice has resulted in a fine of $225 million for GE Capital. The fine is the largest ever levied against a credit card company for deceptive marketing and discrimination.

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The company was accused of using discriminatory marketing practices in its sales of credit card add-on services. Specifically, GE Capital offered a debt-cancellation service that allowed consumers to stop paying their bill if they involuntarily found themselves unemployed or under other limited circumstances. But the company didn't make the offer available in Puerto Rico or to Spanish speaking customers.

The debt cancellation services offered by the company were sold in various ways, including telemarketing. The government also accused the company's telemarketers of misleading consumers into believing that these services would not cost them anything.

The settlement announced by the government fines GE Capital $3.5 million for the telemarketing violations and an additional $169 million for discrimination. Additionally, the company has agreed to refund $56 million to more than 600,000 consumers who purchased debt cancellation products from them.
On June 2nd, GE Capital changed its name to Synchrony Bank.

byJim Malmberg
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