

CFPB Proposes Banning Use of Pre-Dispute Arbitration Agreements in Consumer Class Actions



The Consumer Financial Protection Bureau has proposed prohibiting application of pre-dispute arbitration agreements to class litigation involving certain consumer financial products, according to a report published by **Carlton Fields** on its website.

“Citing concerns that such agreements ‘effectively prohibit’ class litigation and prevent consumers from obtaining remedies for harm caused by providers of consumer financial products or services, the proposal would apply to most products subject to Bureau oversight,” the **report** says.

“The Bureau’s proposal would prohibit inclusion of arbitration clauses that block class action claims in contracts with consumers for credit cards, checking and deposit accounts, prepaid cards, money transfer services, certain auto loans, auto title loans, small dollar or payday loans, private student loans, and installment loans.”

Read the report.