Wells Fargo Customers May Never See Their Day in Court, Experts Say

NBC News reports that a class-action lawsuit filed against Wells Fargo might be hamstrung at the starting line, legal experts say.

Martha C. White writes that mandatory arbitration contract clauses may protect the bank from class-action suits brought by customers who had bank or credit card accounts opened in their names without their knowledge.

“Five years ago, a Supreme Court ruling said it was legal for companies to shield themselves from lawsuits by requiring that customers address grievances through a private arbitration system. Since then, consumers seeking redress from banks, even earlier cases against Wells Fargo in California, have been effectively stopped at the courthouse door,” according to the report.

“There’s no question that it’s very difficult to overturn an arbitration clause, although the facts in this case are pretty damning,” said Ed Mierzwinski, consumer program director for U.S. PIRG.

Read the article.