



## American Consumers Deserve Their Day in Court

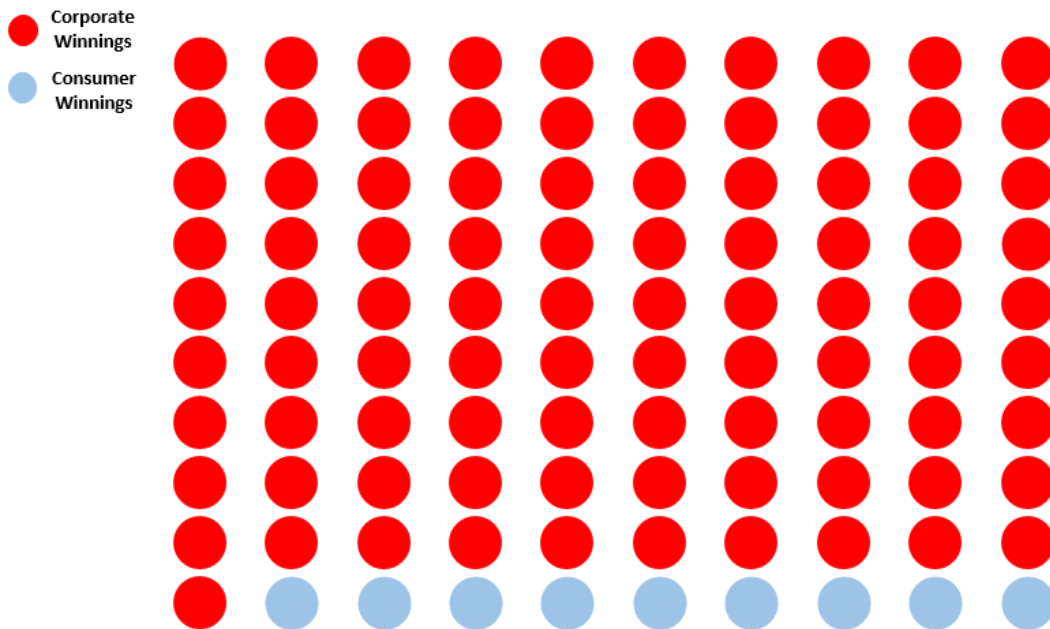
Earlier this week, Vice President Pence stepped in on behalf of big banks and credit card companies, casting the tie-breaking vote to repeal the Consumer Financial Protection Bureau's (CFPB) forced arbitration rule. The new rule, which was slated to take effect in March, would have blocked companies from using arbitration clauses to prevent consumers from banding together to seek relief from big businesses.<sup>1</sup>

Big businesses use forced arbitration to funnel consumers into a secretive process where an arbitrator, often selected by the company, decides the outcome. Over 99 percent of payday loans and 85 percent of private student loans include forced arbitration clauses.<sup>2</sup> Most consumers have no idea these clauses are included in the fine print.

Americans overwhelmingly lose in forced arbitration: the average consumer ends up paying **more than \$7,000**.<sup>3</sup> In fact, in forced arbitration, corporations get **91 cents** for every dollar awarded.<sup>4</sup> Consumers fare much better in class-actions lawsuits, which delivered more than \$2 billion in relief between 2008 and 2012.<sup>5</sup>

Congressional Republicans should hold corporations accountable and restore the rights of American consumers, rather than give corporate executives a free pass when they engage in deceptive and predatory practices.

## In Forced Arbitration, Corporations Get 91 Cents of Every Dollar Awarded



Source: Consumer Protection Financial Bureau.

Note: Each dot represents one cent. Includes all disputes studied by CFPB in 2010 and 2011 in which companies asserted claims (cases filed by companies as well as cases in which companies asserted counterclaims in consumer-initiated disputes).

<sup>1</sup> <https://www.bloomberg.com/news/articles/2017-10-25/consumer-bureau-s-arbitration-rule-overturned-by-vote-in-senate>

<sup>2</sup> <http://www.fairarbitrationnow.org/wp-content/uploads/Fact-Sheet-Service-Member-and-Veterans.pdf>

<sup>3</sup> <http://www.epi.org/publication/forced-arbitration-is-bad-for-consumers/>

<sup>4</sup> Includes all disputes studied by CFPB in 2010 and 2011 in which companies asserted claims (cases filed by companies as well as cases in which companies asserted counterclaims in consumer-initiated disputes); [http://files.consumerfinance.gov/f/201503\\_cfpb\\_arbitration-study-report-to-congress-2015.pdf](http://files.consumerfinance.gov/f/201503_cfpb_arbitration-study-report-to-congress-2015.pdf)

<sup>5</sup> <http://www.fairarbitrationnow.org/wp-content/uploads/Fact-Sheet-Service-Member-and-Veterans.pdf>