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For Immediate Release

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Synchrony Bank to Pay \$3.5 Million to Settle Suit for Unlawful Debt Collection Practices

San Diego County District Attorney Summer Stephan announced today that Synchrony Bank will pay \$3.5 million to settle a civil lawsuit brought by a statewide team of district attorneys alleging the bank made unreasonably frequent or harassing phone calls to debtors in California.

“Often, these harassing debt collection calls were made to consumers who didn’t owe any money and sometimes even to a wrong number,” DA Stephan said. “The District Attorney’s Consumer Protection Unit is committed to holding these companies accountable for unfair business practices when companies like this bank violate state and federal debt collection practices.”

The investigation and prosecution of the case was handled by the California Debt Collection Task Force, a statewide law enforcement team composed of the District Attorneys of San Diego, Los Angeles, Riverside and Santa Clara counties.

The civil consumer protection complaint alleges that Synchrony Bank and its agents engaged in unlawful debt collection activities from call centers in and outside the United States. The complaint alleges that the collection calls were often made in an excessive and unreasonable volume, and sometimes continued after the consumers indicated they no longer wished to receive the calls or when the calls were made to wrong numbers.

The judgment negotiated with the Utah-based company, entered November 10 in Los Angeles Superior Court and signed by Judge Rupert A. Byrdson, requires that Synchrony Bank implement and maintain policies and procedures to prevent unreasonable and harassing debt collection calls to California consumers, including limiting the total number of calls to each debtor and honoring consumer requests for calls to stop.

Under the judgment, which was entered without admission of wrongdoing, Synchrony Bank was ordered to pay a total of \$3.5 million, including \$2 million in civil penalties and \$975,000 in investigative costs. Because individualized restitution is not feasible under these circumstances, the judgment also requires Synchrony Bank to pay \$525,000 in alternative restitution to a charitable trust fund to support additional consumer protection efforts. The district attorneys indicated that Synchrony Bank worked cooperatively with the prosecutors to resolve the matter.

The case was handled for the San Diego County District Attorney's Office by Deputy District Attorney Thomas A. Papageorge, Head of the Consumer Protection Unit, and Colleen E. Huschke, a Deputy District Attorney in the Consumer Protection Unit.

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About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.

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