

WELLS FARGO AND FORCED CONSUMER ARBITRATION APRIL 2018 UPDATE

During 2017, out of at least 4.3 million victims of Wells Fargo’s illegal activities, only 2 won in arbitration against Wells Fargo.

This report updates an [earlier report](#) issued by Level Playing Field in March 2017 that covered arbitrations filed against Wells Fargo from 2009 through 2016. This report provides new data regarding consumer arbitrations filed against Wells Fargo during the year 2017.

On July 27, 2017, the *New York Times* reported that “more than 800,000 people who took out car loans from Wells Fargo were charged for auto insurance they did not need, and some of them are still paying for it, according to an internal report prepared for the bank’s executives. The expense of the unneeded insurance, which covered collision damage, pushed roughly 274,000 Wells Fargo customers into delinquency and resulted in almost 25,000 wrongful vehicle repossessions, according to the 60-page report, which was obtained by The New York Times. Among the Wells Fargo customers hurt by the practice were military service members on active duty.”¹

On August 31, 2017, Wells Fargo admitted that an outside review had uncovered another 1.4 million fake, unauthorized accounts, making the total of admittedly fake accounts Wells Fargo had opened without authorization exceed 3.5 million.² Many victims of those practices suffered serious losses, including harm to their credit that cost them thousands of dollars in extra interest and fees for utilities, credit cards, car loans and home mortgages.

Yet during the entire year of 2017, despite the more than 4,300,330 consumers who are known to have been victimized by Wells Fargo, only 78 consumers filed cases in arbitration against Wells Fargo. Of those, only 8 cases resulted in awards. Only 2 consumers were designated the “prevailing party” and won awards in arbitration against Wells Fargo. Those consumers, one in California and one in Connecticut were awarded \$2,557 and \$14,767, respectively.

Figure 1. Prevailing Parties and Award Amounts 2017

Prevailing Party	Case Count	Awarded to Wells Fargo	Awarded to Consumer
Undefined	3	\$ 722.57	\$ -
Business	3	\$ -	\$ -
Consumer	2	\$ -	\$ 17,323.99
Total	8	\$ 722.57	\$ 17,323.99

¹ “Wells Fargo Forced Unwanted Auto Insurance on Borrowers,” The New York Times, July 27, 2017.

² “Wells Fargo Admits to Nearly Twice as Many Possible Fake Accounts – 3.5 Million,” National Public Radio, August 31, 2017: <https://www.npr.org/sections/thetwo-way/2017/08/31/547550804/wells-fargo-admits-to-nearly-twice-as-many-possible-fake-accounts-3-5-million>

ADDITIONAL FIGURES

Figure 2. Wells Fargo Closed Case Disposition Count by Half Year

	2H09	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13	1H14	2H14	1H15	2H15	1H16	2H16	1H17	2H17	Total
Settled	4	3	5	4	6	7	5	8	3	10	6	10	15	18	15	26	23	168
Awarded	1	1	1	1	3	5	2	2	2	5	4	9	5	5	2	4	4	56
Withdrawn	0	0	0	0	0	2	6	0	1	0	1	3	0	11	1	4	7	36
Dismissed	0	0	0	0	0	0	0	0	0	2	2	5	2	3	1	3	3	18
Administrative	0	0	3	2	0	1	0	0	0	0	1	1	0	1	0	0	6	15
Total	5	4	9	7	9	15	13	10	6	15	14	25	25	37	21	35	43	293

Figure 3. Wells Fargo Closed Case Disposition Percentage by Half Year

	2H09	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13	1H14	2H14	1H15	2H15	1H16	2H16	1H17	2H17	Total
Settled	80%	75%	56%	57%	67%	47%	38%	80%	50%	67%	43%	40%	60%	49%	71%	74%	53%	57%
Awarded	20%	25%	11%	14%	33%	33%	15%	20%	33%	33%	29%	36%	20%	14%	10%	11%	9%	19%
Withdrawn	0%	0%	0%	0%	0%	13%	46%	0%	17%	0%	7%	12%	0%	30%	5%	11%	16%	12%
Dismissed	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	14%	8%	20%	5%	14%	3%	7%	6%
Administrative	0%	0%	33%	29%	0%	7%	0%	0%	0%	0%	7%	4%	0%	3%	0%	0%	14%	5%

Figure 4. Count of Prevailing Party for Awarded Cases by Half Year

	2H09	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13	1H14	2H14	1H15	2H15	1H16	2H16	1H17	2H17	Total
Undefined	1	1	1	1	1	2	1	0	2	5	4	4	1	3	1	1	2	31
Wells Fargo	0	0	0	0	1	1	1	2	0	0	0	5	2	1	0	2	1	16
Consumer	0	0	0	0	1	2	0	0	0	0	0	0	2	1	1	1	1	9
Total	1	1	1	1	3	5	2	2	2	5	4	9	5	5	2	4	4	56

Figure 5. Percentage of Prevailing Party for Awarded Cases by Half Year

	2H09	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13	1H14	2H14	1H15	2H15	1H16	2H16	1H17	2H17	Total
Undefined	100%	100%	100%	100%	33%	40%	50%	0%	100%	100%	100%	44%	20%	60%	50%	25%	50%	55%
Wells Fargo	0%	0%	0%	0%	33%	20%	50%	100%	0%	0%	0%	56%	40%	20%	0%	50%	25%	29%
Consumer	0%	0%	0%	0%	33%	40%	0%	0%	0%	0%	0%	0%	40%	20%	50%	25%	25%	16%

Figure 6. Percentage of Prevailing Party for Awarded Cases by Half Year (excluding Undefined)

	2H09	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13	1H14	2H14	1H15	2H15	1H16	2H16	1H17	2H17	Total
Wells Fargo	0%	0%	0%	0%	50%	33%	100%	100%	0%	0%	0%	100%	50%	50%	0%	67%	50%	64%
Consumer	0%	0%	0%	0%	50%	67%	0%	0%	0%	0%	0%	0%	50%	50%	100%	33%	50%	36%

METHODOLOGY

This report provides a comprehensive overview of consumer arbitrations involving Wells Fargo from 2009 through 2017, as reported by arbitration firms pursuant to California's arbitration disclosure mandate.

The research was performed by Level Playing Field, a non-profit organization that collects, analyzes, and publishes data on consumer arbitration cases. Level Playing Field has developed a consumer arbitration database that allows the general public to quickly and easily search consumer arbitration cases by fields such as business name, arbitrator name, attorney name, and state.³

The original data for this report was provided by the American Arbitration Association (AAA), which routinely provides arbitration services to Wells Fargo.⁴ A handful of additional cases were filed with another arbitration provider, JAMS (initially named Judicial Arbitration and Mediation Services, Inc.).⁵

Under California law, basic data about arbitration cases is required to be disclosed to the public and available on the arbitration firms' websites. However, there is widespread noncompliance with the law, and many consumer, civil rights, and labor organizations have called upon California Attorney General Becerra to enforce the law and crack down on arbitration firms that fail to comply.

Wells Fargo appears in the Level Playing Field database under dozens of variations of its name. For example, "Wells Fargo NA", "Wells Fargo Bank, N.A.", "Wells Fargo Card Services", etc. For the purposes of this report, these variations and/or separate legal entities were treated as one.

The Level Playing Field database includes 329 unique Wells Fargo cases from 2009 through 2017. Of those, 22 are debt collection, 11 are employment disputes, 2 are business/commercial, and 1 is a new home construction case. Because these reports focus on the outcomes of consumer banking cases, we have excluded these 36 cases from our analysis. As such, this report is based on 293 cases (259 from AAA and 34 from JAMS).

ACKNOWLEDGMENT

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³ <https://levelplayingfield.io/>.

⁴ The AAA data goes back to 2009.

⁵ The JAMS data goes back to 2011.