Wells Fargo’s Pattern of Widespread Consumer Abuse:

Wells Fargo’s consistent pattern of breaking the law and harming unsuspecting customers raises questions about whether it should be allowed to continue to operate as a federally chartered and federally insured financial institution. The Democratic staff report, published today by Congresswoman Maxine Waters (D-CA), Ranking Member of the Committee on Financial Services, describes Wells Fargo’s track record of consumer abuses while demonstrating that the numerous fines imposed upon the bank have not been a sufficient deterrent to stop its pattern of appalling practices, including:

- Opening 3.5 million fraudulent credit card and deposit accounts;
- Illegal student loan servicing practices;
- Inappropriate checking account overdraft fees;
- Unlawful mortgage lending practices, such as overcharging veterans for refinance loans; and
- Charging customers for auto insurance policies they did not need, which resulted in some customers losing their vehicles.

Committee Republicans’ Tunnel Vision Approach to Oversight:

Despite Wells Fargo’s extensive fraudulent and egregious behavior, Committee Republicans have failed to conduct a full-scale investigation into both the bank’s illicit practices and the insufficient oversight exhibited by federal prudential banking regulators, specifically the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (FDIC). Committee Republicans have been overwhelmingly focused on undermining the Consumer Financial Protection Bureau (Consumer Bureau) instead of conducting a credible investigation into Wells Fargo’s abusive behavior.

Stronger Enforcement Needed to Protect Consumers and Deter Future Violations:

- When any megabank, like Wells Fargo, engages in consistent and substantial abuse of consumers, it should lose its national charter and all privileges and rights thereto.

- While the Consumer Bureau, OCC, and the Office of Los Angeles City Attorney announced fines of $185 million against Wells Fargo for illegally opening millions of fraudulent accounts, only the federal prudential banking regulators have the authority to take severe action to hold a bank accountable for violating the law and harming consumers.

- Federal prudential banking regulators have failed to fully utilize their enforcement tools, especially when dealing with the nation’s largest banks, including:
  - Restricting a bank’s line of business;
  - Directing a bank to remove its senior officers and directors;
- Permanently barring senior bank officers and directors from working at another bank;
- Revoking a bank’s national charter;
- Terminating a bank’s deposit insurance; and
- Appointing a receiver to wind down a bank.

- Because the federal prudential banking regulators have neglected or refused to take appropriate actions in the face of widespread consumer violations, especially when it comes to megabanks, Congress must use its oversight and lawmaker powers to require regulators to fully exercise their existing authorities to do so.

- While federal prudential banking regulators have broad discretion to take a wide range of enforcement actions, Congress should also clarify that megabanks can and should be shut down for extensive violations of consumer protection laws. Furthermore, Congress should strengthen various enforcement tools to deter this kind of activity from happening again, and impose requirements that will improve accountability, including of senior megabank executives.

To read the full report, click [here](#).