



BCFP Settles Allegations that Vehicle Financing Company Misrepresented GAP Product and Terms of Contract Extensions

November 20th, 2018

On November 20, 2018, the Bureau of Consumer Financial Protection announced a settlement with Santander Consumer USA Inc. for allegedly engaging in deceptive acts and practices in connection with the marketing of its S-GUARD guaranteed asset protection product, in violation of the Consumer Financial Protection Act of 2010. The Bureau also alleged that Santander misrepresented to consumers who had missed at least one payment on their vehicle financing contracts the impact of receiving an extension of the maturity date of the consumer's contract, including by not clearly and prominently disclosing that the additional interest accrued during the extension period would be paid before any payments to principal when the consumer resumed making payments.

Under the terms of the consent order, Santander must, among other provisions, provide approximately \$9.29 million in restitution to certain consumers who purchased the S-GUARD add-on product, clearly and prominently disclose the terms of its contract extensions and the add-on product, and pay a \$2.5 million civil money penalty.

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