



Enforcement Alert from Hudson Cook; CFPB Sues Lease-To-Own Finance Company

July 20th, 2023 | and [Lucy Morris](#)

Highlights:

- CFPB alleges that lease-to-own finance company harmed consumers by, among other things, deceptively marketing financial products, insufficiently disclosing the terms of financing agreements, and interfering with consumers' ability to understand those terms.
- In addition to other relief, CFPB asks the court to enjoin future law violations and award consumer redress and civil money penalties.

Case summary

The Consumer Financial Protection Bureau filed a lawsuit against a lease-to-own-finance company and several related companies (collectively, the "Company"), alleging that the Company violated various federal consumer financial protection laws in connection with the offering and provision of lease-to-own financing products. Such financing essentially allows consumers to finance goods and services from the Company's merchant partners and make payments back to the Company.

In the Bureau's complaint filed on July 19, 2023, in Utah federal district court, the agency alleges that the Company engaged in various false and deceptive practices in connection with the marketing and servicing of its lease-to-own financing in violation of the Consumer Financial Protection Act, which prohibits unfair, deceptive, or abusive practices, and the Truth in Lending Act, which requires that credit terms are meaningfully disclosed. Among other things, the Bureau alleges that the Company's marketing material misled consumers regarding the nature of financing arrangements and failed to disclose the true cost consumers would incur under the arrangements; that the Company made false and misleading statements to consumers about their rights under the financing agreements, leaving some with the impression that they could not terminate their agreement; and that the Company engaged in illegal debt collection practices, making false threats to take actions against consumers that the Company does not take in collections.

In addition, the Bureau alleges that the Company violated the Electronic Fund Transfer Act by conditioning the extension of credit on consumers' repayment through preauthorized ACH debits, as well as the Fair Credit Reporting Act by failing to establish and implement reasonable policies and procedures regarding the accuracy and integrity of consumer information that it furnished to consumer reporting agencies.

The Bureau seeks, among other things, an injunction on the Company's alleged illegal practices, monetary redress for consumers, and a civil money penalty.

RESOURCES:

You can review all the relevant court filings and press releases at the **CFPB's Enforcement page**.

- [Complaint](#)
- [Press Release](#)

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