

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

In the Matter of:)	
)	AA-EC-2013-13
RBS Citizens, N.A.)	
Providence, Rhode Island)	

CONSENT ORDER FOR A CIVIL MONEY PENALTY

The Comptroller of the Currency of the United States of America (“Comptroller”), through his authorized representatives, has examined the affairs of RBS Citizens, N.A., Providence, Rhode Island (“Bank”), and has identified deficiencies in the Bank’s practices that resulted in violations of Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a)(1), related to its overdraft protection program, checking rewards programs, and stop payment process for preauthorized recurring electronic fund transfers.

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a Stipulation and Consent to the Issuance of an Order for a Civil Money Penalty, dated April 29, 2013 (“Stipulation”), that is accepted by the Comptroller. By this Stipulation, which is incorporated herein by reference, the Bank has consented to the issuance of this Consent Order for a Civil Money Penalty (“Order”) by the Comptroller.

ARTICLE I

COMPTROLLER’S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

- (1) In the operation of the Bank’s Standard Overdraft Protection Practices (“Standard ODP”) prior to August 15, 2010, some Bank employees attempted, on an *ad hoc* basis, to allow

Bank customers to opt out of Standard ODP, but did not disclose to these consumers certain technical limitations of the opt-out that prevented it from being effective for all transactions.

(2) Between at least May 2010 and July 2012, the Bank distributed an overdraft opt-in notice to its customers that stated that the Bank would charge a fee for “paid or returned” items to customers who opted in to its overdraft protection program, when in fact, the Bank did not charge fees for certain items.

(3) Between approximately September 2007 and September 2011, the Bank’s written customer agreement for its Savings Account Overdraft Protection Program did not disclose that the Bank would not transfer funds from a consumer’s savings account to cover overdrafts in a linked checking account if the savings account did not have funds to cover the entire overdrawn balance on a given day, even if the available funds would have covered one or more overdrawn items.

(4) The Bank’s Personal Deposit Account Agreement stated that the Bank would stop preauthorized recurring electronic fund transfers at the consumer's request, if notice was given at least three business days before the payment was scheduled to be made. Due to technical limitations which were not disclosed to consumers, the Bank was unable to process such stop payments between at least January 1, 2008 and August 1, 2010.

(5) Between October 2008 and September 2011, the Bank’s checking reward program disclosures stated that its customers who have at least ten eligible checking account transactions in a calendar month would receive rebates based on those transactions, without disclosing posting date requirements for those transactions.

(6) By reason of the foregoing practices as described in paragraphs (1) through (5) of this Article, the Bank engaged in deceptive practices in violation of Section 5 of the FTC Act, which formed a pattern of misconduct.

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(i), the Comptroller hereby ORDERS that:

ARTICLE II

ORDER FOR A CIVIL MONEY PENALTY

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i), the Comptroller orders, and the Bank consents to the following:

(1) The Bank shall make payment of a civil money penalty in the amount of five million dollars (\$5,000,000), which shall be paid upon the execution of this Order.

- (a) If a check is the selected method of payment, the check shall be made payable to the Treasurer of the United States and shall be delivered to:
Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri
63197-9000.
- (b) If a wire transfer is the selected method of payment, it shall be sent in accordance with instructions provided by the Comptroller.
- (c) The docket number of this case (AA-EC-2013-13) shall be entered on the payment document or wire confirmation and a photocopy of the payment document or confirmation of the wire transfer shall be sent immediately, by overnight delivery, to the Director of Enforcement and Compliance, Office of the Comptroller of the Currency, 400 7th Street, S.W., Washington, D.C. 20219.

(2) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. § 1818(h) and (i).

ARTICLE III

OTHER PROVISIONS

(1) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his duly authorized representative whose hand appears below, and shall remain effective and enforceable against the Bank and its successors in interest, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated by the Comptroller.

(2) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(i)(2), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(3) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 29th day of April, 2013.

/s/ Vance S. Price
Vance S. Price
Deputy Comptroller
Large Bank Supervision

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:)	
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**STIPULATION AND CONSENT TO THE ISSUANCE
OF AN ORDER FOR A CIVIL MONEY PENALTY**

The Comptroller of the Currency of the United States of America (“Comptroller”), intends to initiate a civil money penalty proceeding against RBS Citizens, N.A., Providence, Rhode Island (“Bank”), pursuant to 12 U.S.C. § 1818(i), for its deceptive practices in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1).

The Bank, in the interest of compliance and cooperation, enters into this Stipulation and Consent to the Issuance of an Order for a Civil Money Penalty (“Stipulation”) and consents to the issuance of a Consent Order for a Civil Money Penalty, dated April 29, 2013 (“Order”).

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, stipulate and agree to the following:

ARTICLE I

JURISDICTION

- (1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*
- (2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).
- (3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C.

§ 1818(b)(1).

(4) For purposes of, and within the meaning of 12 C.F.R. §§ 5.3(g)(4), 5.51(c)(6), and 24.2(e)(4), this Order shall not be construed to be a “cease and desist order” or “consent order,” unless the Comptroller informs the Bank otherwise in writing.

ARTICLE II

CONSENT

(1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the Order by the Comptroller.

(2) The Bank consents and agrees that the Order shall be deemed an “order issued with the consent of the depository institution” pursuant to 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(i).

(3) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(4) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller’s exercise of his supervisory responsibilities.

(5) The terms and provisions of the Stipulation and the Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Stipulation or the Order, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Stipulation or the Order.

ARTICLE III

WAIVERS

- (1) The Bank, by consenting to this Stipulation, waives:
- (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
 - (b) any and all procedural rights available in connection with the issuance of the Order;
 - (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19;
 - (d) all rights to seek any type of administrative or judicial review of the Order;
 - (e) any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or this Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412; and
 - (f) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

CLOSING

(1) The provisions of this Stipulation shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

(2) Nothing in this Stipulation shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and nothing in this Stipulation constitutes, nor shall the Bank contend that it constitutes, a waiver of any right, power, or authority of any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice, to bring other actions deemed appropriate.

(3) The Comptroller releases and discharges the Bank from all potential liability for a civil money penalty that has been or might have been asserted by the Comptroller based on the banking practices or violations described in Article I of the Order, to the extent known to the Comptroller as of the effective date of the Order. However, the banking practices or violations described in Article I of the Order may be utilized by the Comptroller in other future enforcement actions against the Bank or its institution-affiliated parties, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations. This release shall not preclude or affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of this Stipulation or the Order.

(4) The terms of the Stipulation and the Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

/s/ Vance S. Price
Vance S. Price
Deputy Comptroller
Large Bank Supervision

April 29, 2013
Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

<u>/s/ Ellen Alemany</u> Ellen Alemany	<u>3/26/2013</u> Date
<u>/s/ William P. Hankowsky</u> William P. Hankowsky	<u>4/8/13</u> Date
<u>/s/ Howard W. Hanna, III</u> Howard W. Hanna, III	<u>3/28/13</u> Date
<u>/s/ Charles J. Koch</u> Charles J. Koch	<u>4/9/13</u> Date
<u>/s/ Robert D. Matthews</u> Robert D. Matthews	<u>3/20/13</u> Date
<u>/s/ Arthur F. Ryan</u> Arthur F. Ryan	<u>3/27/13</u> Date
<u>/s/ Shivan S. Subramaniam</u> Shivan S. Subramaniam	<u>3/28/13</u> Date
<u>/s/ Judith M. von Seldeneck</u> Judith M. von Seldeneck	<u>3/27/13</u> Date
<u>/s/ Wendy A. Watson</u> Wendy A. Watson	<u>3/29/13</u> Date
<u>/s/ Marita Zuraitis</u> Marita Zuraitis	<u>3/28/13</u> Date