



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

GOVERNOR **Gavin Newsom** • COMMISSIONER **Clothilde V. Hewlett**

**For Immediate Release**

January 9, 2024

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## **DFPI Orders Credova Financial to Cease Hidden Junk Fees**

SACRAMENTO – The California Department of Financial Protection and Innovation (DFPI) announced today that it has issued a [consent order](#) against Credova Financial, LLC. The order is part of an effort to protect consumers from hidden fees using the California Consumer Financial Protection Law ([CCFPL](#)).

“Hidden convenience fees fit into a broad category known as “junk fees” and increase the amount that consumers pay for goods and services,” said Clothilde V. Hewlett, DFPI Commissioner. “The California Consumer Financial Protection Law is a powerful tool against these fees and excessive financial charges, which have an outsized negative impact on low-income consumers.”

Credova is an internet-based platform that allows merchants to offer installment contracts to its customers. Credova contracts with a third-party servicer for all installment contracts originated on its online platform. The third-party servicer charges convenience fees when consumers choose to pay their installments online or over the phone.

According to the consent order, Credova was aware of the potential convenience fees but failed to disclose information regarding the fees when consumers entered into the installment contracts. The Commissioner determined that failing to disclose potential convenience fees before consumers enter into these financing contracts is deceptive and therefore violates the CCFPL.

The consent order requires Credova to pay a \$50,000 penalty and disclose potential third-party convenience fees to consumers in the future.

“Convenience fees” or “pay-to-pay fees” are fees charged by companies when consumers choose to make payments in a particular way, such as online or by phone. These fees can be problematic if they are misrepresented or are not adequately disclosed to consumers.

Consumers can submit a complaint directly with the DFPI if a company is suspected of using unlawful, unfair, deceptive, or abusive practices. Complaints can be submitted online ([dfpi.ca.gov/submit-a-complaint](https://dfpi.ca.gov/submit-a-complaint)) or by calling toll-free at (866) 275-2677.

### **About DFPI**

The California Department of Financial Protection and Innovation (DFPI) protects consumers, regulates financial services, and fosters responsible innovation. The DFPI protects consumers by establishing and enforcing financial regulations that promote transparency and accountability. We empower all

Californians to access a fair and equitable financial marketplace through education and preventing potential risks, fraud, and abuse. Learn more at [dfpi.ca.gov](https://dfpi.ca.gov).

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