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BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
OF THE STATE OF CALIFORNIA

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In the Matter of: ) CONSENT ORDER

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THE COMMISSIONER OF FINANCIAL )  
PROTECTION AND INNOVATION, )

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Complainant, )

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v. )

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CHIME FINANCIAL, INC., )

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Respondent. )

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This Consent Order (Consent Order) is entered into between the Commissioner of Financial  
23 Protection and Innovation (Commissioner) and Chime Financial Inc. (Chime) (collectively, the  
24 Parties).

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I.

**RECITALS**

***Legal Background***

A. The Commissioner has jurisdiction over the regulation of persons engaged in offering or providing a consumer financial product or service in California and their affiliated service providers under the California Consumer Financial Protection Law (CCFPL) (Fin. Code, § 90000 et seq.).

B. Under the CCFPL, it is unlawful for a “covered person” to “[e]ngage, have engaged, or propose to engage in any unlawful, unfair, deceptive, or abusive act or practice with respect to consumer financial products or services.” (Fin. Code, § 90003, subd. (a)(1).)

C. A “covered person” is “[a]ny person that engages in offering or providing a consumer financial product or service to a resident of this state.” (Fin. Code, § 90005, subd. (f)(1).)

D. A “consumer financial product or service” is generally a “financial product or service that is delivered, offered, or provided for use by consumers primarily for personal, family, or household purposes.” (Fin. Code, § 90005, subd. (e)(1).)

E. “Financial product or service” includes, among other things, “[e]ngaging in deposit-taking activities, transmitting or exchanging funds, or otherwise acting as a custodian of funds or any financial instrument for use by or on behalf of a consumer.” (Fin. Code, § 90005, subd. (k)(4).)

F. The Commissioner conducted an investigation under the authority of the CCFPL into Chime’s customer complaints handling process between January 2020 and September 2022 (Investigation Period).

***Commissioner’s Findings and Conclusions***

G. Following an investigation, the Commissioner made the following findings of fact (Findings):

i. Chime is a corporation incorporated in Delaware with its headquarters in San Francisco, California. Chime works with banking partners to provide access to consumer-oriented banking products such as savings and checking accounts.

ii. Chime represents that it partners with certain banks to provide access to

1 innovative financial products to consumers to assist them with their financial needs.

2           iii. Chime provides its employees and third party customer service vendors with  
3 training in handling consumer complaints.

4           iv. During the Investigation Period, the Commissioner received complaints from  
5 consumers raising concerns about their accounts and customer service interactions with Chime,  
6 which the Commissioner forwarded to Chime for investigation and response. The Commissioner  
7 also undertook an investigation into Chime’s handling of those consumer complaints.

8           v. In handling or evaluating some consumer complaints submitted to the  
9 Commissioner during the period from January through March 2021, Chime’s complaint handling  
10 violated the CCFPL with regard to, among other things, occasional mistakes that occurred in  
11 Chime’s responsiveness to those complaints.

12           vi. Chime has represented that it has addressed the complaints handling-related  
13 issues identified by the Commissioner and continued to improve its customer complaint resolution  
14 practices and procedures.

15           H. Based upon the Findings, the Commissioner made the following conclusions  
16 (Conclusions):

17           i. Chime is a “covered person” under the CCFPL that engages in offering or  
18 providing consumer financial products or services to California residents, including providing  
19 access to “deposit-taking activities, transmitting or exchanging funds, or otherwise acting as a  
20 custodian of funds . . . for use by or on behalf of a consumer.” (Fin. Code, § 90005, subd. (k)(4).)

21           ii. Based on the above, the Commissioner is of the opinion that Chime violated  
22 Financial Code section 90003, subdivision (a)(1), by having engaged in unfair acts with respect to  
23 consumer financial products or services. As between Chime and the consumer, Chime is in the  
24 better position to accurately evaluate the available information in most cases and to respond to  
25 consumers’ complaints in a timely manner.

26           iii. While the number of mistakes during the Investigation Period was relatively  
27 small in comparison to the overall number of consumer complaints received, the mistakes were  
28 important to the affected consumers.

1 I. Chime represents that it has cooperated with the Commissioner’s inquiry, that it is  
2 committed to working with regulatory agencies for the benefit of consumers, and that this Consent  
3 Order reflects Chime’s willingness to work with regulatory agencies to ensure that its complaint  
4 handling processes comply with the law.

5 J. Chime agrees to comply with the terms and conditions of this Consent Order as  
6 outlined below.

7 K. Without admitting or denying the Commissioner’s Findings or Conclusions, Chime  
8 desires to enter into this Consent Order, which the Commissioner finds is appropriate, in the public  
9 interest, and consistent with the purposes of the CCFPL.

10 NOW THEREFORE, in consideration of the foregoing, and the terms and conditions set  
11 forth herein, the Parties agree as follows:

12 **II.**

13 **TERMS AND CONDITIONS**

14 1. Purpose. This Consent Order resolves the issues before the Commissioner in a  
15 manner that avoids the business disruption and expense of a hearing and other possible court  
16 proceedings, protects consumers, is in the public interest, and is consistent with the purposes,  
17 policies, and provisions of the applicable law.

18 2. Finality of Consent Order. Chime agrees to comply with this Consent Order and  
19 stipulates this Consent Order is hereby deemed final.

20 3. Desist and Refrain Order. Pursuant to Financial Code section 90015,  
21 subdivision (d)(1), Chime is hereby ordered to desist and refrain from responding to consumer  
22 complaints in an unfair or untimely manner in violation of Financial Code section 90003,  
23 subdivision (a)(1).

24 4. Penalty. Pursuant to Financial Code section 90012, subdivision (c), Chime is  
25 ordered to pay the Commissioner a total penalty of \$2,500,000.00 (Penalty) no later than thirty  
26 calendar days after the Effective Date of this Consent Order. The penalty must be made payable to  
27 “Department of Financial Protection and Innovation” in the form of a cashier’s check, wire transfer  
28 or Automated Clearing House deposit to the Department of Financial Protection and Innovation,

1 transmitted to the attention of Accounting – Litigation, at the Department of Financial Protection  
2 and Innovation, 2101 Arena Boulevard, Sacramento, California 95834. Notice of the payment must  
3 be concurrently sent to Paul Yee, Senior Counsel, Department of Financial Protection and  
4 Innovation, One Sansome Street, San Francisco, California 94104-4448, Paul.Yee@dfpi.ca.gov.

5 5. Enhanced Customer Service Procedures. Chime has agreed to continue or to  
6 undertake the following actions to enhance existing customer service procedures or processes:

- 7 (a) Ensure customer service support 24 hours a day, seven days a week,
- 8 (b) Ensure sufficient customer service support staffing,
- 9 (c) Ensure sufficient customer service support training, and
- 10 (d) Investigate and implement policies and procedures to maintain the accurate,  
11 prompt and proper handling of consumer complaints.

12 6. Compliance and Reporting. Chime shall establish, implement, enhance, and  
13 maintain testing policies, procedures, and standards reasonably designed to, at a minimum, ensure  
14 compliance with the provisions of this Consent Order. Furthermore, within 90 days from the  
15 Effective Date of this Consent Order, and for two consecutive years after the Effective Date of this  
16 Consent Order, Chime shall submit to the Commissioner accurate written compliance progress  
17 report, which, at a minimum describes in detail the manner in which Chime has complied with this  
18 Consent Order. Chime shall submit the second written compliance progress report one year after  
19 the Effective Date of this Consent Order and the third written compliance progress report two years  
20 after the Effective Date of this Consent Order.

21 7. Waiver of Hearing Rights. Chime acknowledges the Commissioner is ready,  
22 willing, and able to proceed with the filing of an administrative action on the charges contained in  
23 this Consent Order. Chime hereby waives the right to any hearings, and to any reconsideration,  
24 appeal, or other right to review which may be afforded pursuant to the CCFPL, the California  
25 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of  
26 law. Chime further expressly waives any requirement for the filing of an Accusation pursuant to  
27 California Government Code section 11415.60, subdivision (b). By waiving such rights, Chime  
28 consents to this Consent Order becoming final.

1           8.       Full and Final Settlement. Chime hereby acknowledges and agrees that the Consent  
2 Order is intended to constitute a full, final, and complete resolution of Chime’s alleged violations of  
3 Financial Code section 90003, subdivision (a)(1) during the Investigation Period as set forth in the  
4 Recitals (Violations), and that no further proceedings or actions will be brought by the  
5 Commissioner against Chime based on the alleged Violations during the Investigation Period,  
6 excepting any proceeding to enforce compliance with the terms of the Consent Order or a  
7 proceeding based upon the discovery of new violations of the law or regulations that do not form the  
8 basis for the Consent Order and which Chime knowingly concealed from the Commissioner.  
9 Nothing in the Consent Order shall waive Chime’s right to defend itself in the event of a dispute  
10 about the compliance with its terms.

11           9.       Information Willfully Withheld. The Consent Order may be revoked if the  
12 Commissioner later finds out that Chime knowingly or willfully withheld information used and  
13 relied upon in the Consent Order.

14           10.      Assisting Other Agencies. The Parties further acknowledge and agree that nothing in  
15 the Consent Order shall limit the Commissioner’s ability to assist any other agency (city, county,  
16 state, or federal) with any prosecution, administrative, civil, or criminal, brought by any such agency  
17 against Chime or any other person based upon any of the activities alleged in this matter or  
18 otherwise.

19           11.      Third Party Actions. This Consent Order does not create any private rights or  
20 remedies against Respondents, create any liability for Respondents, or limit defenses of Respondents  
21 for any person or entity not a party to this Consent Order.

22           12.      Headings. The headings to the paragraphs of the Consent Order are inserted for  
23 convenience only and will not be deemed a part hereof or affect the construction or interpretation of  
24 the provisions hereof.

25           13.      Binding. The Consent Order is binding on all heirs, assigns, or successors in interest.

26           14.      Reliance. Each of the Parties represents, warrants, and agrees that in executing the  
27 Consent Order, he/she/it has relied solely on the statements set forth herein and the advice of their  
28 own counsel. Each of the Parties further represents, warrants, and agrees that in executing the

1 Consent Order it has placed no reliance on any statement, representation, or promise of any other  
2 party, or any other person or entity not expressly set forth herein, or upon the failure of any party or  
3 any other person or entity to make any statement, representation, or disclosure of anything  
4 whatsoever. The Parties have included this clause: (1) to preclude any claim that any party was in  
5 any way fraudulently induced to execute the Consent Order; and (2) to preclude the introduction of  
6 parol evidence to vary, interpret, supplement, or contradict the terms of the Consent Order.

7 15. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of  
8 the Consent Order will be valid or binding unless it is in writing and signed by each of the Parties.  
9 The waiver of any provision of the Consent Order will not be deemed a waiver of any other  
10 provision. No waiver by each of the Parties of any breach of, or of compliance with, any condition or  
11 provision of the Consent Order by another party will be considered a waiver of any other condition  
12 or provision or of the same condition or provision at another time.

13 16. Full Integration. This Consent Order is the final written expression and the complete  
14 and exclusive statement of all the agreements, conditions, promises, representations, and covenants  
15 among the Parties with respect to the subject matter hereof, and supersedes all prior or  
16 contemporaneous agreements, negotiations, representations, understandings, and discussions  
17 between and among the Parties, their respective representatives, and any other person or entity, with  
18 respect to the subject matter covered hereby.

19 17. Governing Law. This Consent Order will be governed by and construed in  
20 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court,  
21 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient  
22 forum to the maintenance of such action or proceeding in such court.

23 18. Counterparts. This Consent Order may be executed in one or more separate  
24 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall  
25 together constitute a single document.

26 19. Effect Upon Future Proceedings. If Chime applies for any license, permit or  
27 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future  
28 action by such agency to enforce this Consent Order, then the subject matter hereof shall be

1 admissible for the purpose of such application(s) or enforcement proceedings(s).

2       20.    Voluntary Agreement. Chime enters into this Consent Order voluntarily and without  
3 coercion and acknowledges that no promises, threats, or assurances have been made by the  
4 Commissioner, or any officer or agent thereof, about the Consent Order other than as reflected  
5 herein.

6       21.    Notice. Any notices required under the Consent Order shall be provided to  
7 each party at the following addresses:

8           If to Chime to:                   Jerney Creelan, Esq.  
9    Jenner & Block LLP  
10   1155 Avenue of the Americas  
11   New York, NY 10036-2711  
12   (212) 891-1678  
13   JCreelan@jenner.com

14           If to Commissioner to:       Paul Yee, Senior Counsel  
15   Department of Financial Protection and Innovation  
16   One Sansome Street, Suite 600  
17   San Francisco, California 94104-4448  
18   (415) 972-8544  
19   Paul.Yee@dfpi.ca.gov

20       22.    Signatures. An electronic signature, or a faxed, photocopied, or scanned copy of an  
21 original signature, shall be deemed the same as an original signature.

22       23.    Public Record. Chime acknowledges that this Consent Order shall be a matter of  
23 public record.

24       24.    Effective Date. The Consent Order shall become final and effective when signed by  
25 all Parties.

26       25.    Authority to Sign. Each signatory hereto covenants that he/she possesses all  
27 necessary capacity and authority to sign and enter into this Consent Order and undertake the  
28 obligations set forth herein.

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IN WITNESS WHEREOF, the Parties hereto have approved and executed this Consent Order on the dates set forth opposite their respective signatures.

Dated: February 27, 2024                      CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

Dated: February 21, 2024                      CHIME FINANCIAL, INC.

By \_\_\_\_\_  
ROY MCDONALD  
Associate General Counsel