

**UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING
File No. 2023-CFPB-0012

In the Matter of:

Chime, Inc. d/b/a Sendwave

CONSENT ORDER

The Consumer Financial Protection Bureau (Bureau) has reviewed the remittance transfer activities of Chime, Inc. d/b/a Sendwave (Respondent, as defined below) and has identified the following violations of law: violating the Electronic Fund Transfer Act (EFTA), 15 U.S.C. § 1693 *et seq.*, and its implementing Regulation E, 12 C.F.R. Part 1005, including Subpart B (the “Remittance Rule” or “Rule”), by failing to adhere to error resolution requirements, failing to provide required information in disclosures, failing to provide timely disclosures, failing to maintain required policies and procedures, and failing to provide consumers with the protections afforded under EFTA; and engaging in deceptive acts or practices in violation the Consumer Protection Act of 2010 (CFPA), 12 U.S.C. § 5531(a), 5536 by making misleading statements in

advertisements regarding the speed and cost of its remittance transfers. Under §§ 1053 and 1055 of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

I.

Jurisdiction

1. The Bureau has jurisdiction over this matter under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, and § 918 of EFTA, 15 U.S.C. § 1693o.

II.

Stipulation

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated October 13, 2023 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, without admitting or denying any of the findings of fact or conclusions of law, except that Respondent admits the facts necessary to establish the Bureau’s jurisdiction over Respondent and the subject matter of this action.

III.

Definitions

3. The following definitions apply to this Consent Order:
 - a. “Advertisement” or “Advertising” means any statement, illustration, depiction, or promotional material, whether in English or another language, that is designed to effect a sale or create interest in goods or services, regardless of where it appears. The term advertisement includes but is not limited to web pages, social media, and online videos created by Respondent or others on Respondent’s behalf.
 - b. “Affected Consumer” means any consumer: (i) for whom Respondent failed to make requested remittance transfer funds available by the date of availability specified in the receipt or combined disclosure, as applicable, through December 31, 2020; who submitted a Notice of Error about the remittance transfer; and who has not otherwise received a refund of the fees or taxes imposed by Respondent in connection with the remittance transfer (“Date of Availability Consumers”); or (ii) who sent at least one remittance transfer through Respondent from the United States to Nigeria between November 1, 2021, and December 31, 2022, and paid fees for that transfer (“Fee Consumers”).

- c. “Assisting Others” includes, but is not limited to, formulating or providing, or arranging for the formulation or provision of any advertising or marketing material.
- d. “Board” means Respondent’s duly-elected and acting Board of Directors.
- e. “Effective Date” means the date on which the Consent Order is entered on the administrative docket.
- f. “Enforcement Director” means the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau, or their delegate.
- g. “Supervision Director” means the Assistant Director for the Office of Supervision Policy for the Consumer Financial Protection Bureau, or their delegate.
- h. “Notice of Error” means any oral or written communication from a sender that meets the requirements of 12 C.F.R. § 1005.33(b).
- i. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.
- j. “Respondent” means Chime, Inc. d/b/a Sendwave, and its successors and assigns.

IV.

Bureau Findings and Conclusions

The Bureau finds the following:

4. Respondent is a nonbank fintech company that offers and provides to consumers international money transfers, known as “remittance transfers.” Respondent is incorporated in Delaware with its principal place of business in Boston, Massachusetts, and is a wholly owned subsidiary of WorldRemit US Holdings Inc. (US).
5. Respondent is authorized to transmit money in all 50 states and the District of Columbia. Respondent offers and provides remittance transfer services to consumers throughout the United States through its mobile application, the Sendwave App, that enables users to send money to recipients in several countries primarily in Africa and Asia. Recipients receive the remittance transfers by delivery either to a mobile wallet or bank account or via cash pick-up.
6. Respondent’s remittance transfers involve transmitting funds and thus constitute payment services. These services are offered to consumers primarily for personal, family, or household purposes. The services are therefore “consumer financial product[s] or service[s]” under the CFPA. 12 U.S.C. § 5481(6), (15)(A)(iv), (15)(A)(vii).

7. Respondent is a “covered person” under the CFPA because it offers or provides electronic-funds-transmission services and payment services. 12 U.S.C. § 5481(6), 15(A)(iv), 15(A)(vii).
8. Respondent is a remittance transfer provider under EFTA and Regulation E because it provides remittance transfers for consumers in the normal course of its business. 15 U.S.C. § 1693o-1(g)(3); 12 C.F.R. § 1005.30(f).
9. In 2010, Congress amended EFTA to create a comprehensive system of consumer protections for remittance transfers sent by consumers in the United States to recipients in foreign countries. To implement the new requirements under EFTA, the Bureau issued the Remittance Rule, which is part of Regulation E and became effective on October 28, 2013.
10. The Remittance Rule makes remittance transfers more transparent for consumers sending money abroad. Among other things, the Rule requires remittance transfer providers, such as Respondent, to disclose fees and date of availability information about each transfer, investigate and respond to Notices of Error by senders, and provide consumer remedies, including refunds in certain circumstances. The Rule also requires providers to create and maintain written policies and procedures that are designed to ensure compliance with the error resolution requirements set forth in the Rule, including policies and procedures regarding the retention of documentation

related to error investigations that must meet certain minimum criteria. The Rule also provides that remittance transfer providers are subject to the general record retention requirements of Regulation E.

11. Respondent began providing remittance transfer services in 2014, subsequent to the Remittance Rule having gone into effect. From 2014 through a 2020 Bureau examination of Respondent's business operations, Respondent violated EFTA, and Regulation E, including the Remittance Rule, as well as the CFPA.
12. Respondent was aware of EFTA and Regulation E, including the Remittance Rule, and the Rule's applicability to its remittance transfer services business, but Respondent failed to comply—in many cases for seven or more years—with several of the Remittance Rule's requirements.

**Findings and Conclusions as to Respondent's Violations of the CFPA
Respondent Violated the CFPA by Deceptively Advertising the Speed
and Cost of its Remittance Transfers.**

13. Sections 1031 and 1036 of the CFPA prohibit a "covered person" from committing or engaging in any "unfair, deceptive, or abusive act or practice" in connection with "any transaction with a consumer for a consumer financial product or service, or the offering of a consumer financial product or service." 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

14. Respondent's consumer-facing materials include statements regarding the speed and cost of remittance transfers—key value propositions Respondent focuses on in its advertisements.
15. From at least 2019 through 2021, marketing materials and Sendwave-sponsored advertisements observable on Facebook, Instagram, and YouTube included extensive consumer-facing representations regarding the speed of remittance transfers, claiming transfers would be delivered “instantly,” in “30 seconds,” or “within seconds.”
16. These statements were false and misleading because for many consumers, transfers were not delivered instantly or within seconds.
17. Respondent also misrepresented to consumers how much it would cost to send certain remittance transfers. From at least 2021 to 2022, Respondent advertised on its website that its transfers from the United States to Nigeria would take place “with no fees” when in fact consumers were charged fees.
18. Respondent's misrepresentations resulted in harm to Fee Consumers in the amount of fees they paid to Respondent for remittance transfers from the United States to Nigeria.
19. Respondent made these timing and cost assertions without qualification or disclaimers.

20. Respondent's misrepresentations concerning the speed and cost of remittance transfers in its advertisements were material and likely to mislead consumers acting reasonably under the circumstances.
21. Therefore, Respondent engaged in deceptive acts or practices in violation of §§ 1031 and 1036 of the CFPA. 12 U.S.C. §§ 5531(a), 5536.

Findings and Conclusions as to Respondent's Violations of EFTA and the Remittance Rule

22. Respondent Violated § 1693l of EFTA by Including an Improper Waiver of Consumer Rights in its Service Agreements. Section 1693l of EFTA provides that “[n]o other writing or other agreement between a consumer and any other person may contain any provision which constitutes a waiver of any right conferred or cause of action created by this subchapter.”
23. Section 916 of EFTA, 15 U.S.C. § 1693m(a), provides consumers a right of action against entities that violate the law, subject to certain qualifications.
24. Until at least 2021, when new customers wanted to use the Sendwave App to send a remittance transfer, they were required to sign a Remittance Services Agreement that included the following indemnity language:

“In consideration of our agreement to provide you with the Application and Service, you agree to indemnify and hold Sendwave harmless from and against any and all claims, suits, judgments, executions, liabilities, losses, damages, costs, and expenses- including reasonable attorney's fees- in connection with or arising out of (i) your use of the Application or the Service, (ii) your breach of this Agreement, or (iii) Sendwave acting upon your request for a Remittance. Without limiting the

generality of the foregoing indemnification obligation, you shall indemnify Sendwave for any losses caused due to any inaccurate, non-current or incomplete information that you provided to Sendwave and for any losses due to your failure to maintain the secrecy and confidentiality of all your IDs, passwords, or due to any unauthorized use of your ID and/or password.”

25. Requiring consumers to sign the Remittance Services Agreement containing the language set forth in Paragraph 24 constituted a waiver of consumers’ EFTA rights because the language Respondent used in its Remittance Services Agreement appears to require consumers waive their private rights of action against Respondent, thereby foreclosing the rights provided to consumers under EFTA Section 916. Thus, Respondent violated EFTA, 15 U.S.C. § 1693l.

Respondent Violated § 1693l of EFTA by Including an Improper Limited Liability Clause in its Service Agreements with Consumers.

26. Section 1693l of EFTA provides that “[n]o other writing or other agreement between a consumer and any other person may contain any provision which constitutes a waiver of any right conferred or cause of action created by this subchapter.”
27. 15 U.S.C. § 1693m(a)(3) provides that generally, in the case of a successful action to enforce EFTA, the defendant is liable to the consumer for “the costs of the action, together with a reasonable attorney’s fee as determined by the court.”

28. Until at least 2021, when new customers wanted to use the Sendwave App to send a remittance transfer, they were required to sign a Remittance Services Agreement that included the following Limited Liability clause:

“Under no circumstances will Sendwave be liable for damages, whether caused by the negligence of Sendwave’s employees, contractors, agents or others, beyond the sum of ONE THOUSAND UNITED STATES DOLLARS (US \$1,000.00), in addition to refunding the principal amount of the Remittance and any fees or costs you may have paid to Sendwave to send it, unless you have contacted Sendwave before you send your remittance and have obtained our written agreement to a higher limit on liability. If we agree to a higher limit on liability, we may charge you for it. Under no circumstances will Sendwave be liable for any incidental, indirect, special, punitive or consequential damages or the like.”

29. Requiring consumers to sign a Remittance Services Agreement which contained language limiting consumers’ damages and claims for costs and attorney fees constituted a waiver of consumers’ EFTA rights. Thus, Respondent violated EFTA, 15 U.S.C. § 1693l.

Respondent Violated 12 C.F.R. § 1005.31(e)(2) by Failing to Provide Consumers with a Timely Receipt.

30. Section 1005.31(e)(2) of the Remittance Rule generally requires a remittance transfer provider to provide the receipt required under Section 1005.31(b)(2) when payment is made for the remittance transfer.
31. Because Respondent offers remittance transfer services solely through use of its Sendwave App, it is required to mail or deliver receipts “no later than one business day after the date on which payment was made for a remittance

transfer,” rather than at the time payment is made. 12 C.F.R. § 1005.31(e)(2), Comment (e)-(4).

32. From 2014 until at least 2020, Respondent’s policy was to wait to electronically deliver the receipt for each remittance transfer until the funds were actually delivered to the recipient, which for some consumers took more than one business day.
33. By waiting until the funds were delivered to provide the receipt for these transactions, Respondent did not mail or deliver receipts in accordance with the Remittance Rule’s timing requirements.
34. Therefore, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.31(e)(2).

Respondent Violated 12 C.F.R. § 1005.33(c) by Failing to Investigate and Determine Whether an Error Occurred.

35. Upon receipt of a Notice of Error, Section 1005.33(c) of the Remittance Rule requires remittance transfer providers to promptly investigate and determine whether an error occurred.
36. Until at least 2021, Respondent did not consider the requirements of the Remittance Rule when receiving sender inquiries that might constitute Notices of Error. Respondent did not train employees on identifying, investigating, or properly responding to Notices of Error. Respondent did not identify potential Notices of Error from senders, nor did the company

investigate “errors” or “exceptions to errors” as defined by the Rule.

Respondent also failed to follow the error resolution procedures required by the Rule.

37. When a consumer properly asserts an error under the Remittance Rule and the remittance transfer provider determines that an error occurred, Section 1005.33(c)(2)(ii)(B) of the Rule generally requires the provider to refund “any fees imposed” as well as taxes, if not prohibited by law, levied on the transfer.
38. Because Respondent failed to conduct proper investigations in response to Notices of Error, consumers may not have received refunds or other remedies they were entitled to receive under the Rule.
39. Respondent’s failures resulted in harm to Date of Availability Consumers in the amount of fees they paid for remittance transfers for which they provided a Notice of Error to Respondent.
40. By failing to investigate and determine whether an error occurred, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.33(c).

Respondent Violated 12 C.F.R. § 1005.33(d) by Failing to Provide a Written Explanation of Findings and Inform Senders of Right to Request Documents in Response to a Notice of Error.

41. Section 1005.33(d) of the Remittance Rule sets forth the requirements a remittance transfer provider must follow in the event it determines that no

error or a different error occurred in response to a Notice of Error from a sender.

42. Under 12 C.F.R. § 1005.33(d)(1), in response to a Notice of Error by the sender, when a remittance transfer provider determines that no error or a different error occurred, the Remittance Rule requires the provider to provide to the sender: 1) a written explanation of the provider's findings, and 2) an indication that the sender has the right to request the documents on which the provider relied in making its determination.
43. Until at least December 2021, Respondent failed to consistently provide a written response to consumers that included an explanation of the results of any investigation and Respondent also failed to inform senders of their right to request the documents Respondent relied on in making its error determinations.
44. Therefore, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.33(d)(1).

Respondent Violated 12 C.F.R. § 1005.33(g) by Failing to Develop and Maintain Required Policies and Procedures for Error Resolution.

45. Section 1005.33(g)(1) of the Remittance Rule requires remittance transfer providers to maintain written policies and procedures designed to ensure compliance with the Rule's error resolution requirements.

46. Section 1005.33(g)(2) of the Remittance Rule requires that these policies and procedures ensure the retention of documents related to error investigations and imposes certain minimum criteria.
47. Respondent's policies and procedures were not "designed to ensure compliance" with the Remittance Rule's error resolution requirements. Until at least September 2021, eight years after the Remittance Rule went into effect, Respondent lacked written policies and procedures designed to accurately identify, categorize, or investigate Notices of Error, to effectively document the results of an error investigation, and to maintain documents related to error investigations. The failures were numerous. In particular, until at least 2021:
 - a. Respondent did not, in policy or practice, distinguish "Notices of Error" from other sender inquiries, and therefore did not identify whether a sender's inquiry was a "Notice of Error" under the Remittance Rule;
 - b. Respondent did not have the capability to identify or track Notices of Error that had been received from senders and therefore did not determine whether it was responding to Notices of Error within the timeframe required under the Rule; and
 - c. Respondent's written policies and procedures did not: (1) instruct employees on the Remittance Rule's error-resolution procedures, (2)

- inform employees how to comply with the error-resolution requirements under the Rule—including conducting investigations, providing responses to consumers, and determining appropriate remedies—or (3) ensure record retention for documents and correspondence related to error-resolution.
48. As a result, from the time Respondent began offering remittance transfer services in 2014 until at least 2021, Respondent lacked policies and procedures to (1) distinguish Notices of Error from other inquiries, (2) track Notices of Error in Respondent’s system of record, (3) conduct error investigations pursuant to the requirements of the Remittance Rule, (4) provide written responses to senders, or (5) determine and provide the appropriate remedies to senders.
49. From 2014 until at least 2021, Respondent had no specific policies and procedures in place to ensure the retention of (1) Notices of Error submitted by a remittance sender, (2) documentation related to the error, or (3) Respondent’s findings in response to a Notice of Error.
50. By failing to maintain policies and procedures designed to ensure compliance with the Rule’s error resolution requirements, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.33(g)(1)-(2).

Respondent Violated 12 C.F.R. § 1005.31(b)(2)(ii), and EFTA, 15 U.S.C. § 1693o-1(a)(1) and (a)(2)(B)(i)(II), by Failing to Accurately Disclose the Date of Fund Availability.

51. Section 1693o-1(a)(1) of EFTA provides that a “remittance transfer provider shall make disclosures as required ... in accordance with rules prescribed by the Bureau.”
52. Section 1005.31(f) of the Remittance Rule requires a remittance transfer provider to provide an “accurate” prepayment disclosure and receipt, or, where applicable, a combined disclosure, to a sender when the sender makes payment for the transfer.
53. Section 1693o-1(a)(2)(B)(i)(II) of EFTA provides that a “remittance transfer provider shall provide ... a receipt showing—... the promised date of delivery to the designated recipient.”
54. Section 1005.31(b)(2)(ii) of the Remittance Rule further requires remittance transfer providers to disclose the date in the foreign country on which funds will be available to the designated recipient, using the term “Date Available” or a substantially similar term.
55. From at least 2017 until at least 2020, Respondent violated Section 1005.31(b)(2)(ii) for certain funds sent to Nigeria because it did not disclose the date in the foreign country on which funds would be available to the designated recipient.

56. Instead, Respondent incorrectly disclosed as the date of fund availability the date the funds would be received by the recipient bank, rather than the date such funds would be available to the designated recipient.
57. The date the recipient bank would receive the funds was often not the same as the date the recipient could obtain the funds.
58. Until at least 2021, Respondent also violated this provision by failing to disclose on its receipts the date on which funds would be available to the designated recipient in the recipient's foreign country and instead disclosed the date of availability using the sender's time zone.
59. This resulted in inaccurate disclosures when, for example, a sender was in the Eastern Time Zone and the recipient was in a different GMT time zone, resulting in the recipient receiving the transfer on a different date than the one specified by Respondent.
60. As a result, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.31(b)(2)(ii), and EFTA, 15 U.S.C. § 1693o-1(a)(1) and (a)(2)(B)(i)(II).

Respondent Violated 12 C.F.R. § 1005.31(b)(1)(iv), and EFTA, 15 U.S.C. § 1693o-1(a)(1) by Failing to Accurately Disclose the Exchange Rate.

61. Section 1693o-1(a)(1) of EFTA provides that a "remittance transfer provider shall make disclosures as required ... in accordance with rules prescribed by the Bureau."

62. Section 1005.31(b)(1)(iv) of the Remittance Rule requires that an exchange rate be rounded consistently for each currency to no fewer than two and no more than four decimal places.
63. From 2014 until at least 2021, Respondent failed to round the exchange rate included on its disclosures to no fewer than two and no more than four decimal places. Instead, Respondent expressed the exchange rate using one decimal place or a whole number.
64. From 2014 until at least 2021, in numerous transactions, Respondent also failed to round consistently to the same decimal place for exchange rates in the same currency.
65. Therefore, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.31(b)(1)(iv) and EFTA, 15 U.S.C. § 1693o-1(a)(1).

Respondent Violated 12 C.F.R. § 1005.31(b)(1)(v) and (b)(1)(iv), and EFTA, 15 U.S.C. § 1693o-1(a)(1) by Failing to Provide Contact and Cancellation Information in Equal Prominence in Consumer Disclosures.

66. Section 1693o-1(a)(1) of EFTA provides that a “remittance transfer provider shall make disclosures as required ... in accordance with rules prescribed by the Bureau.”
67. Section 1005.31(c)(3) of the Remittance Rule states that written or electronic disclosures required by or permitted under Section 1005.31(b) must be disclosed “in equal prominence to each other.”

68. Section 1005.31(b)(2)(v) requires Respondent to provide “the name, telephone number(s) and Web site of the remittance transfer provider” on its receipts.
69. Section 1005.31(b)(2)(vi) requires a remittance transfer provider to disclose on its receipts “a statement that the sender can contact the State agency that licenses or charters the remittance transfer provider ... and the Consumer Financial Protection Bureau for questions or complaints about the remittance transfer provider...”
70. Section 1005.31(b)(2)(vi) also requires the provider to disclose the contact information for the applicable state agency and the Bureau, and to include the telephone number and website of each agency.
71. From 2014 until at least 2021, Respondent failed to provide the information required under Section 1005.31(b)(2)(v) and (vi) in equal prominence with the other disclosures required pursuant to Section 1005.31(b) on its receipt, such as the Transfer Amount, Total to Recipient, and Date of Availability disclosures.
72. Instead, Respondent’s contact information, the applicable state agency and Bureau contact information, and the cancellation disclosures were provided in a smaller font size and sometimes lighter colored font compared to other information on the receipt.

73. Therefore, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.31(b)(1)(v) and (b)(1)(iv) and EFTA, 15 U.S.C. § 1693o-1(a)(1).

Respondent Violated 12 C.F.R. § 1005.31(b)(1)(i), (b)(1)(iv), (b)(1)(vii), and (b)(2)(i)-(ii), and EFTA, 15 U.S.C. § 1693o-1(a)(1) by Failing to Use Specified Terms or “Substantially Similar” Terms in Consumer Disclosures.

74. Section 1693o-1(a)(1) of EFTA provides that a “remittance transfer provider shall make disclosures as required ... in accordance with rules prescribed by the Bureau.”

75. Sections 1005.31(b)(1)-(2) of the Remittance Rule specify the information that must be disclosed by a remittance transfer provider on its pre-payment disclosures and receipts.

76. Until at least 2021, Respondent’s pre-payment disclosures and receipts did not use terms required by the Remittance Rule, or substantially similar terms, to describe certain required disclosure information.

77. Until at least 2021, Respondent used noncompliant terms, including “Send” instead of “Transfer Amount,” “Rate” instead of “Exchange Rate,” “Receive” instead of “Amount to Recipient,” and “Amount Sent” instead of “Total” on its pre-payment disclosures and receipts.

78. Therefore, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.31(b)(1)(i), (b)(1)(iv), (b)(1)(vii), and (b)(2)(i)-(ii), and EFTA, 15 U.S.C. § 1693o-1(a)(1).

Respondent’s Violations of the Remittance Rule and EFTA are also Violations of § 5536(a)(1)(A) of the CFPA.

79. Section 1036(a)(1)(A) of the CFPA prohibits covered persons from offering or providing consumer financial products or services that are not in conformity with “Federal consumer financial law.” 12 U.S.C. § 5536(a)(1)(A).
80. The Remittance Rule is a “Federal consumer financial law.” 12 U.S.C. § 5481(14); 12 C.F.R. § 1005.1(a).
81. EFTA is an “enumerated consumer law” and a “Federal consumer financial law.” 12 U.S.C. § 5481(12)(C), (14).
82. As described above, Respondent offered or provided remittance transfers not in conformity with EFTA, Regulation E, and the Remittance Rule.
83. Respondent therefore violated § 1036(a)(1)(A) of the CFPA, 12 U.S.C. § 5536(a)(1)(A).

CONDUCT PROVISIONS

V.

Prohibited Conduct

IT IS ORDERED, under §§ 1053 and 1055 of the CFPA, that, in connection with remittance transfers originating from Chime, Inc. accounts:

84. Respondent and its officers, agents, servants, employees, and attorneys and all other persons in active concert or participation with them who receive

actual notice of this Consent Order, whether acting directly or indirectly, in connection with the provision of remittance transfers, may not violate the error-resolution requirements of EFTA, 15 U.S.C. § 1693o-1, and the Remittance Rule, 12 C.F.R. § 1005.33, and is prohibited from:

- a. failing to develop and maintain written policies and procedures that are designed to ensure Respondent's compliance with the Rule's error resolution requirements;
- b. failing to investigate promptly and determine whether an error occurred in response to a sender's Notice of Error, report the results of the investigation to the sender, and when making that report to the sender, include notice of remedies available for correcting any errors that Respondent determines have occurred;
- c. failing to provide the sender with a written explanation if Respondent's investigation finds no error or finds an error different from the one alleged in the sender's Notice of Error;
- d. failing to refund a sender all fees and taxes imposed when the sender provides a Notice of Error and Respondent determines that an error occurred;
- e. failing to incorporate the record retention requirements of Section 1005.13(b)(1) of Regulation E—that Respondent retain evidence of

- compliance with the Rule’s error resolution requirements, for at least two years, including retention of evidence demonstrating that its procedures reasonably ensure the senders’ receipt of required disclosures and documentation; and
- f. failing to identify whether a sender’s request for documentation or for additional information or clarification concerning a remittance transfer constitutes a “Notice of Error” under the Rule.
85. Respondent and its officers, agents, servants, employees, and attorneys who receive actual notice of this Consent Order, whether acting directly or indirectly, in connection with the provision of remittance transfers may not violate the disclosure requirements of the Remittance Rule, 12 C.F.R. § 1005.31, and of EFTA, 15 U.S.C. § 1693o-1, and is prohibited from:
- a. failing to send accurate and timely disclosures, receipts, and combined disclosures to a sender when the sender makes payment for the transfer;
 - b. failing to provide a disclosure showing the promised date of delivery to the designated recipient consistent with the Rule;
 - c. failing to disclose to the sender the date on which funds will be available to the designated recipient in the foreign country, using the term “Date Available” or a substantially similar term;

- d. failing to disclose the exchange rate used for the remittance transfer in compliance with the Rule and using the term “Exchange Rate” or a substantially similar term;
 - e. failing to disclose the total amount of the transaction in the currency in which the remittance transfer is funded, using the term “Total,” or a substantially similar term;
 - f. failing to disclose the amount that will be transferred to the designated recipient, using the term “Transfer Amount” or a substantially similar term;
 - g. failing to disclose the amount that will be received by the designated recipient, in the currency in which the funds will be received, using the term “Total to Recipient” or a substantially similar term; and
 - h. failing to include on remittance transfer receipts or combined disclosures the contact and cancellation information required by the Rule in “equal prominence to each other.”
86. Respondent and its officers, agents, servants, employees, and attorneys who receive actual notice of this Consent Order, whether acting directly or indirectly, in connection with the provision of remittance transfers are prohibited from offering or providing remittance transfers where a consumer

is required to waive any right conferred or cause of action created by EFTA in violation of 15 U.S.C. § 1693l.

Prohibition on Deceptive Practices

87. Respondent, and its officers, agents, servants, employees, and attorneys who receive actual notice of this Consent Order, whether acting directly or indirectly, in connection with Advertising, marketing, promoting, offering or providing remittance transfer services, may not violate Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536, and is prohibited from misrepresenting, or Assisting Others in misrepresenting, expressly or impliedly:
- a. The cost or fees associated with sending a remittance transfer;
 - b. The speed or timing of a remittance transfer; or
 - c. Any other fact material to a consumer.

Affirmative Requirements

88. Respondent, in connection with the offering or provision of remittance transfers must take the following affirmative actions:
- a. Develop, implement, and maintain written policies and procedures designed to ensure Respondent's compliance with EFTA and the Remittance Rule, including but not limited to written policies and procedures detailing the roles and responsibilities of Respondent's

- officers, agents, and employees in complying with error resolution requirements;
- b. Develop, implement, and maintain a compliance management system that is designed to ensure that Respondent's operations comply with EFTA and the Remittance Rule;
 - c. Conduct training and oversight of all agents, employees, and service providers that is reasonably designed to ensure compliance with EFTA and the Remittance Rule;
 - d. Develop and maintain monitoring and audit functions designed to uncover and promptly remedy deficiencies or violations of EFTA and the Remittance Rule; and
 - e. Develop, implement, and maintain a comprehensive advertising compliance policy and procedure for evaluating all new and existing Advertisements for compliance with Federal consumer financial law.

VI.

Compliance Plan

IT IS FURTHER ORDERED that:

- 89. Within 60 days of the Effective Date, Respondent must create and implement a comprehensive compliance plan designed to ensure that Respondent's remittance transfer services comply with all applicable laws

that the Bureau enforces, including Federal consumer financial laws, and the terms of this Consent Order (Compliance Plan). The Compliance Plan must include, at a minimum:

- a. Detailed steps for addressing each action required by this Consent Order;
 - b. A mechanism to ensure that the Board is kept apprised of the status of compliance actions;
 - c. A detailed description of each of the requirements set forth in Paragraph 88(a)-(e); and
 - d. Specific timeframes and deadlines for implementation of the steps described above, including, but not limited to, requirements set forth in Paragraph 88(a)-(e).
90. Respondent will provide the Compliance Plan to the Bureau upon request.

VII.

Role of the Board

IT IS FURTHER ORDERED that:

91. Respondent's Board has the ultimate responsibility for ensuring that Respondent complies with this Consent Order.
92. Respondent's Board must review all plans, reports, programs, policies, and procedures required by this Consent Order, and any submissions to the Bureau prior to such submission.

93. One year after the Effective Date, Respondent must submit to the Supervision Director an accurate written compliance progress report (Compliance Report) that has been approved by the Board, the accuracy of which is sworn to under penalty of perjury, and which, at a minimum:
- a. Describes the steps that Respondent's Board have taken to reasonably assess whether Respondent is complying with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of the Order;
 - b. Describes in detail whether and how Respondent has complied with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of the Order, including the manner of verification of such compliance and any corrective actions taken to remedy potential noncompliance with the applicable requirement, paragraph, or subparagraph; and
 - c. Attaches a copy of each Order Acknowledgment obtained under Section XII, unless previously submitted to the Bureau.
94. The Board must:
- a. Authorize whatever actions are necessary for Respondent to assess whether Respondent is complying with the Compliance Plan and each applicable paragraph and subparagraph of the Order;

- b. Authorize whatever actions, including corrective actions, are necessary for Respondent to fully comply with the Compliance Plan and each applicable paragraph and subparagraph of the Consent Order; and
- c. Require timely reporting by Respondent's management to the Board on the status of compliance obligations.

MONETARY PROVISIONS

VIII.

Order to Pay Redress

IT IS FURTHER ORDERED that:

- 95. Within 10 days of the Effective Date, Respondent must reserve or deposit into a segregated deposit account \$1,300,000 for the purpose of providing redress to Fee Consumers as required by this Section, and \$124,268.32 for the purpose of providing redress to Date of Availability Consumers as required by this Section.
- 96. Within 45 days of the Effective Date, Respondent must submit to the Enforcement Director for review and non-objection a comprehensive written plan for providing redress consistent with this Consent Order (Redress Plan). The Enforcement Director will have the discretion to make a determination of non-objection to the Redress Plan or direct Respondent to revise it. If the Enforcement Director directs Respondent to revise the Redress Plan,

Respondent must revise and resubmit the Redress Plan to the Enforcement Director within 15 days. After receiving notification that the Enforcement Director has made a determination of non-objection to the Redress Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.

97. The Redress Plan must, at a minimum, identify Respondent's: (i) methodology used to identify all Affected Consumers and to calculate fees and where applicable, taxes, imposed on their remittance transfers as well as a complete list of all Affected Consumers and amounts to be refunded; (ii) plan for locating Affected Consumers and notifying them that they are entitled to redress; (iii) method(s) by which Respondent will refund Affected Consumers; and (iv) specific steps and deadlines for completing each step of the Redress Plan, including identifying which of Respondent's officers, agents, servants, employees, and attorneys will be responsible for executing the Redress Plan.
98. After completing the Redress Plan, if the amount of redress provided to Fee Consumers is less than \$1,300,000, within 30 days of the completion of the Redress Plan, Respondent must pay to the Bureau, by wire transfer to the Bureau or to the Bureau's agent, and according to the Bureau's wiring instructions, the difference between the amount of redress provided to Fee

Consumers and \$1,300,000. After completing the Redress Plan, if the amount of redress provided to Date of Availability Consumers is less than \$124,268.32, within 30 days of the completion of the Redress Plan, Respondent must pay to the Bureau, by wire transfer to the Bureau or to the Bureau's agent, and according to the Bureau's wiring instructions, the difference between the amount of redress provided to Date of Availability Consumers and \$124,268.32.

99. The Bureau may use these remaining funds to pay additional redress to Affected Consumers. If the Bureau determines, in its sole discretion, that additional redress is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional redress is completed, the Bureau will deposit any remaining funds in the U.S. Treasury. Respondent will have no right to challenge any actions that the Bureau or its representatives may take under this Section.
100. Respondent may not condition the payment of any redress to any Affected Consumer under this Consent Order on that Affected Consumer waiving any right.

IX.

Order to Pay Civil Money Penalty

IT IS FURTHER ORDERED that:

101. Under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, Respondent must pay a civil money penalty of \$1,500,000 to the Bureau.
102. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.
103. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by § 1017(d) of the CFPA, 12 U.S.C. § 5497(d).
104. Respondent, for all purposes, must treat the civil money penalty paid under this Consent Order as a penalty paid to the government. Regardless of how the Bureau ultimately uses those funds, Respondent may not:
 - a. Claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
 - b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this

Consent Order; notwithstanding the above, Respondent may seek reimbursement or indemnification of the civil money penalty paid under this Consent Order from former shareholders of Chime, Inc., pursuant to the merger agreement between Chime, Inc. and WorldRemit.

105. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer Action because of the civil money penalty paid in this action or because of any payment that the Bureau makes from the Civil Penalty Fund. If the court in any Related Consumer Action offsets or otherwise reduces the amount of compensatory monetary remedies imposed against Respondent based on the civil money penalty paid in this action or based on any payment that the Bureau makes from the Civil Penalty Fund, Respondent must, within 30 days after entry of a final order granting such offset or reduction, notify the Bureau, and pay the amount of the offset or reduction to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

X.

Additional Monetary Provisions

IT IS FURTHER ORDERED that:

106. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.
107. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondent.
108. Under 31 U.S.C. § 7701, Respondent, unless it already has done so, must furnish to the Bureau its taxpayer-identification numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.
109. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondent must notify the Enforcement Director of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondent paid

or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

COMPLIANCE PROVISIONS

XI.

Reporting Requirements

IT IS FURTHER ORDERED that:

110. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address. Respondent must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.
111. Within 7 days of the Effective Date, Respondent must:
 - a. designate at least one telephone number and email, physical, and postal addresses as points of contact that the Bureau may use to communicate with Respondent;

- b. designate at least one telephone number and email, physical, and postal addresses as points of contact for consumers with inquiries related to consumer relief under the Consent Order;
 - c. identify all businesses for which Respondent is the majority owner, or that Respondent directly or indirectly controls, by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; and
 - d. describe the activities of each such business, including the products and services offered, and the means of advertising, marketing, and sales.
112. Respondent must report any change in the information required to be submitted under Paragraph 111 above at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.

XII.

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that:

113. Within 7 days of the Effective Date, Respondent must submit to the Supervision Director an acknowledgment of receipt of this Consent Order, sworn under penalty of perjury.
114. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of its board members and executive officers, as well

as to any managers, employees, service providers, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.

115. For 5 years from the Effective Date, Respondent must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section XI, any future board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who will have responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.
116. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.*, within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.
117. Ninety days from the Effective Date, Respondent must submit to the Bureau a list of all persons and their titles to whom this Consent Order has been delivered under the Section of this Order titled “Order Distribution and Acknowledgment” and a copy of all signed and dated statements acknowledging receipt of this Consent Order under Paragraph 116.

XIII.

Recordkeeping

IT IS FURTHER ORDERED that:

118. Respondent must create and retain the following business records:
- a. All documents and records necessary to demonstrate full compliance with the Compliance Plan and each provision of this Consent Order, including all submissions to the Bureau;
 - b. All documents and records pertaining to the Redress Plan, described in Section VIII above;
 - c. Templates of all prepayment disclosures, receipts, and combined disclosures, along with records sufficient to demonstrate the dates and locations in which each template was in use and the number of consumers who received each template, for remittance transfers;
 - d. Copies of all training materials, Advertisements, websites, and other marketing materials created by Respondent for remittance transfers, including any such materials used by a third-party on Respondent's behalf; and
 - e. All consumer complaints, Notices of Error, and refund requests (whether received directly or indirectly, such as through a third party), determinations of error or non-error under the Remittance Rule, and any

- responses to those notices, complaints or requests in connection with remittance transfers.
- f. All documents and records must be maintained in their original electronic format. Data should be centralized, and maintained in such a way that access, retrieval, auditing and production are not hindered.
119. Respondent must make the documents identified in Paragraph 118 available to the Bureau upon the Bureau's request.

XIV.

Notices

IT IS FURTHER ORDERED that:

120. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, "*In re* Chime, Inc., File No. 2023-CFPB- 0012," and send them by email to Enforcement_Compliance@cfpb.gov:

ATTN: Supervision Director
Consumer Financial Protection Bureau
Office of Supervision Policy

ATTN: Enforcement Director
Consumer Financial Protection Bureau
Office of Enforcement

XV.

Compliance Monitoring

IT IS FURTHER ORDERED that:

121. Within 14 days of receipt of a written request from the Bureau, Respondent must submit additional Compliance Reports or other requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.
122. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview regarding: (a) this matter; (b) anything related to or associated with the conduct described in Section IV; or (c) compliance with the Consent Order. The person interviewed may have counsel present.
123. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

XVI.

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

124. Respondent may seek a modification to non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Supervision Director.
125. The Supervision Director may, in their discretion, modify any nonmaterial requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) if he or she determines good cause justifies the modification. Any such modification by the Supervision Director must be in writing.

ADMINISTRATIVE PROVISIONS

XVII.

IT IS FURTHER ORDERED that:

126. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau from taking any other action against Respondent, except as described in Paragraph 127. Further, for the avoidance of doubt, the provisions of this Consent Order do not bar, estop, or otherwise prevent any other person or governmental agency from taking any action against Respondent.

127. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.
128. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.
129. This Consent Order will terminate on the later of 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondent, if such action is initiated within 5 years of the Effective Date. If such action is dismissed or the relevant adjudicative body rules that Respondent did not violate any

provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

130. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
131. Should Respondent seek to transfer or assign all or part of its operations that are subject to this Consent Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.
132. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under §1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.

133. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.
134. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent or its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 16th day of October, 2023.

Rohit Chopra

Rohit Chopra

Director

Consumer Financial Protection Bureau