



**AMERICAN ARBITRATION ASSOCIATION
Consumer Arbitration Rules**

In the Matter of the Arbitration between

Case Number: 01-24-0007-1192

 Pier Claimant
-vs-
Green Dot Bank, N.A. Respondent

INTERIM AWARD OF ARBITRATOR

I, [REDACTED], the undersigned arbitrator, having been designated in accordance with the arbitration agreement entered into by the above-named parties and having been duly sworn, and oral hearings having been waived in accordance with the Rules, and having reviewed and considered the written documents submitted to me by the parties, each represented by counsel, do hereby issue this Interim Award as follows:

Introduction.

Claimant April Pier (“Pier”) brought this arbitration arising out of her purchase of a prepaid debit card at a Walmart store in Florida. Pier claims that she loaded the card with \$300 and activated the card in accordance with the procedures set forth in the card packaging. When Pier tried to check the balance on her debit card by calling Green Dot, she learned that the account had been registered in someone else’s name and that the full \$300 had been depleted, so that the card had a zero balance. Pier claims that the \$300 transaction resulting in the depletion of funds from the card was unauthorized, and therefore that she is entitled to, among other things, a return of her \$300 and various other relief.

Pier brings seven claims relating to these events, which are set forth in an Amended Demand filed on December 2, 2024. Five of those claims are brought under the federal Electronic Funds Transfer Act (“EFTA”) and Regulation E (“Reg E”):

- (1) Failure to conduct a proper and good faith investigation
- (2) Permitting an unauthorized transaction.
- (3) Failure to timely investigate and credit Claimant's account
- (4) Failure timely to report the results to Claimant and credit her account, and
- (5) Failure to provide periodic monthly statements.

In addition, Claimant brings two state law claims:

- (6) Money had and received
- (7) Violation of the Utah Consumer Sales Practices Act (“UCSPA”).

As relief, Claimant seeks actual damages, treble damages available under the EFTA, statutory damages available under both the EFTA and the UCSPA, attorneys' fees and costs, and "any further relief that the Arbitrator deems Claimant is entitled." (Amended Demand, p. 11)

Key Factual Issues

The resolution of virtually all of Pier's claims depends on whether she registered the debit card account after she purchased it and thus was the owner of the debit card account. This issue is critical because Reg E defines an "unauthorized" electronic funds transfer as one from "a consumer's account initiated by a person other than the consumer." Thus, whether the Account at issue was Pier's "consumer account" is key to determining whether the funds-depleting transaction was unauthorized. Some of the facts relating to this issue are undisputed, and others are heavily disputed, as I will explain below.

Here is what is undisputed. The parties agree that on July 17, 2024, Pier purchased the prepaid debit card at issue from a Walmart store in Florida, and the last four digits of the debit card were 9843 (the "Card" or "Account"). She paid \$301 -- \$1 for the Card itself and \$300 in funds to be made available on the Card. Pier has a receipt showing the purchase of the Card, and it indicates that she made the purchase at 11:11 am EST that day. Pier provided a copy of the physical Card and the receipt to Green Dot, and it does not dispute that Pier purchased the Card.

Shortly after Pier purchased the Card, Green Dot's records indicate that the Account was registered to someone whose first name is "Minjie," and that person then used the entire \$300 balance to make a transaction with a merchant named Taycan LLC (the "Taycan Transaction"). Green Dot's records show that the Taycan Transaction took place at 2:30 pm – just a few hours after Pier purchased the Card. Green Dot's account notes for the Card indicate that, at 2:45 pm – just 15 minutes later – the Card was "blocked due to unusual activity" and would remain blocked until the cardholder submitted "an image of their DL or state ID" at a specified website. The account notes include an entry from just after midnight indicating that the account had been "blocked due to unusual registration activity." But the blocking of the Account took place after Green Dot had already processed the Taycan Transaction for the full amount on the Card, which meant that the blocking of the Account had no financial impact and did not preserve any funds on the Card.

On July 18, Pier called Green Dot to inquire about the Card and learned for the first time that it had been registered by someone else. Pier had a series of calls and emails with Green Dot over the following days, the end result of which was that Green Dot told Pier she was not entitled to any refund of her \$300. As part of this back-and-forth, Green Dot asked for, and Pier provided, a copy of the physical Card and the receipt showing her purchase of the Card from Walmart. Green Dot does not say why it asked for those items, given its position that the Card had been registered to someone else.

The facts relating to registration of the Account are disputed. The parties have submitted conflicting evidence on whether Pier registered the Account. Pier says she did. She submitted a declaration with her opening brief in which she testified that "I registered the Account per the instructions provided by Green Dot." (Ex. A, ¶ 3). She also testified that she "does not know" or "have any relationship" with Minjie (¶ 9) and "did not provide my Account to anyone." (¶ 10). Pier also presented the recordings from her telephone calls with Green Dot that occurred from July 18-23, 2024, and in many of those call recordings, Pier told Green Dot that she had registered the Account. *See, e.g.*, Pl. Exs. P, R.

Green Dot says Pier never registered the Card. Green Dot submitted a declaration from Sara Burns, its Senior Director of Fraud Operations, in which she testified that a card can only be registered once (¶ 6) and that the Card was never registered in Pier's name. (¶ 9). Burns testified that, in situations like this one, in which a third party, non-purchaser registers an account and the card purchaser claims the registrant was unauthorized, "Green Dot must *surmise* that the purchaser provided the necessary registration information to the third party." (¶ 15) (emphasis added). Burns does not provide any facts to support this surmise as to Pier's circumstances, but Burns' testimony suggests Green Dot makes this assumption every time this scenario occurs. And even though Burns is in Green Dot's Fraud Department, her Declaration does not address the July 17-18 entries in the Account Notes indicating that Green Dot suspected fraud in connection with the registration of the Card.

Both parties have pointed me to prior arbitration decisions in which they contend that arbitrators have ruled in their favor under similar circumstances. None of these decisions involved similar circumstances in which registration of

the account was disputed. The three decisions on which Pier mainly relies (*Hubbard, Delano, and Rhodes*) all involved circumstances in which registration of the account was not disputed or was not discussed. The three decisions on which Green Dot mainly relies (*McGaughey, Martin, and Casilio*) involved circumstances in which a claimant either admitted that they were unsure if they completed the account registration or did not disavow knowing the registrant. For example, in *Martin*, the claimant testified that she attempted to register the account but was unable to do so. In circumstances in which registration was uncertain, it makes sense that Green Dot would treat the person who registered the account as the account owner. Green Dot needs a bright line rule about ownership, otherwise its prepaid card business would be impossible to administer. Anyone could just call Green Dot and claim that they were the account owner. Thus, under most circumstances, it is entirely understandable that Green Dot would treat the person who its records identify as the registrant as the owner of the account.

But the circumstances here are unique. Pier testified unequivocally that she registered the Card, and her testimony is supported by several other facts. First, in many of the call recordings from July 2024 when Pier was attempting to resolve her dispute informally, Pier repeatedly told Green Dot representatives that she had registered the Card – and she said this before she filed this arbitration. *See* Pl. Exs. P, R. Moreover, as noted above, she specifically testified that she registered the Account and never provided the Account information to Minjie or anyone else.¹ Second, the call recordings indicate that Pier knew how to register the Card, because she told Green Dot that she bought two cards – one with \$100 and one with \$300 – and Green Dot confirmed that the \$100 card was registered in her name, which shows that Pier knew how to register the account (unlike, say, the claimant in *Martin*). *See* Pl. Ex. N. Third, Pier had a credible explanation for purchasing the Card for her own use – she needed the money to pay for a hotel room the next day – and on the call recordings, her reactions to being advised that she would not get any refund suggest she was telling the truth. Fourth, Green Dot’s Account Notes indicate that there was suspicion surrounding the registration of the Card, and Green Dot has not addressed those entries in its brief or the Burns Declaration. Fifth, Green Dot appears to have acknowledged that Pier may have a legitimate claim to the Card funds because, according to Burns, Green Dot was willing to provide any remaining funds on the Card to her, even though Green Dot claimed that it was Minjie’s account.

Under these very unique circumstances, I am inclined to credit Pier’s testimony that she registered the Card, or at the very least, the registration in Minjie’s name was fraudulent, and therefore the account should be treated as Pier’s consumer account for purposes of at least the EFTA and Reg E dispute resolution provisions.

But this decision should not be cited in future cases as support for dissimilar claims. To be clear, I agree with Green Dot that, given the nature of the prepaid debit card product (one often given as a gift to others and thus the registrant and the purchase will be different people), as a general rule, Green Dot is entitled to treat the person in whose name an account is registered as the account owner. The rulings in *McGaughey, Martin, and Casilio* make sense to me – if a claimant is not the person who registered the account and cannot recall whether they registered the account or does not disavow knowing the registrant, they should not be able to pursue claims under the EFTA and Reg E as if they were the owner of the account. However, the very unique circumstances of this case amount to an exception to what otherwise should be a hard-and-fast general rule, akin to a rebuttable presumption. While I am relying on the combination of all the facts described above in concluding that this case qualifies as an exception to the general rule, I am particularly persuaded in this case by the fact that the Account Notes indicate that there may have been fraud in the registration process, and that suspicion led Green Dot to block the Account.

Having made this factual determination, I now proceed to address each of Pier’s seven claims, and the relief to which she is entitled.

¹ Green Dot also cites *Casilio*, but the claimant’s declaration in that case was silent about knowledge of, or providing account information to, a third party. Here, Pier’s declaration specifically says, and she told Green Dot in July 2024, that she did not know Minjie and did not provide her account information to Minjie. *See* Pier Decl. ¶¶ 9, 10.

Claims 1-4

I start with Claim 2, since that is in reality the main claim, concerning whether Pier is liable for the \$300 Taycan Transaction, which she testified is unauthorized. Under Section 1693g(b), the burden of proof is on Green Dot to show that the transaction was unauthorized. Green Dot has not carried its burden. Instead, it claims that the Account should be treated as a “consumer account” of Minjie and that he authorized the Taycan Transaction. Since I have found that the Card should be treated as Pier’s “consumer account” for purposes of Reg E’s dispute resolution provisions, and Green Dot has offered no proof that Pier authorized the Taycan Transaction, Pier prevails on Claim 2. Green Dot’s “surmise” that Pier provided her account to Minjie is not proof and thus fails to carry Green Dot’s burden.

As to Claim 1, 3 and 4, I find in favor of Pier for similar reasons. While Green Dot conducted an investigation within the requisite time frames, there is no evidence that it investigated the possibility raised in its Account Notes that the registration was unusual and potentially fraudulent.

Claim 5

I find in favor of Green Dot on Claim 5. While I find that the Card should be treated as Pier’s “consumer account” for purposes of the EFTA dispute resolution provisions, I find that Green Dot should be permitted to rely on the registrant listed in its account records for purposes of providing periodic statements. In this case, by the time that Green Dot had learned that there was a dispute about ownership, the Account had already been depleted, so sending account statements to Pier would be pointless.

Claim 6

Pier brings a state law claim for money had and received. Equitable remedies are generally available only as a last resort when legal remedies are insufficient. In this case, there is an available legal remedy: the EFTA and Reg E. Any recovery for Pier’s damages will be awarded under the EFTA, and there is no basis for awarding damages under a state law equitable theory. I therefore find in favor of Green Dot on this claim.

Claim 7

The UCSPA provides a cause of action against a seller who commits either a deceptive or unconscionable act or practice in connection with a consumer transaction. *See Utah Code §§ 13-11-4(1) to 5(1).* Pier argues in her brief that the deceptive act was misleading claimant about the fraudulent takeover of her account and the fraudulent charges. Brief, pp. 23. Not only do I find no support for this claim, I find exactly the opposite: Green Dot repeatedly told Pier during the July 18-23 exchanges that the Account had been registered to someone else and that no funds remained on the Account. I see nothing in the record indicating that Green Dot acted in a deceptive or unconscionable manner, and my conclusion that, under the unusual circumstances of this case, Pier should have been treated as the account holder does not change my ruling on the UCSPA claim. I find in favor of Green Dot on this claim.

Award

In light of my rulings above, Claimant is awarded the following:

- (1) \$300 in actual damages;
- (2) \$1,000 in statutory damages pursuant to 15 USC § 1693.

This Interim Award is in full settlement of the merits of all claims submitted to this arbitration, except for the determination of reasonable attorney fees and costs in favor of Claimant as set forth above. The arbitrator retains jurisdiction to address Claimant’s claims for reasonable attorney fees and costs. Claimant shall submit their accounting of such reasonable attorney fees and costs and any supporting documents related thereto to the arbitrator within seven (7) days of the date of this Interim Award. Respondent shall submit any responsive

statement and supporting documents within seven (7) days of the statement to respond. The matter shall be deemed submitted to the arbitrator for determination in a Final Award upon and after such submissions.

This interim award shall remain in full force and effect until the arbitrator issues a Final Award.

Dated: July 29, 2025

/s/ [REDACTED]
[REDACTED], Arbitrator