



AMERICAN ARBITRATION ASSOCIATION

In the Matter of the Arbitration between

Case Number: 01-18-0001-2052

Martin Thomas

-vs-

1Debit, Inc. and The Bancorp Bank

AWARD OF ARBITRATOR

I, Nancy L Gervinski, 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 fully reviewed and considered the written documents submitted to me by the parties, each represented by counsel, do hereby, AWARD, as follows:

This matter came before the arbitrator pursuant to a mandatory arbitration clause in a Chime Checking Account between Claimant, Martin Thomas, and Respondent, Bancorp Bank. The Claimant used a debit card from Respondent, 1Debit Inc., to access funds in the account. Claimant, Martin Thomas, filed a cause of action against both Respondents and no attempt was made to sever liability between Respondents for violations of Regulation E. (12 CFR 205)

The parties stipulated to a desk arbitration upon submission of documents. Claimant's submissions were received on June 20, 2018. Respondents' submissions were received on August 28, 2018. The hearing was closed on August 30, 2018.

Claimant timely reported several unauthorized transactions in reference to his Chime Checking account on February 27, 2018. Pursuant to the contract, the claimant first reported orally the transactions, then upon request, submitted them in written form to Respondents.

The burden shifts to Respondents to investigate the assertion of an unauthorized transaction(s) and report to Claimant. Respondents conducted an investigation of the assertion of the unauthorized transaction(s). Respondents found that the transactions were authorized. Respondents met their burden and properly found that the charges were not unauthorized.

If the financial institution finds that there was no error, it must provide the consumer with a denial of the unauthorized transactions and an explanation of the findings. See, 12 CFR 205(d)(1)

The consumer reported unauthorized transactions for \$150 and \$40 for a total of \$190.00. The Respondents sent a denial of the unauthorized transactions in two formats, an email and letter. These communications were succinct as to the denial and stated that the Claimant could use a link or contact to get further information as to the denial. Neither communication contained an explanation as to the denial of the unauthorized charges.

Definition of explanation : the act or process of making something clear or easy to understand : the act or process of telling, showing, or being the reason for or cause of something. Something (such as a statement or fact) that explains something.

Merriam-Webster Dictionary

The arbitrator herein finds that the communications did not comply with the requirements of 12 CFR 205(d)(1). An explanation was not provided to the Claimant in the communication denying the unauthorized transactions.


The arbitrator herein finds that the Claimant, Martin Thomas, is entitled to an AWARD against Respondents, 1Debit Inc. and Bancorp Bank, jointly and severally, in the amount of \$1,000.00, and an AWARD of attorney fees in the amount of \$3,397.50.

The administrative fees of the American Arbitration Association (AAA) totaling \$1900.00 shall be borne as incurred, and the compensation of the arbitrator totaling \$1500.00 shall be borne as incurred.

This Award is in full settlement of all claims submitted to this Arbitration. All claims not expressly granted herein are hereby denied.

9/5/2018

Date



Nancy L Gervinski, Arbitrator