

AMERICAN ARBITRATION ASSOCIATION

In the Matter of the Arbitration between

Case Number: 01-18-0001-3795

Burnette Benson (“Claimant”)

-vs-

Card.com and The Bancorp Bank (“Respondent”)

AWARD OF ARBITRATOR

I, Lawrence W Kern, 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:

I. Background

This matter came before the Arbitrator pursuant to a mandatory arbitration clause in the CARD.COM debit card account between BURNETT BENSON, Claimant and CARD.COM. and BANCORP BANK, Respondent. The Claimant used a debit card from Respondent to access funds in the account. BURNETT BENSON, Claimant filed a cause of action against both Respondents and no attempt was made to sever liability between Respondents for violation of Regulation E (12 CFR 205).

The parties stipulated to desk arbitration upon submission of documents. Both parties submitted all documents and briefs on or before September 27, 2018.

II. Discussion

Claimant, BURNETT BENSON timely reported several unauthorized transactions to her CARD.COM debit card account. The Claimant reported these alleged unauthorized transactions on March 1, 2018.

CARD.COM is a debit card issued by BANCORP BANK and serviced by the manager, CARD.COM. CARD.COM markets their services to individuals who do not have traditional banking services. A significant number of the prepaid debit card’s customers are poor and working class Americans who cannot afford to establish traditional banking accounts. Claimant filed this arbitration after she discovered a series of unauthorized transactions on her card on March 1, 2018. The unauthorized transactions totaled approximately \$1,403.11. Pursuant to the contract the Claimant first reported orally the transactions, and then upon request submitted them in written form to the Respondents. The burden shifts to the Respondents to investigate the assertions of an unauthorized transaction and report to Claimant. Respondent conducted an

extensive investigation of the assertion of unauthorized transaction. Respondent found the transactions were authorized. Respondents met their burden and promptly found that the charges were authorized.

If the financial institution find that there was no error it must provide the customer with a denial of the unauthorized transactions and an explanation of the findings C 12.C.F.R. 205 (D) (1). The Respondent sent a denial of the unauthorized transaction in two formats, an e-mail and a letter. These communications stated that the Claimant could use a link or contact CARD.COM 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 finds that communication did not comply with the requirements of 12 C.F.R. 205 (D) (1). An explanation was not provided to the Claimants.

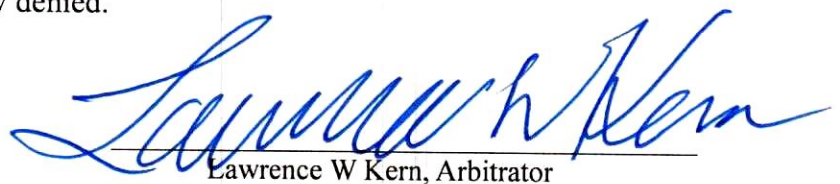
III. Award

The Arbitrator finds that the Claimant, BURNETT BENSON is entitled to an award against the Respondents, CARD.COM and BANCROFT BANK, jointly and severally in the amount of One Dollar (\$1.00) and an award of attorney fees in the amount of \$2,975.00.

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.

10/5/18
Date


Lawrence W Kern, Arbitrator