



AMERICAN ARBITRATION ASSOCIATION

In the Matter of the Arbitration between

Case Number: 01-17-0006-5801

Jamik Razor (Claimant)

-vs-

UniRush, LLC and MetaBank (Respondent)

AWARD OF ARBITRATOR

I, Michele S. Riley, 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 Consumer Arbitration Rules of the American Arbitration Association (AAA), and having fully reviewed and considered the written documents submitted to me by the parties, each represented by counsel, do hereby, AWARD, as follows:

Claimant brings three claims against UniRush, LLC (“UniRush”) and MetaBank (collectively, “Respondents”) under the Electronic Funds Transfer Act, Regulation E, 12 C.F.R 205 (the “Act”). Specifically, Claimant claims that Respondents violated the Act by:

1. Failing to refund prepaid debit card transactions that were unauthorized;
2. Requiring Claimant to confirm his claim of unauthorized transactions in writing by submitting an affidavit in support of such claim; and
3. Failing to provide a timely written explanation of the denial of his claim.

Claimant is the holder of a prepaid debit card associated with a UniRush card account (“his RushCard”). On September 29, 2017, Claimant disputed seven transactions debited to his RushCard totaling \$85.05 which were posted between September 27 and September 29, 2017. On September 30, 2017, Claimant completed and returned to UniRush an Affidavit of Unauthorized Card Transactions (the “Affidavit”). UniRush informed Claimant by letter dated October 15, 2017 that “no error occurred” and “no refunds will be credited to [his] account ...” (the “Determination Letter”).

1. Unauthorized Transactions

Respondents have satisfied their burden of proof under 15 U.S.C. Section 1693(g) that Claimant authorized the seven transactions at issue and/or benefitted from them. The preponderance of the evidence shows that during the period that the disputed transactions took place: Claimant did not allege that his RushCard was lost or stolen; one of the disputed transactions took place in Brooklyn on the same day as two undisputed transactions did; Claimant’s transaction history with his RushCard included transactions with several merchants where the disputed transactions occurred; and the amounts transacted were relatively small and did not deplete the card account associated with his RushCard.

2. Affidavit

12 C.F.R. 205.11(b)(2) provides that “[a] financial institution may require the consumer to give written

confirmation of an error within 10 business days of an oral notice.” Claimant did not provide evidence that he was forced to provide a notarized Affidavit. Claimant signed the Affidavit, had his signature notarized, and submitted it to UniRush in a timely fashion without objection. The use of the Affidavit did not violate the Act.

3. **Written Explanation of the Denial of Claimant’s Claim**

Under 12 C.F.R. 205.11(d)(1), a financial institution is required to provide “a written explanation of the institution’s findings and shall note the consumer’s right to request the documents that the institution relied on in making its determination.”* In the Determination Letter, UniRush informed Claimant that “[b]ased on our investigation, we have concluded no error occurred ...” without further explanation. Rather than providing Claimant with a written explanation of its findings, UniRush offered Claimant nothing more than a conclusory statement that failed to inform him of any basis for denying his claim.

Accordingly, based on the foregoing,

1. Claimant’s claim for damages of \$85.05 is hereby denied;
2. Claimant is hereby awarded statutory damages in the amount of \$100.00 pursuant to 15 U.S.C. 1693m; and
3. Claimant’s attorney’s fees and costs are hereby awarded in the amount of \$1,341.67.

All damages and fees awarded to Claimant shall be borne by Respondents, jointly and severally.

The administrative fees of the AAA totaling \$1,900.00 and the compensation of the arbitrator totaling \$750.00 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.

April 10, 2018

/s/ Michele S. Riley
Michele S. Riley, Arbitrator

*While the Determination Letter complied with the latter requirement, there is no evidence that Claimant exercised his right to request such documents. However, such failure does not absolve UniRush of its obligation to provide a written explanation of its findings.