

AMERICAN ARBITRATION ASSOCIATION
Consumer Arbitration Rules

In the Matter of the Arbitration between

Case Number: 01-25-0003-6635

██████████ McKeever
Claimant,

-vs-

Green Dot Bank, N.A.
Respondent.

INTERIM AWARD OF ARBITRATOR

I, ██████████, 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:

BACKGROUND

Respondent issued and serviced Claimant's Visa Debit Card. On July 2, 2025, Claimant attempted several times to use her debit card to pay the merchant Turo for a rental car. Those transactions were denied. Claimant called Respondent approximately four times¹ and different representatives gave her two different explanations for declining the Turo transaction: (1) there were insufficient funds in her account due to a "transaction fee of \$1.50;" and (2) the transaction was flagged as "unusual activity." At some point that same day (the exact timing is unclear), Claimant made funding transactions on her card in an amount close to the amount of the declined transaction to Turo. Later that day, multiple debit transactions were made to "Cash App India Dutton" along with two small credits. Claimant contends that all transactions with Cash App India Dutton were unauthorized. The disputed debit charges were close in amount to that of the single Turo declined charge. Claimant reported the unauthorized charges to Respondent and was told that the charges were pending and she needed to call back when and if they posted. Claimant also reported that she had received a call back from someone purporting to be a representative of Respondent and because they already had much of her account information, she gave them additional information.

The disputed charges posted to Claimant's account on July 3, 2025, and Claimant called Respondent to make a report. During that call, Claimant reported that she had lost her card the previous day after using it to make her last authorized charge.

¹ All telephone calls referred to in this Interim Award were recorded and submitted as evidence by both Claimant and Respondent.

Respondent opened a dispute ticket and reviewed its records pertaining to Claimant's account. Respondent concluded that no error had occurred. Respondent emailed Claimant of its decision on July 10, 2025, with the explanation that it found that the disputed transactions were authorized. Claimant contends that she requested Respondent's investigative documents, but Respondent maintains it never received a request.

Claimant alleges that Respondent violated the Electronic Funds Transfer Act, 15 U.S.C. §1693g and Regulation E promulgated thereunder, 12 C.F.R. §1005.11, when it (1) failed to credit her account for numerous allegedly unauthorized transactions; (2) failed to timely and appropriately investigate her claim of the unauthorized charges; (3) failed to provide a written explanation of its findings on her claim; and (4) failed to provide Claimant with copies of its investigative documents upon receipt of her request. Claimant seeks actual, statutory, and treble damages, as well as attorney's fees under the statute.

ANALYSIS

Unauthorized Transactions

Respondent bears the burden of proving that the electronic funds transactions were authorized by Claimant. 15 U.S.C. §1693g(b). Respondent need not prove authorization with absolute certainty or beyond a reasonable doubt. Rather, the standard to be applied is that required in any civil proceeding—a preponderance of the evidence. Thus, Respondent must prove that it is “more likely than not” that the disputed transactions were authorized.

Respondent offers four pieces of information in its effort to meet its burden, none of which is persuasive -either on its own or in totality- in order to conclude that the transactions were more likely than not authorized.

First, Respondent relies on the account records showing that Claimant made funding transactions on the debit card on the day the allegedly unauthorized transactions occurred indicating that the funding was for the disputed transactions. It is equally plausible that the funding transactions could have been for the declined Turo transaction since Respondent did not explain the exact timing of these various transactions.

Second, Respondent contends that the issuance of two small credits by the disputed merchant indicates the merchant was known to Claimant. It is equally plausible that the small credits were test transactions indicative of fraud.

Third, Respondent argues that Claimant's account information had not been changed as typically happens in a fraud situation. This argument ignores the facts that Claimant reported that her card had been lost and that someone claiming to be Respondent's representative called her and she unwittingly gave out additional account information.² Respondent's authorized representative told Claimant that she had been scammed.

² Respondent contends that it concluded that Claimant furnished access to her account to a third party. Claimant, however, told Respondent during one of the calls she had not given her account information to anyone other than the caller whom Respondent said had “scammed her.”

Finally, Respondent argues that the total disputed amount is approximately the same as the declined Turo amount demonstrating that the disputed transactions were “possibly” meant to pay for the declined transaction. This “possibility” does not hold water since the disputed and denied transactions involved different merchants in different locations; were not for the exact same amount; and the disputed transactions consisted of 12 individual charges in amounts ranging from \$2.00-\$488.00.

Other evidence in the record points to the conclusion that Respondent has not met its burden of proving that the disputed transactions were more likely than not authorized: (1) documents showed that there were no transactions-debit or credit-in the Cash App in July 2025;³ (2) Claimant’s account history showed that the disputed transactions were inconsistent with her past usage including the numerous small transactions to the same merchant; (3) Claimant reported that she had lost her card; and (4) Respondent’s representative told her she had been scammed.

While Respondent may meet its burden of proof with circumstantial evidence, the most telling point is what the record does not contain: any verification from the disputed merchant that the transactions were authorized or that Respondent made any attempt to contact this merchant.

For these reasons, I conclude that Respondent has not proved that the disputed transactions were more likely than not authorized and Claimant is entitled to actual damages of \$1,070.00.

Respondent’s Investigation of the Disputed Transactions

The relevant statute and regulation require only that a financial institution “investigate promptly” alleged errors. 15 U.S.C. §1693f(a); 12 C.F.R. §1005.11(c). The statute and regulation contain no specific processes or requirements, nor do they identify any particular steps or methods, or even impose a reasonableness standard upon the investigatory procedure. The only requirement is that the investigation be undertaken promptly. The record in this case shows that Respondent reviewed numerous business records including Account Notes, Transaction History, Authorization Report, Service Call recordings, and a sworn declaration from a Senior Manager of Fraud Operations for Respondent. This evidence demonstrates that Respondent did conduct an investigation. Without statutory guidance or binding precedent on what constitutes an “investigation” under the applicable statute, I cannot conclude that Respondent’s investigation in this case was insufficient. My ruling that I do not agree with the conclusions of that investigation, does not negate the fact that the investigation was conducted.

For these reasons, Claimant’s claim for this violation is DENIED.

Respondent’s Written Explanation of the Investigation

³ Respondent argues there is no evidence that it was aware of this information at the time of its investigation. This argument may be relevant to Respondent’s investigation of Claimant’s disputed transactions but is not evidence of whether it met its burden to prove by a preponderance of the evidence that the transactions were authorized.

Respondent emailed Claimant its decision of “no error” on July 10, 2025, thus complying with its statutory duty to complete its investigation within 10 days upon receipt of notice of a dispute and 3 days thereafter to report its result.

Claimant contends that Respondent’s written explanation was inadequate. As with the statutory duty to investigate, the relevant regulations do not identify any particular information that must be contained within the written explanation and does not require any level of detail.⁴ In this case, the determination was “no error,” and the reason given was that Respondent concluded from its investigation of relevant information, that Claimant had authorized the transactions. While this is a barebones explanation, I cannot conclude that it does not meet the very minimal requirements of the statute. Claimant’s claim, is, therefore, DENIED.

Requested Copies of Investigative Documents

Claimant contends that she requested Respondent to send her copies of its investigative documents but offers only her assertion that she made the request without providing the date or method of the request. Respondent contends it has no records of the request. Without supporting evidence, Claimant’s claim on this issue fails.

Additional Statutory Damages and Punitive Damages

After considering the parties’ arguments and evidence submitted, I find that Claimant is entitled to additional statutory damages pursuant to 15 U.S.C. §1693m(A)(2) in the amount of \$100.00.

I further find that based on the record and the analysis above, an award of punitive damages is not warranted in this case under the parameters of 15 U.S.C. §1693f(e).

Attorney’s Fees

The plain language of the statute requires an award of reasonable attorney’s fees and costs for Respondent’s violation in connection with the disputed transactions. 15 U.S.C. §1693m(a)(3). Claimant has until two weeks of the date of this Interim Order to file its evidence of reasonable attorney’s fees and costs, in accordance with the Scheduling Order dated December 17, 2025. Respondent has two weeks within receipt of Claimant’s application in which to respond, as set forth in the Scheduling Order.

Respondent’s Request for Attorney’s Fees and Costs

Based on the record and my findings, I conclude that this action was not filed in bad faith or for the purposes of harassment, and, therefore, Respondent is not entitled to attorney’s fees and costs under 15 U.S.C. §1693m(f). This action was not patently frivolous and, therefore, Respondent is not entitled to a re-allocation of the costs of arbitration under AAA Consumer Rule 44(c).

CONCLUSION

⁴ Claimant cites guidance from the Consumer Finance Protection Bureau regarding the adequacy of a written explanation, but this guidance does not carry the weight of statute, regulation, or binding case law.

Claimant is awarded the sum of \$1,170.00 under 15 U.S.C. §1693m(a). Claimant's claim for treble damages is denied. Claimant's claim for attorney's fees and costs is granted. Claimant shall submit her evidence regarding this claim as set forth above. The Arbitrator retains jurisdiction to address the claim under 15 U.S.C. §1693m(a)(3). This matter shall be deemed to be submitted to the Arbitrator for a determination in a FINAL AWARD after these submissions.

This Interim Award is in full settlement of the merits of all claims submitted to this arbitration except for the issue of reasonable costs and attorney's fees in favor of Claimant as set forth above.

This Interim Award shall remain in force and effect until the Arbitrator enters a Final Award.

April 27, 2026

Date

_____, Arbitrator