

# Dave and its CEO face potential civil penalties from the US Department of Justice

Article

**The news:** The [Federal Trade Commission \(FTC\)](#) filed a lawsuit against **Dave** for alleged deceptive marketing and hidden fees. The case has now been referred to the US Department

of Justice (DOJ), per PYMNTS.

**What that means:** The DOJ filed an amended lawsuit targeting both the neobank and its CEO with civil penalties—replacing the initial FTC suit. According to the law enforcement agency’s press release, it “seeks unspecified amounts of consumer redress and monetary civil penalties from the defendants and a permanent injunction to prohibit them from engaging in future violations.” The new lawsuit gives the customer complaints—which fueled the initial lawsuit—increased visibility, potentially influencing customers’ decisions to bank with Dave.

**How we got here:** The FTC claimed in [its original complaint](#) that Dave promoted \$500 cash advances as "instant" but charged express fees of \$3 to \$25 for immediate access, which customers only learned about after account setup. If the fees weren’t paid, standard transfers took two to three business days.

In addition, customers said the neobank charged a “tip” on advances, which many found difficult to avoid due to what they described as a “manipulative interface.”

**Marketing takeaways:** Regardless of the lawsuit’s outcome, this underscores the importance of clear communication about fees and terms. To avoid regulatory scrutiny and maintain consumer trust, FIs must take proactive steps to ensure their marketing and user interfaces are transparent and user-friendly.

*This article is part of EMARKETER’s client-only subscription Briefings—daily newsletters authored by industry analysts who are experts in marketing, advertising, media, and tech trends. To help you finish 2024 strong, and start 2025 off on the right foot, articles like this one—delivering the latest news and insights—are completely free through January 31, 2025. If you want to learn how to get insights like these delivered to your inbox every day, and get access to our data-driven forecasts, reports, and industry benchmarks, [schedule a demo with our sales team](#).*