

Capital One faces a CFPB lawsuit over interest payments

Article



The news: The Consumer Financial Protection Bureau (CFPB) filed a lawsuit on January 14, 2025, against [Capital One](#) for allegedly “cheating millions of consumers out of more than \$2 billion in interest,” per the regulator.

What happened? The complaint alleges that the bank:

- Falsely advertised its 360 Savings account as a “high-interest” product with top-tier rates, which did not match the account’s actual performance
- Launched a new savings product, 360 Performance Savings, with significantly higher interest rates but did not notify existing 360 Savings customers or automatically upgrade their accounts
- Obscured the differences between the 360 Savings and 360 Performance Savings accounts, leaving existing customers locked into much lower interest rates
- Kept the 360 Savings rate at 0.30% while maintaining 360 Performance Savings rates up to 14 times higher, depriving existing customers of potential earnings

Capital One’s response: The bank disagreed with the allegations, maintaining that its “great rates [have] always been available in just minutes to all new and existing customers without any of the usual industry restrictions,” per AP News. It added that it’s disappointed the CFPB is “filing eleventh-hour lawsuits ahead of a change in administration.”

Our take: While a pending lawsuit certainly doesn’t help [Capital One’s case to acquire Discover](#) in what would be one of the largest acquisitions in US banking history, it likely won’t get in the way. The bank’s next priority is to make a strong case to its stockholders, [who will soon have their say on the deal](#).

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