



Protecting consumers requires protecting front-line bank employees

Bank employees including tellers, personal bankers, credit card call center workers and managers have told SEIU how their banks target vulnerable consumers with deceptive practices that drive up banks' fee income. Employees report that banks are targeting working and immigrant families in particular to meet sales goals, generate more overdraft fees, and raise credit card interest rates.

Low base salaries and fear of losing their jobs force bank workers to meet high sales goals and push debt onto customers.

“You want to do what is best for the customer but you can't if you want to reach your goals. If you don't hit your goal, you're fired.”

Bank of America platform worker, Boston

First, bank employees want protections that will allow them to blow the whistle on bank practices that hurt their customers and the American economy. Second, they want a voice in the rebuilding of the financial sector and—especially important in an industry where tellers are earning on average \$11.32 an hour—the ability to negotiate sensible compensation policies that reward service and sound banking over short-term sales.

“I often leave my job feeling as if I may not have a job to return to with the constant warnings, threatening e-mails, sales goals... The sales tactics and goals we must often meet sometimes force us to put the consumer—young and old alike—into products that they really can't afford, or are not suitable for their financial needs.”

SunTrust personal banker and teller, Washington, D.C.

Piling on fees

- Encouraging Overdrafts. Bank of America customers who track their spending online do not see all of their checking account activity. Customers do not see 'holds' and changes in the order of their transactions, creating confusion about account balances and allowing the bank to assess more overdraft penalties. The bank encourages customers concerned about overdraft fees to rely on the bank's online system to avoid fees. This practice and some of the bank's overdraft fee practices generally are the subject of a lawsuit in California state court—*Clossen v. Bank of America*—that is now being settled for \$35 million.

“My job is to create irresponsible debt. It should be helping families build wealth; counseling them about using debt responsibly. But that's not what the bank rewards.”

Bank of America branch manager, Washington, D.C.

- Refunds refused. Bank of America employees report the bank's automated system makes full refunds of overdraft fees for customers who deserve refunds nearly impossible. Washington, D.C., employees, for example, report that they are penalized by the bank if they override the system and award refunds to customers. In June 2009, Bank of America raised from five to 10 the maximum number of overdraft fees Bank of America can apply each day. The new daily limit is as much as \$350.

Targeting vulnerable customers

- Interfering with customers' accounts. Bank of America managers tell employees to sign customers up for online banking using customers' confidential information obtained from servicing other accounts.

"I know many employees who have been pressured so hard to increase their sales quotas that they are going home at night and logging on to people's accounts to make up more transactions ... and when you live the day to day here, it's easy to understand why. If you push back, you're going to get pushed out."

Bank of America branch manager, Washington, D.C.

- Targeting students, seniors, and non-native English speakers. Employees report that customers are unknowingly signed up for credit cards and bank accounts. In Washington, D.C., there is fierce competition among branches to canvass in the Mexican and Salvadoran embassies, and personal bankers sell accounts in high schools. In Los Angeles, employees report customers attempting to cash federal tax return checks are told instead they should instead deposit them in seven-day CD accounts.

Unethical credit card practices

- Denying active duty military the rate they are entitled to under law. All active duty soldiers are entitled to a 6 percent maximum interest rate on their credit cards, but the bank's employees were not trained to inform members of the armed forces of that benefit. Instead, call center employees report that in the past they have not been allowed to offer that rate unless the customer recalls the entire name of the legislation authorizing the rate.

"The more money I sold you and the higher the rate, the more money I made. That's what the bank rewards—sales, not service."

Former Bank of America call center worker, Maine

- Recognizing charge-offs. Credit card collectors routinely use a variety of questionable and aggressive practices such as accepting floating checks that do not have funds to cover them in order to hold onto delinquent accounts for more than 180 days. In this way, the bank can still claim the value of the debt as an asset on its books and in its regulatory filings. Nonperforming debt is a basic measure of a bank's health.
- Delivering threats, spreading rumors. Collectors at Bank of America credit card centers report being given a script that instructed collectors to leave answering machine messages that threatened property liens or lawsuits.
- Failing to disclose. Bank of America credit card call center employees report that they were instructed to use special cell phones—as opposed to recordable landlines—for aggressive collection calls. Bank vice presidents also sent handwritten postcards to customers that do not identify the bank or offer a toll-free number for customers to call.

Undermining employees

- Refusing to pay overtime. Bank of America personal bankers and tellers report they regularly work six days a week, are required to work hours off the clock nearly every week, and receive little to no pay for the regular and repeated overtime work. This is the subject of a pending class action lawsuit in Kansas, the allegations of which appear to mirror what we have heard from employees at Bank of America branches.

"I am a personal banker in Cambridge, Mass. My coworkers and I have many stories of abuse of customers and bad sales tactics. If we complain to our managers, they just shut us down. We have many concerns about low pay, but worse is having to force bad products on customers."

Bank of America platform worker, Cambridge, Mass.

- No whistleblower protections. Bank employees who want to blow the whistle on illegal or inappropriate bank practices have no special protections under federal law. Bank of America workers with complaints are told to call a bank-operated hotline. Four Los Angeles-area employees who showed interest in forming a union used the hotline in May 2009 to complain about branch management. One of the four was fired the following week.
- Workers pressured not to organize. They were reprimanded, and one of the four was fired. Bank managers in Philadelphia, Boston, Washington, D.C., and Los Angeles report that bank policy prohibits employees from talking with union organizers at any time—whether at home or at work.