

Banks: Beware Next Wave Of Debit Card Class Actions
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Article

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"In the past few years, banks have been hit with a series of multidistrict class actions regarding their overdraft policies. In particular, plaintiffs lawyers have targeted banks utilizing a methodology for processing payments from most expensive to least, known as "high-to-low," instead of utilizing a methodology that processes payments in chronological order or by category.[1] In practice, this generally leads to more frequent overdraft fees. Indeed, following the financial recession, many banks changed their policy from "low-to-high" to "high-to-low" recognizing a higher revenue potential. The Consumer Financial Protection Bureau estimates that in 2012 banks made an estimated \$32 billion in overdraft fees, up from just \$400 million the previous year."

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