Marketing Compliance and Enforcement Actions Quarterly Review Q4 2024

This report is crafted for compliance professionals who need to stay on top of the latest regulatory developments and trends in marketing compliance and consumer protection. Backed by PerformLine's in-depth analysis and industry-leading compliance monitoring, this review provides actionable insights to help your organization navigate the ever-evolving regulatory landscape with confidence.

Why it matters:

Consumer protection
The report highlights key enforcement actions, regulatory updates, and the most pressing compliance challenges facing the industry, helping you safeguard your business and protect consumers from regulatory risk.

Regulatory focus
Understand where regulators are concentrating their efforts on marketing practices and consumer protection so you can proactively adjust your strategies to meet current expectations and avoid compliance pitfalls.

Industry benchmarks
Gain valuable insights into marketing compliance trends and consumer protection standards, helping you assess your organization's performance relative to industry norms and maintain a competitive edge.

Enforcement Actions at a Glance

39
Enforcement Actions*

$357M
In Monetary Fines

49%
Of Enforcements Taken By State Regulators

*Note: These numbers only include enforcement actions that have been finalized. There are still several complaints, consent orders, and other actions that are pending.

In Q4 of 2024, federal and state regulators finalized 39 enforcement actions related to marketing compliance and consumer protection, totaling over $357 million in monetary fines.

Almost half (49%) of all finalized enforcement actions came from a wide range of state regulatory agencies, specifically IL, PA, RI, MN, CT, NY, WA, DC, VT, AL, AZ, MA, and IN.

Notable Enforcement Actions, Consent and Settlement Orders, and Complaints

Note: These actions include some that are awaiting final order and not all are included in the "Enforcement actions at a Glance".

Key Areas of Focus

- Deceptive, misleading, or exaggerated marketing claims
- Failure to fully disclose fees and charges
- Lack of third-party oversight and monitoring
- Discriminatory practices and unequal access to credit

Fintech used misleading marketing to deceive consumers and charged undisclosed fees

Regulatory Agency:	Federal Trade Commission (FTC)
Total Penalty Amount:	TBD
Regulatory Issue(s):	Deceptive Marketing Practices, TILA

Summary: The FTC took action against a fintech app for deceptive practices targeting financially vulnerable consumers. The app's marketing promised "up to $500" in cash advances and "instant" access to funds, but only a small percentage of users received such amounts.

To access funds immediately, consumers were required to pay an "express fee," which was not disclosed upfront. Consumers who opted not to pay the fee had to wait up to three days for their money. These misleading promises are compounded by surprise "tip" fees, which were presented as voluntary donations to a charitable cause, but in reality, the app retains most of the money.

The app also failed to clearly disclose a $1 monthly membership fee, which was automatically deducted from users' bank accounts. Many consumers found it difficult to cancel this fee, leading to complaints of feeling trapped by the app's tactics.

The company also misrepresented its charitable donations, making users believe that 100% of their tips were going to those in need when, in reality, the app only donated a small portion of the tips.

Enforcement Action

This case is still pending.

Student lender misrepresented the quality of training programs and falsely advertised hiring rates and salaries for graduates

Regulatory Agency:	Consumer Financial Protection Bureau (CFPB)
Total Penalty Amount:	TBD
Regulatory Issue(s):	UDAAP, Deceptive Marketing Practices, TILA

Summary: The CFPB took action against a student lender and its largest shareholder for deceiving students into taking out loans for vocational programs by misrepresenting the quality of the training programs and graduates' job outcomes.

The companies claimed to have thoroughly vetted their partner schools' programs for "outcomes and value," but they often offered loans for programs that had failed their own return-on-investment analysis or had not been analyzed at all.

They also falsely advertised high hiring rates and salaries for graduates and concealed important loan information, such as annual percentage rates and origination fees, in their online marketing materials, misleading students about the true cost of the loans.

Enforcement Action

This case is still pending, but the CFPB seeks:

- To stop the alleged unlawful conduct
- Redress for harmed borrowers
- Imposition of a civil money penalty, which would be paid into the CFPB's victims relief fund

Credit union engaged in redlining and settled with the DOJ, marking historic first settlement with a credit union

Regulatory Agency:	Department of Justice (DOJ)
Total Penalty Amount:	$6.5M
Regulatory Issue(s):	Fair Lending, Redlining

Summary: The DOJ has reached a historic settlement with a credit union, resolving allegations of redlining in predominantly Black and Hispanic neighborhoods around Philadelphia. Compared to its peers, the credit union's mortgage lending was disproportionately focused on white areas. In fact, peer lenders in the same region generated mortgage applications and loans in predominantly Black and Hispanic neighborhoods at nearly three times the rate of the credit union.

The credit union's branches were almost exclusively located in majority-white neighborhoods in Pennsylvania, with no branches in Philadelphia, where more than 75% of the majority-Black and Hispanic neighborhoods reside.

This settlement marks the first redlining resolution with a credit union, signaling the DOJ's commitment to holding all types of lenders accountable for discriminatory practices.

Enforcement Action

The credit union is required to:

- Invest $6 million in a loan subsidy fund to increase access to home loans for residents of majority-Black and Hispanic neighborhoods in Philadelphia
- Allocate $250,000 for community partnerships offering credit, financial education, homeownership, and foreclosure prevention services
- Spend $270,000 on advertising, outreach, financial education, and credit counseling in predominantly Black and Hispanic neighborhoods
- Open three new branches in predominantly Black and Hispanic neighborhoods in Philadelphia
- Hire a community lending officer to oversee lending development in communities of color

Rideshare operator made deceptive claims about hourly earnings and incentives for drivers

Regulatory Agency:	Federal Trade Commission (FTC)
Total Penalty Amount:	$2.1M
Regulatory Issue(s):	Deceptive Marketing Practices

Summary: The FTC took action against a rideshare operator for making deceptive earnings claims about how much drivers could earn per hour and from special incentives. During high demand in 2021-2022, the company ran ads claiming drivers could earn up to specific hourly rates. However, these figures were based on the top 20% of drivers and did not represent the average earnings, inflating the actual pay by as much as 30%.

Additionally, the ads included tips in the hourly earnings, misleading drivers into thinking the earnings were separate from tips. The company also promoted "earnings guarantees" that promised drivers a set amount if they completed a certain number of rides, but failed to clearly disclose that drivers would only receive the difference between what they earned and the guaranteed amount.

Enforcement Action

The proposed settlement requires the company to:

- Pay a $2.1M civil penalty
- Stop making earnings claims unless they have meaningful evidence to back them up
- Clearly disclose to drivers that, under its earnings guarantees, drivers will receive only the difference between their regular earnings and the guaranteed amount
- Provide notice to its drivers about the settlement

Lead generator used fake addresses and customer reviews to recruit borrowers for high-interest title loans

Regulatory Agency:	Pennslyvania Attorney General (PA AG)
Total Penalty Amount:	$45,000
Regulatory Issue(s):	UDAAP, Pennsylvania Unfair Trade Practices and Consumer Protection Law, Unlicensed Lending, Excessive Interest Rates

Summary: The Attorney General of Pennsylvania announced a settlement with a Florida-based lead generator accused of using fake physical addresses and customer reviews to recruit borrowers for high-interest auto title loans with a national lender, who previously also settled with PA AG for unlawful loans with interest rates exceeding 300 percent.

The lead generator misled consumers by creating fake locations on Google Maps and fabricating customer reviews to attract borrowers for the lender's high-interest loans.

Enforcement Action

The settlement requires the lead generator to:

- Pay $45,000 in fines and restitution
- Cease operations in Pennsylvania

Recent Regulatory Updates

Key areas of regulatory focus

- Third-party risk management for fintech relationships
- Increased regulatory guidance to improve compliance programs
- Ensuring compliance departments have equal access to resources

The CFPB closed a loophole that exempted overdraft loans from lending laws

The CFPB's final rule closes an outdated overdraft loophole that exempts overdraft loans from lending laws.

When charging for overdrafts, institutions can choose to either:

- Cap their overdraft fee at $5
- Cap their fee at an amount that covers costs and losses
- Disclose the terms of their overdraft loan, just like other loans under TILA

The OCC released its 2025 Supervision Operating Plan with a focus on third-party risk, consumer compliance, and fair lending

The Office of the Comptroller of the Currency (OCC)'s plan outlines supervision priorities and objectives for the year.

For **third-party risk**, professionals should prepare for heightened scrutiny on the management of fintech and subcontractor relationships, particularly those critical to bank operations. Examiners will evaluate whether risk management processes are rigorous across the third-party lifecycle and integrated into the bank's broader enterprise-wide framework. Expect a focus on operational, compliance, and reputational risks, especially in partnerships that involve innovative or critical services.

For **consumer compliance**, the OCC will examine how well banks adapt their compliance risk management systems to evolving regulations, product changes, and third-party offerings. Compliance teams must ensure adherence to consumer protection laws, with particular attention to person-to-person and real-time payment products, including timely error resolution and clear consumer disclosures.

For **fair lending**, the OCC's focus will extend across the credit lifecycle, emphasizing the importance of proactive risk assessments, monitoring for potential discrimination, and mitigating risks like appraisal bias. Compliance officers should ensure robust documentation and be prepared for enforcement coordination with federal agencies in cases of identified violations.

The CFPB finalized its rule to hold large nonbank companies with 50M+ transactions per year to the same regulations as traditional financial institutions

The CFPB has finalized its rule to supervise the largest nonbank companies offering digital funds transfer and payment wallet apps, focusing on companies handling over 50 million transactions per year.

Key areas of supervision include:

- **Privacy and surveillance**, with a focus on data protection and consumer rights to opt out of data collection
- **Errors and fraud**, particularly regarding disputes over transactions and fraud targeting vulnerable populations
- **Debanking**, addressing consumer concerns about disruptions to payment access

The rule grants the CFPB the authority to conduct proactive examinations to ensure compliance.

The OCC issued an updated version of its UDAAP booklet, providing more clarity and including updates from CFPB on data protection

The OCC released an updated version of the "Unfair or Deceptive Acts or Practices and Unfair, Deceptive, or Abusive Acts or Practices" booklet of the Comptroller's Handbook.

The revisions provide enhanced clarity on sound risk management practices, particularly concerning overdraft services, and incorporate updates from the CFPB regarding data protection and information security.

The FDIC's updated advertising rule to take effect April 1, 2025 and published a Q&A resource that covers key implementation topics

The Federal Deposit Insurance Corporation (FDIC) published additional Q&As to help financial institutions comply with the final rule on FDIC Official Signs and Advertising Requirements.

These Q&As address common inquiries from stakeholders and cover topics such as the placement and display of the official digital sign, and the use of advertising statements across various deposit-taking channels like websites, mobile apps, ATMs, and social media. It also offers information on technical assistance support, including access to downloadable versions of the official digital sign.

The FDIC plans to periodically update these Q&As to reflect ongoing feedback and developments.

The DOJ updated its Evaluation of Corporate Compliance Programs guidance which includes a greater focus on the use of data for compliance purposes

The DOJ's updated Evaluation of Corporate Compliance Programs guidance stresses the importance of compliance teams having equal access to company data, assets, resources, and technology. This includes using data analytics tools to measure the effectiveness of compliance programs and ensure transparency within the organization.

The DOJ expects compliance personnel to have the same access to relevant data as business teams, highlighting that any disparity in data usage between these teams will attract scrutiny.

This update reflects a broader expectation that compliance teams leverage data-driven approaches to improve program efficiency and assess risks effectively, particularly in the context of emerging technologies like AI.

Expert Insights

How to succeed in compliance from seasoned industry professionals.

GUIDANCE4GUARDRAILS

ON BEING PROACTIVE AND USING INDUSTRY RESOURCES

"I always advise being proactive, not reactive. Don't wait for an auditor or examiner to tell you what's wrong. Build internal processes, from cradle to grave, that ensure you're always proactive. Take these circulars, enforcement actions, and guidance from regulators and perform regular checks."

– Doreen Ghusar, Guidance4Guardrails

WINNOW

ON VIEWING COMPLIANCE AS A COST AVOIDANCE CENTER

"You can look at compliance as a cost center, or you can look at it as a cost avoidance center. You can pay it upfront, or you can pay significantly more on the backend if you don't do things the right way."

– Chris Hilliard, Winnow

runway

ON THE IMPORTANCE OF GAINING BUY-IN FROM LEADERSHIP AND OTHER DEPARTMENTS

"If you want to have a successful compliance program, it's not just a compliance team… other people in the company have to buy into it."

– Andrew Grant, Runway

GENEVA FINANCIAL

ON LEADERSHIP SETTING THE TONE FOR COMPLIANCE FROM THE TOP

"That 'tone at the top' is a key ingredient for successful compliance management and organizational leadership. It's important for leaders to demonstrate compliant behavior, as everyone sees it. Advertising is one area where this is particularly evident."

– Kristina Sacco, Geneva Financial

Most Common Compliance Issues

How are these compliance issues identified?

PerformLine reviews, monitors, and flags hundreds of thousands of marketing assets each day for adherence to marketing compliance regulations. PerformLine's rulebooks are carefully curated collections of terms and phrases that are associated with specific compliance categories, regulations, laws, and guidelines that organizations use to monitor marketing content against to identify potential compliance violations at scale. These rulebooks cover everything from broad compliance concerns (like UDAAP) to industry or product-specific requirements.

The below compliance issues were the most commonly flagged and remediated within the PerformLine platform in Q4 of 2024 that organizations should be aware of.

1. Disclosures

Disclosures include any information that lenders are required to include on their websites, social media profiles and posts, or other marketing materials regarding their products. Assets are flagged if any of the required disclosures are missing. This is most commonly identified in the mortgage industry but is applicable to other industries as well.

Common terms include:
Corporate licensing page, corporate NMLS #, Equal Housing Opportunity

2. Offer Inflation

Offer inflation—also referred to as exaggerated claims—refers to statements that are not entirely truthful or accurate and are designed to make the product or service appear more attractive or valuable than it actually is.

Common terms include:
Free, the best, discount, no fees

3. Instant Approval

"Instant approval" language includes any phrases that would imply that all consumers would be approved for a specific product immediately and without any barriers to approval. The compliance issue with "instant approval" is promising that not all consumers can be guaranteed to be approved for said product.

Common terms include:
Instant approval, get approved

4. APR Disclosures

APR disclosures include the required information that lenders must provide in their marketing materials, such as websites, social media posts, or other advertisements when promoting promotional APRs. Assets are flagged if any of the necessary disclosures are missing, including details about eligibility, qualifications, and other terms and conditions.

Common terms include:
0% APR

5. Incentivization

Incentivization refers to the practice of offering rewards, discounts, or benefits to encourage consumers to apply for a financial product. This type of language could lead consumers to believe they are receiving greater financial benefits, such as savings or returns, than what is actually achievable or may obscure critical information about fees, risks, or eligibility criteria.

Common terms include:
Money, referral, survey

Compliance Monitoring at Scale with PerformLine

1 in 5
assets monitored were flagged for potential compliance issues

In Q4 of 2024, PerformLine automatically monitored and reviewed over 4.7M assets* and flagged over 908k of those for a potential compliance issue.

*Assets refer to a specific marketing item or communication, such as a document, web page, social media post, email, call, or message. When an asset is flagged, it means that the PerformLine platform has identified a potential compliance issue to be reviewed and, if needed, remediated.

With 1 in 5 marketing assets potentially out of compliance, can your organization afford to ignore the risk?

When thinking of your organization's marketing compliance program, ask these questions:

- Are you confident that all of your marketing materials are fully compliant?
- What about unknown brand and/or product mentions and hidden compliance risks?
- Does your compliance team have the right resources, systems, and processes to address and resolve flagged issues before they escalate?
- What steps are your organization taking to address these concerns?
- Are you investing in automated compliance tools, training, or dedicated teams to manage flagged assets and minimize risks?

It's crucial to have the right technology in place to help manage these risks, ensuring that compliance is continuously monitored, flagged issues are quickly identified, and necessary actions are taken to protect your organization from costly violations.

Here are some ways we've helped leading organizations find success.

138x more compliance coverage

24k+ web pages monitored daily

90% faster compliance review and approval process

With PerformLine, organizations achieve:

- **Scalability** of compliance monitoring, freeing up resources and increasing oversight capacity
- **Improved coverage,** reducing the risk of compliance violations and regulatory issues
- **Time savings,** allowing compliance teams to focus on higher-value tasks instead of tedious ones

Get ahead of emerging compliance risks and challenges with PerformLine.

Get a Personalized Demo