

Nevada Consumers Mislabeled as Terrorists Join in \$60 Million Class Action Verdict Against TransUnion

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WASHINGTON, D.C.- Nevada consumers are among those who won a record-breaking jury verdict this week in a nationwide class action against the TransUnion credit reporting agency for misidentifying them as terrorists and criminals. The verdict shows the importance of class actions and of a rule expected to be finalized this summer by the Consumer Financial Protection Bureau (CFPB) to restore consumers' day in court, according to advocates.

The jury award came in a class action on behalf of over 8,000 consumers nationwide, including several in Nevada, finding that TransUnion violated the Fair Credit Reporting Act when it carelessly misidentified consumers as terrorists and criminals when people sought auto loans or bank accounts, confusing the consumers with similarly named individuals on a government watch list.

Consumers in Nevada and nationally have long been frustrated by the practices of credit reporting companies. In complaints to the CFPB, Transunion has consistently ranked among the top companies Nevada consumers complained about.

"TransUnion falsely tagged over 8000 innocent consumers as potential terrorists or drug dealers and then decided it was 'no big deal' because the consumers didn't lose any money. Class actions are critical in these cases of widespread wrongdoing," **said Lauren Saunders, associate director of the National Consumer Law Center.**

It has been getting harder and harder for consumers to have their day in court or band together in class actions when they are harmed, as companies often put forced arbitration clauses with class action bans in the fine print of the contract. In fact, in the past, TransUnion has tried to claim that people who used its website were bound by fine print prohibiting lawsuits, but in this case, there was no contract between TransUnion and lead plaintiff Sergio Ramirez.

"People who were falsely labeled as terrorists or drug dealers would have been blocked from their day in court if TransUnion had slipped in a forced arbitration clause as it has tried to do in the past," **said Saunders.**

The CFPB has proposed a rule that would prohibit forced arbitration clauses with class action bans in consumer financial contracts. A final rule is expected this summer, but Congress may attempt to block it.

"In most cases, people can't avoid fine print forced arbitration clauses in bank accounts, credit cards, student loans, payday loans, and auto loans, taking away their day in court when the company violates the law," **said Saunders.**

The case is *Sergio L. Ramirez v TransUnion LLC* in the U.S. District Court for the Northern District of California.