

## CFPB Drops Two More Major Lawsuits

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The CFPB has recently dismissed two more enforcement actions—one against a major credit reporting agency and another against a lease-to-own financing provider. Both lawsuits involved allegations of abusive, unfair, and deceptive acts and practices.

On February 28, the CFPB [dismissed](#) its [lawsuit](#) against a major credit reporting agency. The lawsuit, initially filed over alleged violations of a 2017 consent order, accused the company of misleading consumers into enrolling in paid credit monitoring services and making it difficult for them to cancel. The CFPB's allegations included:

- Deceptive marketing practices that lured consumers into paid services under the guise of offering free credit scores.
- Violations of a 2017 consent order requiring the company to reform its marketing and billing practices.
- Unauthorized charges for subscription-based services without proper consent, violating the Electronic Fund Transfer Act and Regulation E.
- Obstructing consumer attempts to cancel subscriptions, leading to prolonged and unauthorized billing.

On March 7, the CFPB [dismissed](#) its [lawsuit](#) against a lease-to-own financing provider and related entities following a settlement agreement. The provider had filed a [countersuit](#) (previously discussed [here](#)) against the CFPB, arguing that the agency lacked jurisdiction over lease-to-own transactions, which it claimed were governed by state regulations rather than federal consumer credit laws.

The original lawsuit, filed in July 2024, alleged that the company engaged in deceptive practices that misled consumers about the cost and nature of its financing agreements. Specifically, the CFPB claimed the company:

- Misrepresented its product as credit when it was actually a lease, leading to unexpected financial burdens for consumers.

- Obscured key terms in agreements, making it difficult for consumers to understand the total cost of financing.
- Created barriers to contract termination, locking consumers into long-term commitments.
- Automatically withdrew funds from consumers' accounts without clear disclosures.
- Reported inaccurate credit data, potentially harming consumer credit scores.

Following the dismissal, the lease-to-own provider withdrew its countersuit against the CFPB.

**Putting It Into Practice:** The CFPB's dismissal of these two lawsuits suggests a broader trend of scaling back certain enforcement actions initiated under prior leadership (previously discussed [here](#)). This could indicate a shift toward a more selective regulatory approach, particularly in areas where jurisdictional disputes exist.

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