

Newsroom

CFPB Report Finds Large Retail Chains Charging Cash-back Fees to Customers Using Debit and Prepaid Cards

Closures of banks have created conditions for major dollar store chains to charge for cash back

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WASHINGTON, D.C. - Today, the Consumer Financial Protection Bureau (CFPB) published a new report finding Americans are paying tens of millions of dollars in fees to access their own money when getting "cash back" at large retail stores when making a purchase with a debit or prepaid card.

"While retail chains had long provided cash back on debit card purchases for free, the CFPB has found that dollar store chains and other retailers are now charging fees for access to cash," said CFPB Director Rohit Chopra.

Getting cash back at a store is a common way for people to get cash. While making a purchase at a retailer that offers the service, people can get access to their money by requesting cash back at the register.

While this was often a convenient offering, getting cash at a store is sometimes the only option for people. Many retailers are filling a void in providing access to cash, as some communities lack access to a local bank.

The CFPB sampled eight large retail companies (Dollar General, Dollar Tree/Family Dollar, Kroger, Albertsons, Walgreens, CVS, Walmart and Target) and assessed their practices for charging cash-back fees.

The report's findings include:

- Cash-back fees cost consumers millions of dollars.
- Cash-back fees are levied on low withdrawal amounts.
- Three major retail chains in the sample charged cash-back fees.
- Consumers with lower incomes or fewer banking choices encounter cash-back fees disproportionately.

Read today's report.

Read the Director's Notebook statement.

Employees of companies who they believe their company has violated federal consumer financial laws are encouraged to send information about what they know to whistleblower@cfpb.gov.

Consumers can submit complaints about financial products or services by visiting the CFPB's website or by calling (855) 411-CFPB (2372).

The Consumer Financial Protection Bureau is a 21st century agency that implements and enforces Federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive.

Topics: PREPAID CARDS BANKING DEBIT CARDS

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