Wells Fargo profits hit by legal costs

US bank Wells Fargo has reported a fall in quarterly profits after setting aside funds for potential costs related to its fake accounts scandal. Third quarter profit fell 2% to $5.64bn (£4.6bn) from $5.8bn the year before. The scandal saw bank employees open as many as two million accounts without customers' knowledge or permission in order to meet aggressive sales targets. In September the bank was fined $185m over the illegal accounts and this week Wells Fargo boss John Stumpf resigned. Wells Fargo has fired about 5 300 employees in connection with the scandal. The bank which faces numerous federal and state investigations said expenses rose in part due to anticipated litigation costs. Third-quarter fixed costs increased to $13.3bn from $12.9bn in the previous quarter.