

**UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING
File No. 2022-CFPB- 0009

In the Matter of:

CONSENT ORDER

**Choice Money Transfer, Inc.
d/b/a Small World Money
Transfer**

The Consumer Financial Protection Bureau (Bureau) has reviewed the remittance transfer activities of Choice Money Transfer, Inc. d/b/a Small World Money Transfer (Respondent, as defined below) and has identified violations of the Electronic Fund Transfer Act (EFTA), 15 U.S.C. § 1693 *et seq.*, and its implementing Regulation E, 12 C.F.R. Part 1005, including Subpart B (known as the Remittance Rule), and of 12 U.S.C. § 5536(a)(1)(A) of the Consumer Financial Protection Act of 2010 (CFPA). Under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

I.

Jurisdiction

1. The Bureau has jurisdiction over this matter under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565 and § 918 of the EFTA, 15 U.S.C. § 1693o.

II.

Stipulation

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated September 28, 2022 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, without admitting or denying any of the findings of fact or conclusions of law, except that Respondent admits the facts necessary to establish the Bureau’s jurisdiction over Respondent and the subject matter of this action.

III.

Definitions

3. The following definitions apply to this Consent Order:
- a. “Board” means Respondent’s duly-elected and acting Board of Directors.

b. “Effective Date” means the date on which the Consent Order is entered on the administrative docket.

c. “Regional Director” means the Regional Director for the Northeast Region for the Office of Supervision for the Consumer Financial Protection Bureau, or his or her delegate.

d. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.

e. “Respondent” means Choice Money Transfer, Inc. d/b/a Small World Money Transfer, and its successors and assigns.

IV.

Bureau Findings and Conclusions

The Bureau finds the following:

4. Respondent is a nonbank New York corporation with its principal place of business in Englewood Cliffs, New Jersey, and is a subsidiary of United Kingdom-based Small World Financial Services Group Limited (Small World). Respondent offers and provides to consumers international money transfers, known as “remittance transfers.”

5. Respondent is licensed in at least 27 states and the District of Columbia and sends remittance transfers to recipients through a nationwide network of over 2,000 agents that handle most of Respondent's remittance transfers. Respondent also offers consumers remittance transfers through its website and mobile application platforms. Respondent provides transfers to over 90 countries worldwide and handles approximately half a million transactions per month.

6. Respondent's remittance transfers involve transmitting funds and constitute payment services. These services are offered to consumers primarily for personal, family, or household purposes. The services are therefore "consumer financial product[s] or service[s]" under the CFPA. 12 U.S.C. §§ 5481(6), (15)(A)(iv), (15)(A)(vii).

7. Respondent is a remittance-transfer provider under EFTA and Regulation E because it provides remittance transfers for consumers in the normal course of businesses. 15 U.S.C. § 1693o-1(g)(3); 12 C.F.R. § 1005.30(f).

8. In 2010, EFTA was amended by adding § 919 to create a comprehensive system of consumer protections for remittance transfers sent by consumers in the United States to individuals and businesses in foreign countries.

9. To implement the requirements of § 919, the Bureau issued the

Remittance Rule, which is part of Regulation E and became effective on October 28, 2013.

10. Section 919 of EFTA and the Remittance Rule include a number of requirements related to remittance transfers, including that:

- a. remittance transfer providers generally must disclose the exchange rate, the amount of fees, the amount to be received, and other information both before and at the time the consumer pays for the transfer, 15 U.S.C. § 1693o-1(a)(1) and (2), 12 C.F.R. § 1005.31(b);
- b. remittance transfer providers must investigate errors and, if a provider determines an error occurred, remedy that error, 15 U.S.C. § 1693o-1(d), 12 C.F.R. 1005.33(c)(2)(ii), and maintain certain policies and procedures that are designed to ensure compliance with error resolution requirements, 12 C.F.R. § 1005.33(g)(1) and (2);
- c. remittance transfer providers must maintain certain records in a way that demonstrates compliance with EFTA, 15 U.S.C. § 1693o-1(d), 12 C.F.R. § 1005.13(b)(1), 12 C.F.R. § 1005.33(g)(2); and
- d. remittance transfer providers must provide disclosures that meet other specified requirements, including (i) use of a minimum-sized font, 12 C.F.R. § 1005.13(c)(3); (ii) use of prescribed, or substantially similar, terms when describing transfer amounts, taxes, fees, and other figures,

12 C.F.R. § 1005.13(b)(1); (iii) clear and conspicuous disclosure of the exchange rate, 12 C.F.R. § 1005.31(a)(1); (iv) that they be made in English and a required foreign language, 12 C.F.R. § 1005.31(g)(1); (v) that they comply with the applicable provisions of the E-Sign Act, 12 C.F.R. § 1005.31(a)(2); and (vi) that they not include any waiver of consumer rights, 15 U.S.C. § 1693o-1(d), 15 U.S.C. § 1693l.

11. As a remittance transfer provider under EFTA and the Remittance Rule, Respondent is liable for certain acts of its agents. 15 U.S.C. § 1693o-1(f); 12 C.F.R. § 1005.35.

12. Respondent was aware of EFTA, Regulation E, and the Remittance Rule and the Rule's applicability to its remittance transfer services business, but Respondent failed to comply—in some cases for nearly eight years—with several of the Remittance Rule's requirements.

Respondent Violated §§ 1005.31(b)(2)(ii) and (f) of the Remittance Rule, and § 1693o-1(a)(1) and (a)(2)(B)(i)(II) of EFTA by Failing to Accurately Disclose the Date of Funds Availability

13. Section 1693o-1(a)(1) of EFTA provides that “[a] remittance transfer provider shall make disclosures as required . . . in accordance with rules prescribed by the Bureau.”

14. Section 1005.31(f) of the Remittance Rule requires a remittance

transfer provider to send “accurate” disclosures, receipts, and combined disclosures to a sender when the sender makes payment for the transfer.

15. Section 1693o-1(a)(2)(B)(i)(II) of EFTA provides that a “remittance transfer provider shall provide . . . a receipt showing— . . . the promised date of delivery to the designated recipient.”

16. Section 1005.31(b)(2)(ii) of the Remittance Rule further requires remittance transfer providers to disclose the date in the foreign country on which funds will be available to the designated recipient, using the term “Date Available” or a substantially similar term. To comply with this requirement, the provider does not need to state, “the exact date on which funds will be available,” but may “disclose the latest date on which the funds will be available.” Official Interpretation, Comment 1005.31(b)(2)-1.

17. Until at least April 2020, Respondent disclosed inaccurate “date available” information to some senders on disclosures, stating a date that was not the latest date on which the funds would be available in the foreign country.

18. Frequently, Respondent’s point-of-sale receipts listed the availability date as the same date as the date of transfer. For some of these receipts, it was not possible for the remittance to be received on the day it was sent. Given time differences in the locations of beneficiaries, the varying times of day that senders request the transfer, and the business hours of the recipient institutions,

some transfers arrived at least one day after the transfer was sent. In these cases, the disclosed date of availability was inaccurate. The receipt also read “[m]ay be available sooner,” which was impossible for transactions where the date of availability was the same date of the transaction.

19. Therefore, Respondent violated the Remittance Rule, 12 C.F.R. §§ 1005.31(b)(2)(ii) and (f), and EFTA, 15 U.S.C. §§ 1693o-1(a)(1) and (a)(2)(B)(i)(II).

Respondent Violated §§ 1005.31(b)(1)(iv), (b)(2)(i) and (f) of the Remittance Rule and § 1693o-1(a)(1) of EFTA by Failing to Accurately Disclose the Exchange Rate.

20. Section 1693o-1(a)(1) of EFTA provides that “[a] remittance transfer provider shall make disclosures as required . . . in accordance with rules prescribed by the Bureau.”

21. Section 1005.31(f) of the Remittance Rule requires remittance transfer providers to provide accurate disclosures when the sender makes payment for the remittance transfer.

22. Sections 1005.31(b)(1)(iv) and (b)(2)(i) of the Remittance Rule requires remittance transfer prepayment disclosures and receipts to include the exchange rate used by the provider for the remittance transfer.

23. Until at least September 2020, in pre-payment disclosures provided on

Respondent's website, Respondent disclosed exchange rates in the recipient sections that invariably displayed an exchange rate of 0.00, which is inaccurate.

THE RECIPIENT RECEIVES FROM SMALL WORLD	
<u>EXCHANGE RATE:</u>	0.00 NGN
<u>TRANSFER AMOUNT</u>	172,216.85 NGN
<u>OTHER FEES</u>	0.00 NGN
<u>OTHER TAXES</u>	0.00 NGN
TOTAL TO RECIPIENT:	
172,216.85 Nigerian Naira	

24. Therefore, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.31(b)(1)(iv), (b)(2)(i) and (f), and EFTA, 15 U.S.C. § 1693o-1(a)(1).

Respondent Violated §§ 1005.31(b)(1)(i), (b)(2)(i) and (f) of the Remittance Rule and §§ 1693o-1(a)(1) & (a)(2)(ii) of EFTA by Failing to Accurately Disclose Transfer Fees.

25. Section 1693o-1(a)(1) of EFTA provides that “[a] remittance transfer provider shall make disclosures as required . . . in accordance with rules prescribed by the Bureau.”

26. Section 1693o-1(a)(2) of EFTA provides that “at the time at which the sender requests a remittance transfer to be initiated, and prior to the sender making any payment in connection with the remittance transfer, a disclosure describing . . .

(ii) the amount of transfer and any other fees charged by the remittance transfer provider for the remittance transfer” must be provided.

27. Section 1005.31(f) of the Remittance Rule requires remittance transfer providers to provide accurate disclosures when the sender makes payment for the remittance transfer.

28. Sections 1005.31(b)(1)(i) and (b)(2)(i) of the Remittance Rule requires remittance transfer prepayment disclosures and receipts to include “[a]ny fees imposed . . . on the remittance transfer by the provider, . . using the terms[] ‘Transfer Fees’ . . . , or substantially similar term[].”

29. Until at least September 2020, Respondent did not accurately characterize certain types of “Transfer Fees” in pre-payment disclosures and receipts provided to senders. This includes:

- a. Discounts: Respondent did not accurately disclose discounts that were deducted from the transfer fees in the “Transfer Fees” line item.

Rather than deducting discounts from the Transfer Fees amount in pre-payment disclosures and receipts, Respondent incorrectly listed a discount as a negative amount in “Other Fees” or as a “promotional code.”

- b. Nominal handling fees: Some of Respondent's agents charged senders a nominal handling fee that was applied to the transfer and incorrectly listed in "Other Fees," instead of in the "Transfer Fees" item.
- c. Credit card surcharge fee: In some mobile transactions, Respondent failed to include credit card surcharges as part of the "Transfer Fees" line item on pre-payment disclosures or receipts. If a sender elected to pay by credit card, Respondent applied a two percent surcharge. Prior to the consumer submitting a payment, Respondent notified senders of the surcharge amount in a separate pop-up window, but the charge was not included in the "Transfer Fees" line item as required by the Rule.

30. Section 1005.35 of the Remittance Rule provides that "[a] remittance transfer provider is liable for any violation . . . by an agent when such agent acts for the provider."

31. Therefore, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.31(b)(1)(i), (b)(2)(i) and (f) and EFTA, 15 U.S.C. § 1693o-1(a)(1) & (a)(2)(ii).

Respondent Violated §§ 1005.31(b)(1)(i)-(iv) and (b)(1)(vi) of the Remittance Rule and § 1693o-1(a)(1) of EFTA by Issuing Disclosures Which Did Not Use the Specified Terms or "Substantially Similar" Terms in Consumer Disclosures.

32. Section 1693o-1(a)(1) of EFTA provides that “[a] remittance transfer provider shall make disclosures as required . . . in accordance with rules prescribed by the Bureau.”

33. Section 1005.31(b)(1)(ii) of the Remittance Rule generally requires remittance transfer prepayment disclosures to disclose to the sender any fees imposed on the amount that will be transferred to the designated recipient, in the currency in which the remittance transfer is funded, using the term “Transfer Fees” for fees, or a substantially similar term.

34. Until at least August 2020, Respondent’s point-of-sale English and Spanish language prepayment disclosure templates, including those used by Respondent’s agents, used the term “Service,” “Servicio,” or “Cmm” which is neither the term “Transfer Fees” nor a substantially similar term.

35. Section 1005.31(b)(1)(iii) of the Remittance Rule requires remittance transfer prepayment disclosures to disclose to the sender the total amount of the transaction in the currency in which the remittance transfer is funded, using the term “Total,” or a substantially similar term.

36. Until at least August 2020, Respondent’s point-of-sale English and Spanish language prepayment disclosure templates, including those used by Respondent’s agents, used the term “Charged” or “Cargado”, which is neither the term “Total” nor a substantially similar term.

37. Section 1005.31(b)(1)(iv) of the Remittance Rule requires remittance transfer prepayment disclosures to disclose to the sender the exchange rate used by the provider for the remittance transfer, using the term “Exchange Rate,” or a substantially similar term.

38. Until at least August 2020, Respondent’s point-of-sale English and Spanish language prepayment disclosure templates, including those used by Respondent’s agents, used the term “Rate” or “Tasa,” which is neither the term “Exchange Rate” nor a substantially similar term.

39. Section 1005.31(b)(1)(vi) of the Remittance Rule requires remittance transfer prepayment disclosures to disclose to the sender any covered third-party fees, in the currency in which the funds will be received by the designated recipient, using the term “Other Fees,” or a substantially similar term.

40. Until at least through August 2020, Respondent’s point-of-sale English and Spanish language prepayment disclosure templates, including those used by Respondent’s agents, used the term “Cmm,” which is neither the term “Other Fees” nor a substantially similar term.

41. Section 1005.35 of the Remittance Rule provides that “[a] remittance transfer provider is liable for any violation . . . by an agent when such agent acts for the provider.”

42. Therefore, Respondent violated the Remittance Rule, 12 C.F.R.

§ 1005.31(b)(1)(i)-(iv) & (b)(1)(vi), and EFTA, 15 U.S.C. § 1693o-1(a)(1).

Respondent Violated § 1005.31(c)(3) of the Remittance Rule and § 1693o-1(a)(1) of EFTA By Failing to Adequately Disclose Key Terms in Written Disclosures.

43. Section 1693o-1(a)(1) of EFTA provides that “remittance transfer provider shall make disclosures as required . . . in accordance with rules prescribed by the Bureau.”

44. Section 1005.31(c)(3) of the Remittance Rule requires a remittance transfer provider’s written disclosures and receipts to disclose certain terms and information in at least “eight-point font.”

45. Until at least September 2020, written disclosures used by Respondent or by Respondent’s agents disclosed required terms in a font size smaller than eight point.

46. Section 1005.35 of the Remittance Rule provides that “[a] remittance transfer provider is liable for any violation . . . by an agent when such agent acts for the provider.”

47. Therefore, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.31(c)(3), and EFTA, 15 U.S.C. § 1693o-1(a)(1).

Respondent Violated § 1005.33(c)(2)(ii) of the Remittance Rule and § 1693o-1(d) of EFTA by Failing to Refund Certain Fees.

48. Section 1693o-1(d) of EFTA provides error resolution requirements,

including how, in the event of a properly noticed remittance transfer error, “the remittance transfer provider shall resolve the error pursuant to [EFTA] and investigate the reason for the error,” 15 U.S.C. § 1693o-1(d)(1)(A), and that “the Bureau shall establish, by rule . . . , clear and appropriate standards for remittance transfer providers with respect to error resolution relating to remittance transfers, to protect senders from such errors,” 15 U.S.C. § 1693o-1(d)(2). A failure to resolve an error pursuant to the Remittance Rule is therefore a failure to “resolve the error” consistent with § 1693o-1(d) of EFTA.

49. When a sender asserts an error in compliance with the Remittance Rule’s requirements and the provider determines that an error occurred, § 1005.33(c)(2)(ii) of the Remittance Rule generally requires a remittance transfer provider to refund “any fees imposed,” as well as taxes where not prohibited by law, on the transfer when the provider fails to make funds available to the designated recipient by the availability date in the receipt.

50. Until at least September 2020, Respondent repeatedly did not refund fees when a sender properly submitted an error notice alleging a date of availability error and Respondent determined that such an error occurred.

51. Therefore, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.33(c)(2)(ii), and EFTA, 15 U.S.C. § 1693o-1(d).

Respondent Violated §§ 1005.31(b)(1)(iv) & (b)(2)(i) of the Remittance Rule and § 1693o-1(d) of EFTA By Failing to Clearly and Conspicuously Disclose the Exchange Rate.

52. Section 1693o-1(a)(1) of EFTA provides that “remittance transfer provider shall make disclosures as required . . . in accordance with rules prescribed by the Bureau.”

53. Sections 1005.31(b)(1)(iv) & (b)(2)(i) of the Remittance Rule generally requires a provider to disclose the exchange rate for the remittance transfer.

54. Section 1005.31(a)(1) of the Remittance Rule requires that the disclosure of the exchange rate must be clear and conspicuous.

55. In Respondent’s point-of-sale receipts, and its website and mobile application pre-payment disclosure and receipt, Respondent disclosed the exchange rate as a string of digits with no currency designation or indication of the particular currency the disclosed rate was being converted to or from.

THE SENDER SENDS WITH SMALL WORLD
TRANSFER AMOUNT 1,950.00 USD
TRANSFER FEES* 30.99 USD
OTHER FEES 0.00 USD
EXCHANGE RATE 584.7793
TRANSFER TAXES 0.00 USD
PROMOTIONAL CODE: US DIGITAL TRX FOR FREE -30.99 US Dollar
TOTAL COST: 1,950.00 US Dollar

56. Respondent did not clearly and conspicuously disclose the exchange rate on pre-payment disclosures and receipts because Respondent did not include the currency designation.

57. By failing to clearly and conspicuously disclose the exchange rate, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.31(b)(1)(iv) & (b)(2)(i), and EFTA, 15 U.S.C. § 1693o-1(a).

Respondent Violated § 1005.31(g)(1) of the Remittance Rule and § 1693o-1(a)(1) of EFTA by Failing to Provide Disclosures in English and Other Required Foreign Language.

58. Section 1693o-1(a)(1) of EFTA provides that “remittance transfer provider shall make disclosures as required . . . in accordance with rules prescribed by the Bureau.”

59. Section 1005.31(g)(1) of the Remittance Rule requires that disclosures

be made in English and, if applicable, in the foreign language “primarily used by the sender with the remittance transfer provider to conduct the transaction, provided that such foreign language is principally used by the remittance transfer provider to advertise, solicit, or market remittance transfer services” at the office where the sender conducts a transaction.

60. Respondent did not provide disclosures in English and the foreign language used by the sender to conduct a transaction or principally used by Respondent to advertise.

61. In point-of-sale transactions that met the requirements for Spanish disclosures, Respondent’s agents only provided the disclosures in Spanish and not both required languages.

62. By failing to provide disclosures in both required languages, Respondent violated the Remittance Rule, 12 C.F.R. § 1005.31(g)(1) of the Remittance Rule and EFTA, 15 U.S.C. § 1693o-1(a).

Respondent Violated §§ 1005.31(g)(1) of the Remittance Rule and § 1693o-1(a)(1) of EFTA by Failing to Abide by the Requirements for Electronic Disclosures.

63. Section 1693o-1(a)(1) of EFTA provides that a “remittance transfer provider shall make disclosures as required . . . in accordance with rules prescribed by the Bureau.”

64. Section 1005.31(a)(2) of the Remittance Rule, along with the Official

Interpretation of 31(a)(2) Written and Electronic Disclosures, provides that remittance transfer providers must comply with the consumer consent and other applicable provisions of the E-Sign Act, 15 U.S.C. 7001 et seq., when providing senders with electronic versions of receipts for remittance transfers.

65. In violation of 15 U.S.C. § 7001(c)(1)(C)(ii), Respondent did not obtain consumer consent prior to providing receipts in electronic form on its mobile application and website platforms.

66. By failing to obtain consumer consent prior to providing receipts in electronic form on its mobile application and website platforms, in violation of the E-Sign Act, Respondent violated Section 1005.31(g)(1) of the Remittance Rule.

Respondent Violated § 1005.33(g)(1)-(g)(2) of the Remittance Rule by Failing to Develop and Maintain Required Written Policies and Procedures for Error Resolution.

67. Section 1005.33(g)(1) of the Remittance Rule requires remittance transfer providers to maintain policies and procedures designed to ensure compliance with the Rule's error resolution requirements.

68. Section 1005.33(g)(2) of the Remittance Rule requires that these written policies and procedures ensure, at minimum, the retention of any notices of error submitted by a remittance sender, any documentation provided by the sender to the remittance transfer provider with respect to the alleged error, and the provider's findings.

69. Section 1005.33(a)(1)(i)-(v) of the Remittance Rule defines “error” to include five events or actions. According to section 1005.33(a)(1)(v), alongside the four other definitions, an “error means . . . [t]he sender’s request for documentation required by § 1005.31 or for additional information or clarification concerning a remittance transfer, including a request a sender makes to determine whether an error exists.”

70. Section 1005.33(d)(1) requires that, if a remittance transfer provider’s investigation determines “no error” or finds an error “different” from the one alleged, the remittance transfer provider must provide a written explanation of the findings regarding the notice of error, addressing the specific complaint, and noting the sender’s right to request the documents on which the remittance provider relied in making its determination.

71. Until at least January 2021, Respondent did not have policies and procedures designed to ensure compliance with the Remittance Rule’s specific document retention requirements of § 1005.33(g)(2).

72. Specifically, Respondent’s written policies and procedures lacked (1) procedures to categorize error cases accurately; (2) instructions on how to retain records pertinent to an error investigation; and (3) procedures to document the results of an error investigation.

73. Respondent’s policies and procedures also failed to account for the

following provisions of the Remittance Rule:

- a. The requirement to treat as an error under the Rule a sender's request for documentation or for additional information or clarification concerning a remittance transfer under 12 C.F.R. § 1005.33(a)(1)(v);
 - b. The requirement to provide a written explanation of the provider's results of the investigation when it determines that no error, or a different error occurred under 12 CFR § 1005.33(d)(1); and
 - c. The need to appropriately capture whether the sender initiated an error assertion, the type and nature of asserted errors, and the results of the investigation.
74. By failing to maintain policies and procedures designed to ensure compliance with the Rule's error resolution requirements, Respondent violated the Remittance Rule, 12 C.F.R. §§ 1005.33(g)(1)-(g)(2).

Respondent Violated §§ 1005.13(b)(1) and 1005.33(g)(2) of Regulation E by Failing to Retain Evidence Demonstrating Compliance with the Remittance Rule's Error-Resolution Requirements.

75. Section 1005.33 of the Remittance Rule requires remittance transfer providers to follow specified procedures to resolve errors, including:
- a. under § 1005.33(c)(1), a remittance transfer provider must investigate promptly and determine whether an error occurred;

- b. under § 1005.33(c)(1), a remittance transfer provider must report the results of the investigation to the sender within three business days of completing an error investigation;
- c. under § 1005.33(c)(1), when a remittance transfer provider reports the results of an investigation to the sender, the provider must include notice of any remedies available for correcting any error that the provider determines has occurred;
- d. under § 1005.33(c)(2), in the case of an error determination, a remittance provider generally must either refund the amount of funds provided by the sender which was not properly transmitted or make available to the designated recipient, without additional cost to the sender or to the designated recipient, the amount appropriate to resolve the error as a remedy for the error; and
- e. under § 1005.33(d)(1), if a remittance transfer provider's investigation determines "no error" or finds an error "different" from the one alleged, the remittance transfer provider must provide a written explanation of the findings regarding the notice of error, addressing the specific complaint, and noting the sender's right to request the documents on which the remittance provider relied in making its determination;

76. Section 1005.33(g)(2) of the Rule also incorporates by reference the record retention provisions found in Section 1005.13(b)(1) of Regulation E, and requires remittance transfer providers to retain evidence of compliance with the Rule's error resolution requirements for at least two years. Under § 1005.33(g)(2), this includes a requirement that a provider have policies and procedures that "must ensure, at a minimum, the retention of any notices of error submitted by a sender, documentation provided by the sender to the provider with respect to the alleged error, and the findings of the remittance transfer provider regarding the investigation of the alleged error."

77. Until at least January 2021, Respondent failed to retain evidence in a way that demonstrated compliance with the specific requirements of § 1005.33, including:

- a. failure to retain evidence of compliance with the error resolution requirements for a period of not less than two years from the date of the required disclosures or action taken;
- b. failure to retain the findings of an error investigation;
- c. failure to retain documentation provided by the sender with respect to the alleged error; and
- d. failure to retain key findings from each investigation, including evidence of Respondent's error determination and, in the event

Respondent concluded an error did in fact occur, whether the sender was informed of, and selected, an applicable remedy under the Rule.

78. By failing to retain evidence of compliance with the Remittance Rule's error resolution requirements for at least two years, Respondent violated Regulation E and the Remittance Rule, 12 C.F.R. §§ 1005.13(b)(1) and 1005.33(g)(2).

Respondent Violated § 1693l of EFTA by Including an Improper Waiver of Consumer Rights in its Disclosures.

79. Section 1693l of the EFTA provides that “[n]o writing or other agreement between a consumer and any other person may contain any provision which constitutes a waiver of any right conferred or cause of action created by this subchapter.”

80. Respondent included the following language in its point-of-sale disclosures:

“We are not responsible for delay or failure to effect payment due to causes beyond our control or as permitted by law. Licensee is not liable for erroneous payment if the information provided by sender on the receipt is incorrect. In the event the sender provided an incorrect account number for deposit to account, the sender could lose the transfer amount.”

81. The language in Respondent's disclosures is inconsistent with rights afforded to consumers under the Remittance Rule. Under Section 1005.33(a)(1)(iv)(A), a provider may have error resolution obligations for the

failure to make funds available to a designated recipient by the date of availability stated in the disclosure, unless the failure to make the funds available resulted from “extraordinary circumstances outside the remittance transfer provider’s control that could not have been reasonably anticipated.” Under Section 1005.33(a)(1)(iv)(D), the provision by the sender of an incorrect account number or recipient institution identifier for the designated recipient’s account or institution may limit the provider’s error resolution obligations for failure to make funds available to a designated recipient by the stated date of availability only if the provider meets the conditions set forth in paragraph (h) of that section.

82. The liability waiver language in the disclosures remained in Respondent’s English language templates until early 2020, and across other website and mobile application foreign language prepayment disclosures and receipts until at least August 2020.

83. Requiring customers to sign the disclosure with this language constituted an improper waiver of EFTA rights and thus Respondent violated EFTA, 15 U.S.C. § 1693l.

Respondent’s Violations of the Remittance Rule and EFTA are also Violations of § 5536(a)(1)(A) of the CFPA

84. Section 1036(a)(1)(A) of the CFPA prohibits covered persons from

offering or providing consumer-financial products or services that are not in conformity with “Federal consumer financial law.” 12 U.S.C. § 5536(a)(1)(A).

85. The Remittance Rule is a “Federal consumer financial law.” 12 U.S.C. § 5481(14); 12 C.F.R. § 1005.1(a).

86. EFTA is an “enumerated consumer law” and a “Federal consumer financial law.” 12 U.S.C. § 5481(12)(C), (14).

87. As described above, Respondent offered or provided remittance transfers not in conformity with EFTA, Regulation E, and the Remittance Rule.

88. Respondent therefore violated § 1036(a)(1)(A) of the CFPA. 12 U.S.C. § 5536(a)(1)(A).

CONDUCT PROVISIONS

V.

Prohibited Conduct

IT IS ORDERED, under §§ 1053 and 1055 of the CFPA, that:

89. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, in connection with the provision of remittance transfers, are prohibited from offering or providing remittance transfers without complying with the error-

resolution requirements of EFTA, 15 U.S.C. § 1693o-1, and the Remittance Rule, 12 C.F.R. § 1005.33, including but not limited to:

- a. the requirement to develop and maintain written policies and procedures that are designed to ensure the remittance transfer provider's compliance with the Rule's error resolution requirements;
- b. the requirements that a remittance transfer provider must investigate promptly and determine whether an error occurred in response to a consumer's properly asserted error notice, report the results of the investigation to the sender, and when making that report to the sender, include notice of remedies available for correcting any error that the provider determines has occurred;
- c. the requirement to provide the sender with a written explanation if the investigation finds no error or finds an error different from the one alleged in the consumer's properly asserted error notice;
- d. the requirement that remittance transfer provider refund to a sender all fees and taxes imposed when the provider fails to make funds available to the designated recipient by the availability date on the receipt;

- e. the requirement—incorporating the record retention requirements of Section 1005.13(b)(1) of Regulation E—to retain evidence of compliance with the Rule’s error resolution requirements, for at least two years, including retention of evidence demonstrating that its procedures reasonably ensure the consumers’ receipt of required disclosures and documentation; and
- f. the requirement to identify whether a sender’s request for documentation or for additional information or clarification concerning a remittance transfer constituted an “error” under the Rule.

90. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, in connection with the provision of remittance transfers are prohibited from offering or providing remittance transfers without complying with the disclosure requirements of the Remittance Rule, 12 C.F.R. § 1005.31, and of EFTA, 15 U.S.C. § 1693o-1, including but not limited to:

- a. the requirement that a remittance transfer provider send accurate disclosures, receipts, and combined disclosures to a sender when the sender makes payment for the transfer;
- b. the requirement that a remittance transfer provider shall disclose to the sender the date on which funds will be available to the

- designated recipient in the foreign country, using the term “Date Available” or a substantially similar term;
- c. the requirement that remittance transfer prepayment disclosures, receipts, and combined disclosures disclose the exchange rate used by the provider for the remittance transfer;
 - d. the requirement that remittance transfer prepayment disclosures, receipts, and combined disclosures disclose any fees imposed on the remittance transfer by the provider, in the currency in which the remittance transfer is funded, using the term “Transfer Fees” or a substantially similar term;
 - e. the requirement that remittance transfer prepayment disclosures, receipts, and combined disclosures disclose the total amount of the transaction in the currency in which the remittance transfer is funded, using the term “Total,” or a substantially similar term;
 - f. the requirement that remittance transfer prepayment disclosures, receipts, and combined disclosures disclose the exchange rate used by the provider for the remittance transfer, using the term “Exchange Rate,” or a substantially similar term;
 - g. the requirement that remittance transfer prepayment disclosures, receipts, and combined disclosures disclose any covered third-

party fees, in the currency in which the funds will be received by the designated recipient, using the term “Other Fees,” or a substantially similar term;

- h. the requirement that remittance transfer prepayment disclosures, receipts, and combined disclosures comply with the font size minimum set forth by 12 C.F.R. § 1005.31(c)(3), including that, if applicable, specified terms are in at least “eight-point font”;
- i. the requirement that remittance transfer prepayment disclosures, receipts, and combined disclosures clearly and conspicuously disclose the exchange rate;
- j. the requirement that remittance transfer prepayment disclosures, receipts, and combined disclosures are made in English and, if applicable, in the foreign language “primarily used by the sender with the remittance transfer provider to conduct the transaction, provided that such foreign language is principally used by the remittance transfer provider to advertise, solicit, or market remittance transfer services” at the office where the sender conducts a transaction; and
- k. the requirement to comply with the consumer consent and other applicable provisions of the E- Sign Act, 15 U.S.C. 7001 et seq.,

when providing senders with electronic versions of receipts for remittance transfers.

91. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, in connection with the provision of remittance transfers are prohibited from offering or providing remittance transfers without complying with the disclosure requirements of section 1693l of the EFTA that provide “[n]o writing or other agreement between a consumer and any other person may contain any provision which constitutes a waiver of any right conferred or cause of action created by this subchapter.”

Required Conduct

92. Respondent, in connection with the offering or provision of remittance transfers must:

- a. implement and maintain written policies and procedures designed to ensure compliance with EFTA and the Remittance Rule, including but not limited to written policies and procedures detailing the roles and responsibilities of Respondent’s officers, agents, and employees in complying with error resolution requirements;

- b. maintain a compliance management system that is designed to ensure that Respondent's operations comply with EFTA and the Remittance Rule;
- c. develop and maintain a record retention system that demonstrates compliance with EFTA and the Remittance Rule's error resolution requirements, and ensures that records are retained for the required duration of time set forth by Regulation E;
- d. conduct training and oversight of all agents, employees, and service providers that is reasonably designed to ensure compliance with EFTA and the Remittance Rule; and
- e. develop and maintain monitoring and audit functions designed to uncover deficiencies or violations of EFTA and the Remittance Rule.

VI.

Compliance Plan

IT IS FURTHER ORDERED that:

93. Within 30 days of the Effective Date, Respondent must submit to the Regional Director for review and determination of non-objection a comprehensive compliance plan designed to ensure that Respondent's remittance transfer acts and

practices comply with all applicable federal consumer-financial laws and the terms of this Consent Order (Compliance Plan). The Compliance Plan must include, at a minimum, detailed steps for addressing each action required by this Consent Order and specific timeframes and deadlines for implementing those steps, including, but not limited to, requirements set forth in Paragraph 92(a)-(e).

94. The Regional Director will have the discretion to make a determination of non-objection to the Compliance Plan or direct Respondent to revise it. If the Regional Director directs Respondent to revise the Compliance Plan, Respondent must make the revisions and resubmit the Compliance Plan to the Regional Director within 30 days.

95. After receiving notification that the Regional Director has made a determination of non-objection to the Compliance Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan.

VII.

Role of the Board

IT IS FURTHER ORDERED that:

96. The Board must review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order prior to submission to the Bureau.

97. Although this Consent Order requires Respondent to submit certain documents for the review or non-objection by the Regional Director, the Board will have the ultimate responsibility for proper and sound management of Respondent and for ensuring that Respondent complies with the laws that the Bureau enforces, including federal consumer financial laws and this Consent Order.

98. In each instance that this Consent Order requires the Board to ensure adherence to, or perform certain obligations of Respondent, the Board must:

- a. authorize whatever actions are necessary for Respondent to fully comply with the Consent Order;
- b. require timely reporting by management to the Board on the status of compliance obligations; and
- c. require timely and appropriate corrective action to remedy any material non-compliance with any failures to comply with Board directives related to this Section.

MONETARY PROVISIONS

VIII.

Order to Pay Civil Money Penalty

IT IS FURTHER ORDERED that:

99. Under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, and taking into account the factors in 12 U.S.C. § 5565(c)(3), Respondent must pay a civil money penalty of \$950,000 to the Bureau.

100. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.

101. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by § 1017(d) of the CFPA, 12 U.S.C. § 5497(d).

102. Respondent, for all purposes, must treat the civil money penalty paid under this Consent Order as a penalty paid to the government. Regardless of how the Bureau ultimately uses those funds, Respondent may not:

- a. claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
- b. seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.

103. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer Action because of the civil money penalty paid in this action or because of any payment that the Bureau makes from the Civil Penalty Fund. If the court in any Related Consumer Action offsets or otherwise reduces the amount of compensatory monetary remedies imposed against Respondent based on the civil money penalty paid in this action or based on any payment that the Bureau makes from the Civil Penalty Fund, Respondent must, within 30 days after entry of a final order granting such offset or reduction, notify the Bureau, and pay the amount of the offset or reduction to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

IX.

Additional Monetary Provisions

IT IS FURTHER ORDERED that:

104. In the event of any default on Respondent's obligations to make

payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.

105. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondent.

106. Under 31 U.S.C. § 7701, Respondent, unless it already has done so, must furnish to the Bureau its taxpayer-identification number, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.

107. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondent must notify the Regional Director of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondent paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

COMPLIANCE PROVISIONS

X.

Reporting Requirements

IT IS FURTHER ORDERED that:

108. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address. Respondent must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.

109. Within 7 days of the Effective Date, Respondent must:

- a. designate at least one telephone number and email, physical, and postal addresses as points of contact, that the Bureau may use to communicate with Respondent;
- b. identify all businesses for which Respondent is the majority owner, or that Respondent directly or indirectly controls, by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; and
- c. describe the activities of each such business, including the products and services offered, and the means of advertising, marketing, and sales.

110. Respondent must report any change in the information required to be submitted under Paragraph 108 at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.

111. Within 90 days of the Effective Date, and again one year after receiving notice of non-objection to the Compliance Plan, Respondent must submit to the Regional Director an accurate written compliance progress report (Compliance Report) that has been approved by the Board, sworn to under penalty of perjury, which, at a minimum:

- a. lists each applicable paragraph and subparagraph of the Order and describes in detail the manner and form in which Respondent has complied with each such paragraph and subparagraph of the Consent Order;
- b. describes in detail the manner and form in which Respondent has complied with the Compliance Plan; and
- c. attaches a copy of each Order Acknowledgment obtained under Section XI, unless previously submitted to the Bureau.

XI.

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that:

112. Within 7 days of the Effective Date, each Respondent must submit to

the Regional Director an acknowledgment of receipt of this Consent Order, sworn under penalty of perjury.

113. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of its board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.

114. For 5 years from the Effective Date, Respondent must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section X, any future board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who will have responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.

115. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 et seq., within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.

116. Within 90 days of the Effective Date, Respondent must provide the

Bureau with a list of all persons and their titles to whom this Consent Order was delivered through that date under Paragraphs 113-114 and a copy of all signed and dated statements acknowledging receipt of this Consent Order under Paragraph 115.

XII.

Recordkeeping

IT IS FURTHER ORDERED that:

117. Respondent must create and retain the following business records:
 - a. all documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau;
 - b. templates of all prepayment disclosures, receipts, and combined disclosures, along with records sufficient to demonstrate the dates and locations in which each template was in use and the number of consumers who received each template; and
 - c. all consumer complaints, notices of error, and refund requests (whether received directly or indirectly, such as through a third party), determinations of error or non-error under the Remittance Rule, and any responses to those notices, complaints or requests.

118. Respondent must make the documents identified in Paragraph 117 available to the Bureau upon the Bureau's request.

XIII.

Notices

IT IS FURTHER ORDERED that:

119. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, "In re Choice Money Transfer, Inc. d/b/a Small World Money Transfer, File No. 2022-CFPB-0009" and send them by overnight courier or first-class mail to the below address and contemporaneously by email to Enforcement_ConsolidatedCompliance@cfpb.gov and to:

Regional Director, Northeast Region
Bureau of Consumer Financial Protection
140 East 45th Street, 4th Floor
New York, NY 10017

XIV.

Compliance Monitoring

IT IS FURTHER ORDERED that:

120. Within 14 days of receipt of a written request from the Bureau,

Respondent must submit additional Compliance Reports or other requested information; provide sworn testimony; or produce documents.

121. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview regarding: (a) this matter; (b) anything related to or associated with the conduct described in Section IV; or (c) compliance with the Consent Order. The person interviewed may have counsel present.

122. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

XV.

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

123. Respondent may seek a modification to non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Regional Director.

124. The Regional Director may, in his or her discretion, modify any non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) if he or she determines good cause justifies

the modification. Any such modification by the Regional Director must be in writing.

ADMINISTRATIVE PROVISIONS

XVI.

IT IS FURTHER ORDERED that:

125. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau from taking any other action against Respondent, except as described in Paragraph 126. Further, for the avoidance of doubt, the provisions of this Consent Order do not bar, estop, or otherwise prevent any other person or governmental agency from taking any action against Respondent.

126. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order in future enforcement actions against Respondent and their affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to

determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.

127. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPB, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.

128. This Consent Order will terminate on the later of 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondent, if such action is initiated within 5 years of the Effective Date. If such action is dismissed or the relevant adjudicative body rules that Respondent did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

129. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.

130. Should any Respondent seek to transfer or assign all or part of its

operations that are subject to this Consent Order, that Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.

131. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under §1055(c) of the CFPA, 12 U.S.C. § 5565(c).

132. In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.

133. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.

134. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent or its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 4th day of October, 2022.

Rohit Chopra

Rohit Chopra
Director
Consumer Financial Protection Bureau