

Class Action Settlement Nets Refunds and Debt Forgiveness for Credit Card Customers

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Lawsuit Challenged Cavalry Portfolio Services' practice of adding interest to debts it purchased

U.S. District Court Judge Patti Saris granted final approval of a settlement on Monday, May 2, in Spence, et al. v. Cavalry Portfolio Services.

Elizabeth Ryan of Bailey Glasser's Boston office filed the lawsuit with Charles Delbaum of the National Consumer Law Center on behalf of certain consumers whose credit card debts were purchased by Cavalry Portfolio Services.

The class action suit alleged that Cavalry added interest charges for time periods when it did not own debt, and when the owner at the time waived the right to collect interest. It sought to collect the interest through litigation and other methods.

Under the terms of the settlement, Cavalry will pay a total of \$550,000 to the class. Class members who paid the challenged interest will receive refunds averaging more than \$400 each, and other class members will receive a payment representing statutory damages.

In addition, Cavalry will forgive more than \$2 million in outstanding interest, as well as pay attorneys' fees and costs.

No claim forms will be necessary for class members. Subject to court approval, uncashed checks will be distributed to Action for Boston Community Development.

Attorneys

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Practice Areas

Class Actions