Statement of Senator Mike Crapo
Committee on Banking, Housing, and Urban Affairs
October 3, 2017

Crapo Statement at Wells Fargo Hearing

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the United States Senate Committee on Banking, Housing and Urban Affairs, today delivered the following remarks during a full committee hearing entitled: “Wells Fargo: One Year Later.”

The text of Chairman Crapo’s remarks, as prepared, is below.

“Today we will hear testimony from Wells Fargo Chief Executive Officer and President Tim Sloan.

“Just over a year ago, former Wells Fargo Chairman and Chief Executive Officer John Stumpf testified in front of this Committee on the bank’s fake-account scandal and his handling of its fallout.

“Of the many issues emphasized by Committee members during that hearing was the need to hold executives accountable and to ensure that customers impacted would be made whole.

“Mr. Stumpf repeatedly committed that the bank would take necessary actions to make it right, and to restore the public’s and investors’ trust in the company.

“Incidents like these remind us of how critically important it is for companies to institute policies and procedures that foster customer protection, promptly identify and address problems, and treat customers fairly.

“Since that hearing, Wells Fargo has made changes to its corporate and managerial structure in an effort to address the concerns raised by this incident.

“However, new developments and disclosures at the bank during the last year merit new scrutiny.

“On August 31, 2017, Wells Fargo announced the results of an expanded review of retail banking accounts, which including accounts opened between January 2009 and September 2016.

“The expanded review found the number of potentially unauthorized accounts numbered 3.5 million instead of 2.1 million.

“Separately, the company discovered problems with respect to its auto Collateral Protection Insurance, or CPI, business and self-reported these issues to its regulators.

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"In response to customer complaints, Wells Fargo reviewed policies purchased on behalf of customers between 2012 and 2017, and found that up to 800,000 customers may have been harmed by Wells Fargo's CPI practices.

"The end result was that customers were charged for car insurance that they did not need and some had their vehicles wrongfully repossessed.

"For families, having your car repossessed or credit compromised is devastating.

"These new developments raise a number of questions that Wells Fargo must answer including:

"What has Wells Fargo done to ensure that customers affected by any of these issues are or will be made whole?

"In more complex cases where customers' credit scores were negatively affected, how is Wells Fargo working with other parties to restore those credit scores and return amounts in those instances where customers experienced higher borrowing costs?

"What structural and cultural changes has Wells Fargo made in the last year to address both past issues and new revelations, and what evidence is there that new policies and procedures are effective?

"Finally, as members asked last year, what has been the involvement of regulators since the initial incident, and in response to the new disclosures?

"We welcome your comments on these matters."

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