

**IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

NATIONAL ASSOCIATION OF
CONSUMER ADVOCATES, INC.,
1629 K St NW, Suite 604, Washington, DC
20006,

Plaintiff,

v.

AMERICREDIT FINANCIAL
SERVICES, INC. d/b/a GENERAL
MOTORS FINANCIAL,
801 Cherry Street, Suite 3600
Fort Worth, TX 76102

SERVE:
CORPORATION SERVICE COMPANY
1156 15th Street NW, Suite 605
Washington, D.C. 20005

Defendant.

Case No: 2026-CAB-003388

**COMPLAINT AND JURY TRIAL
DEMAND**

INTRODUCTION

1. This is an action to recover illegal profits and secure injunctive relief for District of Columbia consumers and to prevent Defendant Americredit Financial Services, Inc. d/b/a General Motors Financial (“GM Financial”) from benefiting from its violations of District of Columbia law.

2. GM Financial abuses its position as a vehicle loan servicer by operating a payment collection system that charges fees to borrowers who make their auto loan payments online or over the phone (“pay-to-pay fees”), even though these fees are not expressly authorized in the terms of borrowers’ standard auto loan agreements and greatly exceed the costs to GM Financial to process

electronic loan payments. GM Financial violates District of Columbia law by collecting or attempting to collect, directly or indirectly, pay-to-pay fees.

3. GM Financial uses form contracts for financing and refinancing vehicle purchases and loans. It leverages its position of power over borrowers to extract exorbitant pay-to-pay fees. The actual cost for GM Financial to process telephone or online payment transactions is very low—likely a few cents. The cost to process telephone or online payment amount is well below the amount of fees that D.C. borrowers end up paying to make their loan payments to GM Financial.

4. Plaintiff National Association of Consumer Advocates, Inc. (“NACA”) is a nonprofit advocacy organization committed to representing consumers’ interests. NACA brings this suit to enforce the CPPA in light of the resulting harm to D.C. consumers from GM Financial’s law violations.

PARTIES

A. NACA

5. The National Association of Consumer Advocates, Inc. is a nonprofit public interest organization. NACA is organized under the laws of the Commonwealth of Massachusetts and registered as a foreign corporation with the District of Columbia. NACA’s principal place of business is in Washington, D.C.

6. NACA is a nonprofit association of more than 1,500 attorneys and consumer advocates committed to representing consumers’ interests. NACA’s primary focus is the protection and representation of consumers. NACA serves as a voice for consumers in the ongoing struggle to curb unfair or abusive business practices that harm consumers. NACA has been instrumental in advocating against consumer abuses both federally and locally in the District.

7. NACA’s robust history of consumer advocacy demonstrates a sufficient nexus with the interest of the consumers represented in this case. NACA specifically advocates for the protection of consumers’ rights during electronic fund transfers in instances of fraud and mistake,¹ as well as publishes educational reports detailing the harms of one-sided contracts of adhesion which purport to waive consumers’ substantive rights and remedies.² NACA also advocates for consumers in the area of junk fees, auto financing, and unfair contract terms.

8. NACA brings this suit to enforce the CPPA. The names of the affected District consumers contained are within GM Financial’s records.

B. GM Financial

9. Defendant is a private company headquartered in Texas, with its principal place of business also in Texas.

JURISDICTION AND VENUE

10. This Court has subject matter jurisdiction under D.C. Code § 11-921(a) and D.C. Code §§ 28–3905(k)(1)(D)(i) and (k)(2).

11. This Court has personal jurisdiction over GM Financial under D.C. Code § 13-423(a) because GM Financial transacts business in the District, is registered to do business here, and caused tortious injuries in the District by its acts and omissions.

¹ <https://www.nclc.org/wp-content/uploads/2022/10/FedNow-coalition-comments-final-1.pdf>; https://www.consumeradvocates.org/wp-content/uploads/2022/01/Comment_CFPBTechPayments_12.2021.pdf; https://www.consumeradvocates.org/wp-content/uploads/2022/01/Comment_CFPBTechPayments_12.2021.pdf

² Hines, Christina, “Fine Print Traps Terms in Corporate Form Contract that Cause Most Harm to Consumer Rights and Protections” https://www.consumeradvocates.org/wp-content/uploads/2024/03/NACA_fineprinttraps_mostharm032024.pdf

APPLICABLE LAW

A. D.C. Debt Collection Law

12. The DCL governs conduct and practices in connection with the collection of obligations arising from any consumer debt. D.C. Code § 28-3814. A debt collector that violates any provision of the DCL is liable to the consumer. *Id.* § 28-3814(u).

13. The DCL applies to debt collectors, including original creditors, engaging directly or indirectly in debt collection. *Id.* § 28-3814(b)(5). “Debt collection,” in turn, means any action, conduct, or practice undertaken for the purpose of collecting consumer debt. *Id.* § 28-3814(b)(4).

14. “Consumer debt” means money or its equivalent, or a loan or advance of money, which is, or is alleged to be, 30 days past due and owing, unless a different period is agreed to by the consumer, as a result of a purchase, lease, or loan of goods, services, or real or personal property for personal, family, medical, or household purposes. *Id.* § 28-3814(b)(2).

15. The DCL prohibits debt collectors from using unfair, fraudulent, deceptive, or misleading representations, devices, or practices to collect a consumer debt, including “any representation that an existing obligation of the consumer may be increased by the addition of . . . service fees, or any other fees or charges when in fact such fees or charges may not be legally added to the existing obligation.” *Id.* § 28-3814(f)(8).

16. The DCL also makes it illegal to “use unfair or unconscionable means to collect or attempt to collect any consumer debt in any way,” including:

- a. “the collection or the attempt to collect from the consumer all or any part of the debt collector’s fee or charge for services rendered, unless otherwise provided for by law or contract with the consumer,” *id.* § 28-3814(g)(3); and

- b. “the collection of or the attempt to collect any interest or other charge, fee, or expense incidental to the principal obligation unless such interest or incidental fee, charge, or expense is expressly authorized by the agreement creating the obligation and legally chargeable to the consumer or unless such interest or incidental fee, charge, or expense is expressly authorized by law,” *id.* § 28-3814(g)(4).

B. D.C. Consumer Protection Procedures Act

17. The CPPA is a broad remedial statute, which courts construe liberally to promote consumer protection.

18. The CPPA defines “consumer” broadly to mean “a person who, other than for purposes of resale, does or would purchase, lease (as lessee), or receive consumer goods or services, including as a co-obligor or surety, or does or would otherwise provide the economic demand for a trade practice.” D.C. Code § 28-3901(a)(2)(A).

19. The CPPA defines “goods and services” to mean “any and all parts of the economic output of society, at any stage or related or necessary point in the economic process, and includes consumer credit, franchise, business opportunities, real estate transactions, and consumer services of all types.” *Id.* § 28-3901(a)(7).

20. The CPPA makes it illegal for any person to “engage in an unfair or deceptive trade practice, whether or not any consumer is in fact, misled, deceived, or damaged thereby.” *Id.* § 28-3904.

21. The CPPA creates a private right of action for D.C. CPPA violations, as well as for any consumer who seeks to “bring an action seeking relief from the use of a trade practice in violation of a law of the District.” *Id.* § 28-3905(k)(1)(A). This provision contemplates that procedures and sanctions provided by the D.C. CPPA will be used to enforce trade practices made

unlawful by other statutes.

22. Under the CPPA, a public interest organization may, on behalf of the interests of a consumer or a class of consumers, bring an action seeking relief from the use by any person of a trade practice in violation of a law of the District. D.C. Code 28-3905(k)(1)(D).

FACTUAL ALLEGATIONS

A. GM Financial burdens D.C. consumers with illegal pay-to-pay fees.

23. GM Financial is the wholly owned captive finance subsidiary of General Motors and a lender and servicer of auto loans. On its website, it states that it offers attractive retail financing and lease programs to meet the needs of GM customers.

24. Consumers sign contracts when they enter the auto loans that GM Financial offers and services.

25. These contracts with consumers use industry-standardized contracts which require consumers to make monthly payments.

26. The standard contracts do not expressly authorize pay-to-pay fees.

27. GM Financial contracts with a third-party vendor to handle certain aspects of its debt collection activities, including processing electronic payments. Even though its contracts with borrowers do not expressly authorize pay-to-pay fees, GM Financial allows its payment processor to collect a fee when consumers contact GM Financial to make a required monthly payment online or over the phone.

28. GM Financial benefits from the collection of pay-to-pay fees because allowing the third-party contractor to pass the fee on to borrowers allows GM Financial to pay less for its payment processing services than it would otherwise. The cost for GM Financial to process telephone or online payment transactions is well below the amount of the fee consumers pay. The pay-to-pay fees have no relationship to the amount that it costs GM Financial to process payment transactions.

29. Payments by check can cost companies anywhere between \$1 to \$2 per month in processing and other fees, per a 2022 report by the Association for Financial Professionals. Every check needs to be opened, reviewed, keyed into the computer system, and deposited. Delays in postal operations and the high risk of human error generate customer service calls and require internal checkpoints and increased oversight. Consumers who are concerned about the timeliness of the payment by check may call to ensure it was received and properly credited, adding to the customer service work associated with this routine part of delivering utility services.

30. While marketed as a convenient service for customers, the cost of an ACH transaction, in contrast to a check, is typically only a few cents and its electronic nature reduces overhead costs enormously.

31. Still, for many consumers, the automatic ACH system is impractical as it requires consumers to agree to a fixed amount and date for the debit each month out of a pre-determined bank account. This increases a consumer's vulnerability to banking errors. Consumers may have budgetary needs and personal preferences that cause them to want more control over their finances. Some may wish to choose their payment methods on a monthly basis. Others may be sharing responsibility for paying their expenses with another person and contributing funds from multiple bank accounts. Still others may be working paycheck-to-paycheck and not know in advance the

account from which their next loan payment will be made. So, even though setting up an automatic ACH payment would allow a consumer to avoid a fee in connection with their loan payment, many consumers are not able to utilize this option for the reasons described above and are forced due to their personal financial circumstances to make one-time payments each month that inevitably result in being charged pay-to-pay fees.

32. Many consumers therefore take advantage of the option to make one-time payments online or over the phone. These options cost GM Financial far less than it would spend in costs to process check payments.

33. Many companies including GM Financial use third-party vendors, such as ACI Worldwide, to process ACH transactions as part of their debt collection activities. These vendors typically charge companies \$0.50 or less per internet or phone transaction. The 2022 Association for Financial Professionals Report states that the median cost for processing ACH transactions was between 26 and 50 cents, much less than estimated check processing costs (and much less than GM Financial's Pay-to-Pay Fee). Because the cost savings is so significant, many companies offer their customers the ability to make online and phone payments for free.

34. Like automatic ACH, these one-time payment methods are marketed as convenient for consumers, but are also more cost-effective for the payee, who sees its profits increase simply by increasing choices for consumers.

35. GM Financial does not tell consumers that the pay-to-pay fees have no relationship to the cost to process transactions (if any) or that the amount of the pay-to-pay fee is far in excess of the cost (if any) to process consumers' payment transactions. GM Financial conceals these material facts and does not disclose them.

B. Pay-to-pay fees are oppressive, substantially injurious to consumers, and violate public policy.

36. Pay-to-pay fees have earned condemnation from consumers, federal and state legislatures, regulators, and state attorneys general.

37. The federal government and state governments have issued statements condemning pay-to-pay fees and prohibiting debt collectors from assessing them.

38. In October 2022, then-President Biden announced that his administration would be taking steps to go after unfair “junk fees” such as pay-to-pay fees. Around that time, the FTC announced that it was seeking comments on “junk fees,” the “unnecessary, unavoidable, or surprise charges that inflate costs while adding little to no value.” <https://www.ftc.gov/news-events/news/press-releases/2022/10/federal-trade-commission-explores-rule-cracking-down-junk-fees> (last accessed May 21, 2025). Then-Chair Lina M. Khan explained that:

No one has ever felt that a ‘convenience fee’ was convenient. Companies should compete to provide the best quality at the best price, not to see who can squeeze the most added expenses out of consumers. That’s especially true at a time when families are struggling with the effects of inflation.

Id.

39. The CFPB has historically taken steps to respond to the problems caused by pay-to-pay fees. In October 2021, the CFPB filed an *amicus* brief in a matter before the Ninth Circuit agreeing that the FDCPA prohibits the charging of any amount not expressly authorized by the agreement creating the debt or otherwise affirmatively permitted by state law. The CFPB explained that the FDCPA (on which the DCL was modeled) prohibits pay-to-pay fees:

The FDCPA was designed to rein in unethical debt collectors, and Section 1692f(1) specifically was designed to limit the amounts that debt collectors could try to collect from consumers. But under the district court’s interpretation, debt collectors can collect additional fees, like the pay-to-pay fees at issue here, whenever no other law specifically prohibits them—leaving debt collectors with the power and discretion to try to collect additional fees during the collection process. This is particularly problematic given that consumers have no ability to shop around for a

better deal. And it's not as if these pay-to-pay fees are necessary for debt collectors to offer phone or online payment options that consumers might want, as it is generally cheaper for collectors to accept payment by phone or online than to accept payment by mail (which is typically the fee-free option). Pay-to-pay fees are thus most often just a way for debt collectors to take advantage of consumers by trying to extract more money than they originally bargained for or reasonably expected to pay.

Brief for CFPB as Amici Curiae Supporting Plaintiffs-Appellants at 10-11, *Thomas-Lawson v. Carrington Mortg. Servs., LLC*, No. 21-55459 (9th Cir. 2021) (Dkt. 22).

40. The CFPB reiterated this position in an *amicus* brief in support of Plaintiffs-Appellees in *Glover v. Ocwen Loan Servicing, LLC*, No. 23-12578 (11th Cir. 2024) (Dkt. 34). The CFPB explained that “[w]hile consumers may in some sense have a choice whether to pay these added ‘convenience fees,’ that choice may often be illusory. Consumers with debts in collection may feel compelled to choose the payment option that most quickly and reliably goes through in order to avoid the adverse consequences that can result from a delayed payment—such as accruing interest and late fees, continued adverse credit-reporting, or a potential lawsuit.” *Id.* at 26.

41. In 2017, the CFPB put out a bulletin on “Phone Pay Fees,” in which it warned financial services providers and debt collectors about the many ways in which their fees for making payments over the phone could violate laws. In the bulletin, the CFPB expressly warned mortgage servicers that this practice might violate the FDCPA, stating:

Supervision has found that one or more mortgage servicers that met the definition of “debt collector” under the FDCPA violated the Act when they charged fees for taking mortgage payments over the phone to borrowers whose mortgage instruments did not expressly authorize collecting such fees and who reside in states where applicable law does not expressly permit collecting such fees. Supervision directed one or more servicers to review mortgage notes and applicable state law, and to only collect pay-by-phone fees where expressly authorized by contract or state law.

https://files.consumerfinance.gov/f/documents/201707_cfpb_compliance-bulletin-phone-pay-

fee.pdf.

42. State regulators have also taken action. In April 2022, in response to the CFPB’s request for information on this issue, the Attorney General of the District of Columbia joined a coalition of 22 state attorneys general to call on the CFPB to prohibit mortgage servicers from charging pay-to-pay fees. https://ag.hawaii.gov/wp-content/uploads/2022/04/State-Attorneys-General-Multistate-Comment-Letter-to-CFPB_convenience-fees_4.11.22_final.pdf (last accessed May 21, 2025).

COUNT I
Violation of the Consumer Protection Procedures Act
D.C. Code §§ 28-3901 *et seq.*

43. The allegations of Paragraphs 1 through 42 are re-alleged as if fully set forth herein.

44. The D.C. Consumer Protection Procedures Act is a remedial statute that is to be broadly construed. It prohibits any person from engaging in any “unfair or deceptive trade practice,” including to “represent that a transaction confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law” and to “make or enforce unconscionable terms or provisions of sales or leases.” D.C. Code § 28–3904(e-1), (r). CPPA Section 28–3904 is explicit that a violation occurs regardless of “whether or not any consumer is in fact misled, deceived, or damaged” by the unlawful practice.

A. NACA’s Standing

45. NACA has standing to bring this Count under D.C. Code § 28–3905(k)(l)(D)(i), which provides in relevant part that “a public interest organization may, on behalf of the interests of a consumer or a class of consumers, bring an action seeking relief from the use by any person of a trade practice in violation of a law of the District if the consumer or class could bring an action under subparagraph (A) of this paragraph for relief from such use by such person of such trade

practice.”

46. NACA is a public interest organization that has done significant advocacy work on behalf of consumers, including borrowers of consumer auto loans, both locally in the District and at the federal level.

47. NACA brings this action on behalf of the interests of all District of Columbia residents who paid GM Financial’s pay-to-pay fees.

B. The CPPA

48. The CPPA prohibits unlawful trade practices in connection with the offer, sale, advertisement, and supply of consumer goods and services. D.C. Code § 28–3904.

49. The D.C. residents who paid GM Financial’s pay-to-pay fees are “consumers” within the meaning of the CPPA because they took out their auto loans for family, household, or personal use.

50. GM Financial is a “merchant” within the meaning of D.C. Code § 28-3901(a)(3) because it sells or transfers consumer goods or services.

51. GM Financial engaged in the following unlawful trade practices in violation of the CPPA when it charged pay-to-pay fees, including:

52. **[Subcount 1]** The CPPA prohibits misrepresenting a material fact that has a tendency to mislead, including GM Financial’s right to assess the pay-to-pay fees. *See* D.C. Code § 28-3904(e). GM Financial violated this provision as it did not disclose (1) that neither it nor its vendor had the right to collect pay-to-pay fees and (2) that the cost to process payment transactions is far below the amount of the pay-to-pay fees.

53. **[Subcount 2]** The CPPA prohibits representing that a transaction confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited

by law, including its right to assess the pay-to-pay fees. *See* D.C. Code § 28-3904(e-1). GM Financial violated this provision when it or its vendor collected pay-to-pay fees because in doing so, GM Financial falsely gave the impression that it or its vendor had the right to collect the pay-to-pay fees. GM Financial did not disclose that neither it nor its vendor had the right to collect pay-to-pay fees under DC law, including the DCL, and that the cost to process pay-to-pay fees is far below the amount of the pay-to-pay fees.

54. **[Subcount 3]** The CPPA prohibits failing to state a material fact that has a tendency to mislead. *See* D.C. Code § 28-3904(f). GM Financial violated this provision as it did not disclose that it did not have the right to collect pay-to-pay fees under DC law, including the DCL, and neither did its vendor, and that the cost to process payment transactions is far below the amount of the pay-to-pay fees.

55. **[Subcount 4]** The CPPA broadly prohibits unfair acts. *See* D.C. Code § 28-3904. GM Financial's practice of charging pay-to-pay fees is unfair, in that (a) D.C. consumers could not avoid paying these charges when making payment transactions; (b) the practice is substantially injurious, oppressive, and harmful to consumers, in that borrowers are charged fees well above GM Financial's (or its vendor's) out of pocket costs, while GM Financial benefits from the arrangement by receiving discounted payment processing services in exchange for giving its vendor access to upcharging a captive audience; (c) there is no commensurate benefit to consumers, as the offering of the one-time online and phone payment methods do not turn on GM Financial's ability to charge them, and GM Financial would still offer the service for free or lower cost if it was unable to charge for it; and (4) assessment of pay-to-pay fees on one-time payments by phone or online only (and not on recurring, scheduled payments) disproportionately punishes lower income consumers and those living paycheck-to-paycheck. In addition, GM Financial could

require its vendor to abstain from charging fees to consumers, or could itself pay for the costs to process ACH transactions (which is only a few cents per transaction), but it instead built a payment processing operation that contemplates passing inflated charges along to consumers.

56. **[Subcount 5]** The CPPA authorizes any person to “bring an action seeking relief from the use of a trade practice in violation of a law of the District.” D.C. Code § 28-3905(k)(1)(A). This provision contemplates that procedures and sanctions provided by the CPPA will be used to enforce trade practices made unlawful by other statutes. GM Financial violates the DCL when it allows its vendor to charge pay-to-pay fees against D.C. residents whose auto loans were “more than 30 days past due and owing,” making them “consumer debt” within the meaning of the DCL. D.C. Code § 28-3814(b)(2). GM Financial is a “original creditor” and a “debt collector” within the meaning of the DCL because it engages directly or indirectly in collecting debt from consumers. *Id.* §§ 28-3814(b)(5), (6).

57. The DCL prohibits GM Financial from representing that an existing obligation of the consumer may be increased by the addition of service fees or any other fees or charges when in fact such fees or charges may not be legally added to the existing obligation. D.C. Code § 28-3814(f)(8). GM Financial violated this provision of the DCL by operating a payment collection system that represented to consumers they were required to pay a fee to make payments online or by phone, when in reality, their contracts do not authorize such fees. The DCL also prohibits GM Financial from collecting or attempting to collect from consumers all or any part of the debt collector’s fee or charge for services rendered, unless otherwise provided for by law or contract with the consumer. D.C. Code § 28-3814(g)(3). GM Financial violated this provision of the DCL by operating a payment collection system that represented to consumers they were required to pay a fee to make payments online or by phone, when in reality, their contracts do not authorize such

fees.

58. GM Financial also violated the DCL because that statute prohibits GM Financial from collecting or attempting to collect from consumers any charge, fee, or expense incidental to the principal obligation unless such interest or incidental fee, charge, or expense is expressly authorized by the agreement creating the obligation and legally chargeable to the consumer or unless such interest or incidental fee, charge, or expense is expressly authorized by law. D.C. Code § 28-3814(g)(4).

59. GM Financial violated each of these provisions of the DCL when it collected pay-to-pay fees from D.C. consumers whose loans were at least 30 days past due and owing. These violations are actionable under the CPPA.

C. Consumer Harm

60. District residents suffered actual injuries as a result of GM Financial's unfair and deceptive practices. Consumers were forced to pay deceptive and illegal fees.

D. Remedy

61. NACA seeks, on behalf of and for the benefit of, D.C. consumers, a declaratory judgment stating that GM Financial's conduct described herein violates the CPPA; equitable relief including equitable restitution, disgorgement of profits, and a permanent injunction against GM Financial's use of the unlawful trade practices described herein; and its reasonable attorneys' fees and costs of suit.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for the following relief:

1. Declaratory judgment;
2. Equitable relief including disgorgement of all profits and money unlawfully obtained and financial restitution to all harmed consumers;
3. Attorneys' fees and costs of suit, including costs of notice, administration, and expert fees;
4. A permanent injunction prohibiting GM Financial from continuing to collect pay-to-pay fees in D.C.; and
5. Such other legal or equitable relief, including injunctive or declaratory relief, as the Court may deem appropriate.

PLAINTIFF DEMANDS A TRIAL BY JURY OF ALL ISSUES SO TRIABLE.

Dated: May 19, 2026

Respectfully submitted,

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