

Consumer Protection Roundup

April 9, 2026



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In this article, we'll delve into recent news on financial consumer protection, but before doing so, we'll provide an update on the Consumer Financial Protection Bureau (CFPB).

We reported [in the January 15 issue of *Cabinet*](#) that Acting Director Russell Vought asked for funding to keep the CFPB open. Since then, not much has happened at the agency, other than its continued litigation with the National Treasury Employees Union. Citing the need to conform with the funding limits and restricted scope allocated to the CFPB in the One Big Beautiful Bill, the CFPB told the U.S. Court of Appeals for the District of Columbia that it was proposing to “right-size” the agency and proposed a cut to 556 employees, down from 1,100 employees currently, and from the 1,700 employees the CFPB had at the end of the Biden administration.

With more than year having gone by while the CFPB has been hobbled, we are now beginning to see how much other agencies and states are jumping into the breach left behind. Keeping in mind that new investigations can take many months before becoming public, so far we have not seen much activity in financial consumer protection at the state level,

However, we have seen the Federal Trade Commission (FTC) take some actions in the space, and based upon what has been submitted to Congress for its budget next year, it looks as though the FTC is planning to continue being similarly active. This is because in its budget request submitted to Congress (i.e., the FTC is subject to allocations every year), they have proposed to give the Financial Services section of the FTC's Bureau of Consumer Protection one of the largest budget increases

To date, the FTC has been mostly focused upon taking action to prevent companies from facilitating fraud, such as when it [took action against U.K.-based payment processor, Paddle.com](#), to prevent them from continuing process payment for telemarketers engaged in fraudulent tech-support. And, more recently, the FTC has [issued warning letters](#) to PayPal, Stripe, Visa and Mastercard warning them to be careful to ensure that their rules and policies do not deny consumers access to financial products or services based upon their “political or religious views” or other “First Amendment-protected activity” in a manner that would violate the FTC Act, and admonishing them to not “countenance unlawful debanking” by financial institutions with which they interact.