NATIONAL EMPLOYMENT LAW PROJECT

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# Banking on the Hard Sell:
## Low Wages and Aggressive Sales Metrics Put Bank Workers and Customers at Risk

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## Executive Summary

In the aftermath of the Great Recession, regulators reined in damaging bank practices like those concerning mortgages and launched investigations of others such as overdraft fees. These new rules diminished the income streams from these practices. However, big banks continue to implement practices and policies that hurt customers and boost profits. Among these lucrative practices is the use of aggressive sales metrics and incentives programs to encourage front-line workers to push multiple banking "solutions," or products, on often unwitting customers. As each product comes with its own set of rules and fees, customers' financial standing can be damaged and their credit rating destroyed, and they can spend years paying for products they didn't really need. At the same time, workers laboring under these onerous quota systems experience hostile work conditions, excessive stress, and uncertain incomes that make caring for themselves and their families nearly impossible.

*Banking on the Hard Sell* incorporates information gleaned from class action lawsuits, landscape literature on banking practices, and interviews with dozens of workers employed by numerous banks in many positions to investigate the dangers of aggressive sales metrics to customers and workers alike. We find that workers suffer harassment and threats in order to make ever-changing over-aggressive quotas, and that low base wages mean they need to put their own financial interests above those of the customers. We note that at least one large U.S. bank, Amalgamated, does not use these types of quotas and that in other countries, agreements between bank workers and their employers ensure decent quality jobs and banking practices that put the customer first.

### Key Findings

- Even six years after launching new consumer protections, the number of complaints to the federal Consumer Financial Protection Bureau (CFPB) concerning "Bank Account or Services" and "Debt Collection" continue to rise.
- Fees and service charges on deposit accounts, credit cards, and other products accounted for more than a quarter of revenues at one big bank, Wells Fargo, while "Commission and Incentive Compensation" expenses totaled only half of that windfall, meaning that the

employees who sell the products that bring in millions of dollars for their employer reap less than half the reward, with the banks pocketing the rest.

- Workers speak out:
  - A Maryland SunTrust worker says that "the goals are constantly shifting. If you don't hit your goal, it goes up 5 percent. If you do hit your goal, it goes up 10-15 percent."
  - A California teller recalled, "God forbid you went home without solutions. You could be subjected to ridicule for not meeting goals."
  - Several workers note that managers would look the other way when documentation verifying identity was lacking or when forms were turned in signed but not filled in.
  - Another worker with experience at both SunTrust and Bank of America recalled, "Managers really pushed me to ignore it when consumers say no."
  - One Minnesota U.S. Bank collections worker said, "There was a constant battle of how you do right for the customer without sacrificing, you know, not paying a light bill or having shoes for the kids going back to school. You can't make that sacrifice."
- Banks in other countries—often the same banks that operate in the United States—work with bank workers to establish codes of conduct regarding sales quotas that ensure business success while still protecting customers and ensuring decent working conditions.

## Introduction

With news of the recession and the mortgage crisis largely pushed off the nation's front pages, big banks are no longer under so much public scrutiny nor the object of so much public disapproval. Meanwhile, they've been profiting in ways that hurt customers and their own employees alike. Bank employees walk a tightrope between offering customer service and financial advice and selling products to profit their employer, and the employer is the only one who benefits. Bank employees we interviewed reported high stress, mental distress, and physical ailments due to overwhelming pressure to sell banking products. One Bank of America worker, who ended up with an ulcer and vomiting blood after a dozen years in the industry, recalled a meeting when a coworker explained why he didn't offer to sell a product. "He said the account was overdrawn and the customer said she was out of work and had just lost her job," he remembered. "The manager told the worker that they should have offered a credit card because it's not our responsibility for them to pay the bill, just to make the sale."[1]

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It's not our responsibility for them to pay the bill, just to make the sale."
—Bank of America manager to worker on pushing credit cards

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In the recession's aftermath, regulatory agencies implemented new rules that cut into the cash streams created by subprime mortgages and massive overdraft charges, which fed big bank profit columns.[2] Yet, the country's biggest banks saw impressive profit gains in the years following the recession—impressive even as compared to the profit rates they enjoyed during the boom years leading up to it.[3] And while the big banks see some quarterly losses due to volatile market conditions, they report increased sales of credit cards and customer accounts.[4] They may report lower revenues in investment banking, but their consumer

banking businesses remain profitable, with Wells Fargo, Bank of America, and J.P. Morgan all seeing increases of 3 to 4 percent in the first three months of the year.[5] Overdraft fees at the 628 banks reporting to the Federal Financial Institutions Examination Council totaled $11.16 billion and accounted for 5.5 percent of their pre-tax profits.[6] In the first quarter of 2016, Bank of America issued about 1.2 million new credit cards, Wells Fargo reported a steady $459 billion in consumer loans, and Citibank saw a significant increase in its average card loans in North America.[7] Five years ago, a former Wall Street banker admitted that "the customer is simply an income stream and exploiting that is the purpose of the banking organization."[8] Last year, critics observed that Americans spent more on bank overdraft charges in 2013 ($32 billion) than what the country spends on fresh vegetables.[9]

Bank CEOs are reaping big rewards. Bank of America CEO Brian Moynihan will take home $16 million this year, a 23 percent raise from last year, while Michael Corbat of Citi received a 27 percent bump to $3.5 million and Jamie Dimon of J.P. Morgan received a whopping 35 percent raise. As *Fortune* magazine points out, the average bank CEO takes home approximately 455 times the average American worker's salary.[10] As big banks ring up profits off customer fees and monthly charges, front-line bank employees still labor under extreme pressure to push dangerous products on unwitting customers. Aggressive sales quotas rest on low employee wages and complicated commission and incentive programs, creating a moral dilemma for millions of low-wage hourly workers who must balance protecting customers' financial needs with meeting those of their own families. From numerous unnecessary credit cards, to multiple accounts and complicated financial tools they may not understand (each with its own set of fees and requirements), customers may find themselves struggling with unneeded products and unanticipated financial hardships as a result of these sales requirements. At the same time, bank workers suffer extreme stress in the workplace to meet these quotas and physical and mental problems at home trying to reconcile daily practices that feel unethical even if they are not, strictly speaking, illegal.

So long as individual workers, teams, branches, call centers, loan offices, and managers are all judged—and paid—based on their ability to meet onerous and ever-changing quotas, everyone suffers under this system. While the sales metrics systems remain in place for front-line workers—along with the accompanying bullying, threats of termination, and strong monetary incentives—there appears to be little indication that the big banks have set aside their view of customers as "simply an income stream" and workers as simply sales machines.

This paper reveals the responses to the sales quota system from workers themselves in the context of extensive literature on current consumer banking practices. Many of these critiques center on Wells Fargo which, as the defendant in several lawsuits, has been the subject of the most intense scrutiny. However, coupled with responses from bank workers from a variety of banks to a set of 75 informational interviews conducted in 18 different states, it becomes clear that Wells Fargo is not alone in implementing these policies. These workers, some current and some former bank employees, represent a variety of positions ranging from branch tellers to workers staffing collections call centers to branch managers. Taken together, their impressions about the dangers of the sales quota incentive systems in place in most big banks are troubling.

These testimonies highlight a variety of questionable sales tactics that workers are encouraged to use every day with banking customers and the harms they do to consumer finances and credit reports. It is critical for workers and customers alike that policymakers continue to reform the banking system and address these practices. In this paper, we suggest some examples from which U.S. policymakers might learn best practices.

## Who Are the Bank Workers?

Roughly 1.7 million men and women work in retail banking, nearly half of whom are either bank tellers or customer service workers. They are overwhelmingly women (84.3 percent), and nearly one in three makes less than $15 an hour. Bank tellers, the single largest occupation within this category, have a median hourly wage of $12.44.[11] These wages have been stagnant for decades; the value of a teller's wages has been dropping since the 1970s.[12] With wages this low, it is little surprise that so many workers must fall back onto publicly funded safety net programs to support themselves and their families. In 2014, researchers at the University of California, Berkeley, found that nearly one-third of tellers' families were enrolled in one or more such programs (the Earned Income Tax Credit, Medicaid and/or CHIP healthcare programs, Supplemental Nutrition/Food Stamps, and TANF) at a public cost to taxpayers of nearly $900 million per year.[13] Thus it is also understandable that these workers would become concerned about and dependent on commission-based incentive pay offered on top of these wages for selling various banking products to customers.

The pressure to do so is extreme. According to recent studies, only about 13 percent of customer interactions with their bank involve entering a brick and mortar branch,[14] which can explain in part the extraordinary pressure workers in those locations feel to offer a long list of products to every customer who walks through the door. Workers in call centers staffing phones are presented with rigid scripts and quotas to close payment commitments on outstanding bills or to sell new financial products every few minutes. As one Wells Fargo branch operations manager recalled, "I practically chase customers out the door hawking unwanted credit and debit card accounts to a clientele hailing largely from African-American communities that have already been ravaged by foreclosure and predatory lending."

## What Are the Bad Banking Practices and Policies?

Banks have long counted on various fees and charges on their customers to lift their bottom line. New regulations after the Great Recession cut into some of these income streams. For example, new rules implemented in 2010 made it difficult to change the order in which transactions were processed to maximize overdraft charges or impose fees on debit and automated-teller-machine transactions unless a customer actively opted to participate in overdraft protection programs.[15] By 2015, bank filings show this line item was 4 percent lower than the year before.[16] After these practices were publicized and the newly formed Consumer Financial Protection Bureau (CFPB) began investigating them, more big banks began voluntarily adopting fee disclosure forms. While workers report that sometimes these forms are not properly used and they are not encouraged to educate consumers, there has nonetheless been some measurable success in addressing these harmful practices.[17] As the Center for Responsible Lending pointed out, not only do abusive consumer banking practices

hurt customers' balance sheets, they also "crowd out better products by removing incentives for banks to offer lower-cost" options.[18]

This is why the perseverance of aggressive sales quotas and incentives programs at the nation's biggest banks is so disturbing. Without increased oversight and regulatory reform, these practices will continue to hurt workers and customers alike in order to boost the banks' bottom line. And customers are unhappy: complaints to the CFPB about "Bank Account or Services" have increased 34 percent from 2014-15 to 2015-16. In February of 2016, debt collection achieved the dubious distinction of being the single greatest source of complaints, constituting more than one-quarter of all complaints filed with the agency.[19]

Without enforced safeguards for customers, the banks have little incentive to stop these practices. As Wells Fargo assured shareholders, "Noninterest income was relatively stable in 2015 compared with a year ago, reflecting our ability to generate fee income despite fluctuations in market sensitive revenue."[20] Indeed, service charges on deposit accounts held steady at $5.17 million (6 percent of revenue), and card fees brought in another $3.7 million (4 percent of revenue). Other types of fees accounted for an additional $18.7 million (21 percent of revenue). At the same time, the line item for "Commission and Incentive Compensation" expenses totaled $10.4 million, meaning that the employees who sell the products that bring in millions of dollars for their employer aren't seeing the rewards in their paychecks.

## Aggressive Sales Metrics Hurt Customers

In late 2013, the *Los Angeles Times* published the accounts of workers employed at Wells Fargo facilities across the country, revealing the aggressive sales quota systems in place there and the potential harms they caused to customers.[21] By spring of 2015, the Los Angeles City Attorney's Office had filed a lawsuit on behalf of California customers of the bank, alleging that the San Francisco–based bank was engaged in unfair business practices by misusing personal customer information without consent or even notification.[22] Six months later, *The Wall Street Journal* reported that the Office of the Comptroller of the Currency and the San Francisco Federal Reserve were also investigating the practices at Wells Fargo.[23]

The Los Angeles City Attorney's Office uses language in its filing that makes the severity with which they view the dangers of the sales quota system quite clear: words like "victimized," "pernicious," "unrealistic," and "fraudulent" indicate the dangers it sees for customers and the dilemma faced by workers. Based on information given by numerous employees, the suit characterizes the working conditions as "unrelenting pressure" and notes that managers "constantly hound, berate, demean and threaten employees to meet these unreachable quotas." It seeks a stop to the practices, financial restitution to the victims where appropriate, and civil penalties levied on the bank.

This effort is not the first in California to try to redress unfair banking practices that hurt customers, though it is the first attempt to directly take on the aggressive marketing of retail consumer debt vehicles by a big bank. In 2012, Los Angeles followed the example set in Cleveland, Boston, New York, Philadelphia, and Pittsburgh of responsible banking ordinances, building on Community Reinvestment Act laws, to ensure that banks that seek to manage public funds commit to fair lending and mortgage practices in underserved

communities.[24] And nationally, in 2010 federal regulators required that customers actively opt-in to overdraft protection programs and are currently investigating other practices designed to maximize overdraft charges.[25] Furthermore, the CFPB solicits information from current and former employees of financial institutions concerning consumer protection violations.[26] However, given the ubiquity of these sales programs not just at Wells Fargo but at all the big banks, the potential danger to the financial well-being of area families, and the challenges that low-wage workers face in standing up to the pressure to engage in unethical behavior, it is clear that stronger safeguards need to be in place regulating the use of sales quotas in retail banking. As one Los Angeles–based Wells Fargo personal banker stated, "Wells Fargo wants customers to succeed financially while ripping them off through overdraft and monthly fees, and all the other unnecessary products they were pushed to get in order to increase the monthly fees and interest."

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## The bank "wants customers to succeed financially while ripping them off through overdraft and monthly fees." —Wells Fargo personal banker

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In March of 2016 alone, almost one-fifth of the more than 115,000 California consumer complaints filed with the CFPB dealt with bank accounts or services, credit cards, or other financial services. If one assumes that at least some of the 16,000 credit reporting complaints and 28,000 debt collecting complaints also originated in unwanted products or services pushed to meet worker sales quotas, it becomes clear that these practices could create serious trouble for consumers.[27] And with 12,000 of the state's nearly 44,000 bank tellers, Los Angeles is the metropolitan area with the second-highest employment level in this occupation in the country (second only to the Greater New York City area), a significant number of workers laboring under stressful and troubling sales metric quotas.[28] Based on the information that has come to light about this element of routine banking practices since the responsible banking ordinance was last revised, the Los Angeles City Council needs to consider the dangers of aggressive sales quotas on its residents—retail banking customers and banking workers alike—and implement measures to safeguard against the unnecessary sale of banking products.

The California lawsuit is premised on the fact that practices come with numerous dangers for consumers. They may accrue fees for unknown accounts, and failing to pay them can result in accounts going to a collection agency. Unauthorized credit cards or other loans may negatively affect credit reports, making it difficult for consumers to qualify for purchases later. As one Rhode Island Bank of America worker observed, "Obviously, when you open a credit card that someone didn't want, it lowers their credit score. Closing an account can also lower your credit score. There's a lot of confusion it can cause; people can get all sorts of fees they don't understand." A lawsuit filed against Wells Fargo in Arizona alleges that as a direct result of sales metrics and quotas like the "Gr-Eight" program, bank employees opened multiple accounts for the plaintiff without her knowledge, and that as a result of fees accruing on these accounts, her information was sent to collection agencies.[29]

Customers suffer when banks disapprove of their financial behavior. As the National Consumer Law Center points out, the majority of negative reports filed on consumers with bank-account consumer-reporting-agency databases are based on "account abuse" related to overdrafts.[30] However, given the practices laid out here, allegations of these consumer abuses must be taken with a grain of salt because some customers may not even be aware of these accounts. Further, the fact that these reporting agencies are frequently owned by the same big banks that sell unneeded and unwanted banking products to consumers is simply adding insult to injury. Recognizing the financial repercussions of a single bad consumer banking report, the New York attorney general negotiated deals with big banks like Citigroup, Capital One, and Santander to stop using the largest of these screening companies, ChexSystems, which reported only negative information on those seeking to open bank accounts.[31]

Shopping for a bank account can be difficult for any customer, and even legally mandated consumer information can be hard to come by and confusing, with disclosure forms running into the dozens of pages.[32] The Wells Fargo "Vision and Values" pamphlet addresses this issue when it states that the bank's "customers trust us as their financial resource."[33] But numerous workers we interviewed expressed frustration at the speed with which they had to serve customers in order to make their quotas, often skipping clarifying questions or ensuring customers understood disclosure forms before signing them. Customers talk to bank employees expecting help and informed advice about financial products, but workers need to encourage consumers to sign up for as many products as possible—regardless of their applicability—in order to pay their own bills or even to keep their jobs.

**Largest Consumer Banking Screening Companies and their Relationships to Big Banks**

| Check and Bank Screening Company | Affiliated Companies | Nature of Relationship and History of Bad Behavior |
|---|---|---|
| Certegy Check Services | Fidelity National Information Services, Inc. (*FNIS performs a variety of services for leading US banks, including deposit and lending systems, mobile and eBanking systems, branch automation, electronic funds transfer, and it issues credit cards and prepaid cards*.) | Owned by the FNIS subsidiary eFunds. In 2013, Certegy paid $3.5 million to settle a Federal Trade Commission charge that it violated the Fair Credit Reporting Act. |
| ChexSystems | Fidelity National Information Services, Inc. | Owned by the FNIS subsidiary eFunds. ChexSystems is the country's largest consumer banking screening agency, subscribers include Bank of America, JP Morgan Chase, Citibank, and Wells Fargo. |
| Early Warning Services | Bank of America, BB&T, Capital One, JPMorgan Chase, and Wells Fargo | Co-owned. Told the New York Times that approximately 80 percent of the largest American banks subscribe to its deposit-check service. ("Over a Million Are Denied Bank Accounts for Past Errors," New York Times, July 30, 2013.) |
| TeleCheck Services | First Data Corporation. (*First Data, a spin-off from American Express, handles e-commerce services including bank transactions and credit and debit card issuing and processing. It runs the STAR network that links ATM machines across numerous banking systems. Its CEO is Frank Bisignano, formerly the COO of JP Morgan Chase.* ) | Wholly owned subsidiary. TeleCheck and its affiliate TRS Recovery Services, a debt collection company, settled with the Federal Trade Commission in 2014 for violations of the Federal Credit Reporting Act. |

## The Structure of Abusive Sales Metric Systems

As Wells Fargo explains to shareholders, they use "cross-sell metrics" to determine how well they are serving their customers. However, they note, products that qualify for inclusion in the retail household cross-sell metrics must "have the potential for revenue generation and long-term viability." Thus, the types of baseline banking products that most customers would request, including ATM cards, online banking, and direct deposit, are not included in the metrics.[34] Instead, the bank counts only products such as credit cards, debit cards, auto and student loans, mortgages, and home equity loans. For 2015, Wells Fargo's household cross-sell was 6.11, or just over six banking products on average per accountholder address.[35] A company pamphlet on vision and values states a desire to increase this number: "We want to get to eight…and beyond."[36]

To fulfill these kinds of growth plans, banks need to implement aggressive sales quotas at numerous levels: for the company overall, regionally, by location, and for each individual worker. Employees at every level explain extreme pressure to meet these goals, which often change and are sometimes not revealed to the workers in a timely manner. As one former manager for a Santander branch explains, goals for each employee of his facility came pre-packaged from the regional branch with a rate that was "always almost impossible, but always increasing."[37] A Wells Fargo personal banker told *The Wall Street Journal* that his branch has daily and hourly goals set by the company, which changed based on the season.[38]

Workers are enticed to meet their daily quota with a reward system that attaches value to each "solution" or product the worker sells to a customer, sometimes in the form of points that lead toward a set commission and sometimes as a dollar value. While the Wells Fargo "Gr-Eight" program, which set the goal of eight banking products per household, has come under the greatest public scrutiny, other banks have similar systems to compel front-line workers to push products such as "the Hustle" (or HSSL: High Speed Swim Lane) program at Countrywide (later a subsidiary of the Bank of America), which compensated employees solely on the volume of mortgage loans they originated and resulted in a $1.27 billion settlement.[39]

## Quota “Lingo”

The culture of constant cross-selling and sales metrics comes with its own special vocabulary.[40]

**Solutions:** Blanket term for those financial products that qualify for incentive points, including student loans, car loans, credit cards, additional accounts, automatic overdraft protection, or “express send” for overseas money transfers. While the term “solutions” implies a clearly stated problem, often customers were not aware they were receiving these products or that they were optional.

**Sandbagging:** Because sales goals are often pinned to a particular reporting periods or special targeted days, bank workers might hold off processing a new account application until it can count toward that date without the customer’s knowledge. (Often in connection with named sales promotions such as “Jump Into January,” during which quotas at Wells Fargo were increased dramatically with hopes for impressive numbers for first quarter shareholder reports.)

**Bundling:** In order to make sales goals, bank workers might imply—or even explicitly claim—that some products were only available when combined with other ones, compelling customers to take on accounts or credit cards they did not want in order to get those they did. (Also known as “Packed Accounts.”)

**Pinning:** A lawsuit filed by the Los Angeles City Attorney against Wells Fargo alleges that employees would at times assign a Personal Identification Number (PIN) code to new ATM cards in order to later enroll the customers in online services without their consent.

**Gypsy Accounts:** Accounts opened in order to make a sales quota, but with the intention of soon closing them, and often containing only a few dollars.

**Tapped Out:** The condition of a bank employee’s family after that worker has asked them to open new accounts or take on new credit cards in order to help him or her achieve sales quotas.

**Gaming:** Opening accounts fraudulently by omitting signatures, adding secondary accounts without permission, or misrepresenting costs or benefits to customers.

## Sales Quotas Are Ever-Changing and Unpredictable

Workers at many levels within the banks report that they struggle to meet their sales goals often without even knowing what those goals are for a given period.

- One Bankruptcy Relationship Manager at U.S. Bank said in late 2015 that her employer was "getting ready to change the bonus structure AGAIN in January," even though she did not know even at that late date what her current quota numbers were.
- A Maryland SunTrust worker says that "the goals are constantly shifting. If you don't hit your goal, it goes up 5 percent. If you do hit your goal, it goes up 10-15 percent."
- A collections worker at U.S. Bank observed, "The goals for bonuses are never announced in advance, so it's hard to know from month to month" what expectations are, while another elaborated that because goals were routinely not released until the 10th or 15th of the month, they were largely unattainable.
- Another U.S. Bank collections worker stated, "It's really hard to do a budget when I don't know what the bonus is even going to be until halfway through the next month. I wish they'd be more transparent."
- Managers, too, feel the pressure of these individual goals for tellers and personal bankers. One Wells Fargo manager said that while he was responsible "on paper" for making sure that each employee he oversaw met their expected goals, "off paper the expectation is that as a manager it all falls on your shoulders." A long-time Santander branch manager said that if an employee leaves before a full year on the job, the manager's own incentive pay was affected.

## Quotas Pit Workers Against One Another and Create a Hostile Work Environment

According to workers, failure to meet one's sales quotas doesn't only come with financial repercussions in the form of lost incentive pay. Workers are also publicly mocked and threatened in front of their peers.

- The lawsuit filed against Wells Fargo in California alleges, "Managers constantly harass, berate, demean, and threaten employees to meet these unreachable quotas." A Wells Fargo employee cited in the complaint relates that if an employee failed to meet his or her quota, they were threatened or embarrassed during morning meetings. A Bank of America customer service representative wrote an op-ed in which he referred to "Hunger Games" scheduling, in which the most convenient or desirable work shifts were allocated after workers submit "bids" based on their quota incentive points, pitting workers with child care needs against those with transportation challenges. As he noted, "Here, our time rather than a bonus or promotion opportunity, is the prize."[42]
- A former teller at Wells Fargo revealed of management, "They would put everyone's metrics up in the break room."
- A California teller recalled, "God forbid you went home without solutions. You could be subjected to ridicule for not meeting goals."
- A branch manager explained that he was expected to hover behind employees during each conversation with a customer, and to draw the employee away mid-transaction if necessary to remind him or her to offer another product or ask why they were not doing so. "This was so terrorizing, it was unbelievable."
- A Los Angeles personal banker stated, "Entry-level Wells Fargo employees are being treated like hostages. We lack the job security and a healthy environment for work that is not stress, discrimination, or harassment free"

## Sales Pressures Hurt Workers and Their Families

Workers laboring under these high-pressure incentive programs bring their work home with them. Many report suffering physical manifestations and ailments as a result of their stressful workplaces, and they struggle to make ends meet and care for their families on their low wages. In numerous cases, managers encourage them to pursue sales opportunities among family and friends in order to hit their goals.

- Workers open accounts that family members don't need just to make their numbers. One manager in Florida with experience at both Bank of America and Wells Fargo said that she opened an account for her daughter that she knew they would soon close, and that one of her bankers opened an account for each of his 11 grandchildren just to make quota numbers.
- Another teller in Florida admitted that she enrolled her sister for a credit card that the sister did not really understand. "She maxed it out, and she still has that maxed-out credit card 10 years later."
- Upon being asked if he made a living wage, one former Bank of America personal banker replied, "Oh gosh no. Food for my son was really hard. He's 12. I couldn't put him in any extracurricular activities."
- One Minnesota U.S. Bank collections worker said, "There was a constant battle of how you do right for the customer without sacrificing, you know, not paying a light bill or having shoes for the kids going back to school. You can't make that sacrifice."
- A Rhode Island call-center worker said, "I used to cry every day. Eventually, I learned how to compartmentalize."

## To Meet Sales Expectations, Workers Must Weigh Their Interests Against Customer Interests

While many workers say they enjoy helping people and working in a customer service role, they find that these functions too often have to take a back seat to moving various banking "solutions" in order to meet their goals and earn critical incentive pay.

- A call-center worker alleges that her manager told her to keep numbers on call lists even after customers ask for their removal, and when she questioned whether that was a violation of the Fair Debt Collection Practices Act, she was written up.
- Several workers note that managers would look the other way when documentation verifying identity was lacking or when forms were turned in signed but not filled in.
- A former personal banker admitted, "I had never in my life been the sort of person to see dollar signs when people walk in. I always liked building relationships. But these inane goals really affected how I saw them. I didn't think about meeting their needs, I thought about how can I meet my goals."
- One Florida personal banker with Bank of America admitted, "I had days that even though I tried really hard, I couldn't sell, and that's very scary. It's not a financial service position, it's a sales position. And that means it's not about the customer."
- A Rhode Island Bank of America service specialist recalled, "If someone's getting married, tell them to get a credit card. Any life event that happened, you were supposed to say 'get a credit card for it.' If you heard kids in the background, the answer was a credit card."
- A former Pennsylvania Wells Fargo branch manager admitted that some tellers would "churn," or open new accounts for current customers, but manipulate the recording of the transaction to make it appear that new accounts were being opened, and that sometimes second or third accounts were being opened for customers without their approval.

### Workers Have No Viable Avenue for Reporting Unethical or Illegal Policies

Workers frequently express discomfort with the tactics they must use to sell bank products, but find little redress when they go to managers with their concerns. In fact, in most cases, workers say that their managers are already aware of the practices in their branches and even encourage them.

- A Minnesota worker says he had at least two conversations with his manager about unrealistic sales goals and was told, “What do you want me to do, brother? My hands are tied and I just do what they tell me to do.”
- A Chase Bank sales and service associate noted that “the managers were the ones who told us to push the products.”
- A U.S. Bank collections worker couldn’t share concerns with management because “they created an environment to get the payment, no matter how long it takes.”

Another worker with experience at both SunTrust and Bank of America recalled, “Managers really pushed me to ignore it when consumers say no.”

## Workers Can Be Part of the Solution

There is nothing inherently wrong with businesses setting goals, establishing benchmarks, and encouraging all employees to help make the business successful. But the current structure of the quota system within the country’s big banks bends those practices into a set of internal policies that benefit bank CEOs and shareholders, but are bad for nearly everyone else. This does not have to be the case. Amalgamated Bank, whose employees are unionized, recently signed a contract that ensured all its bank workers will earn a starting wage of at least $15 per hour, which gives them some ability to plan family budgets and care for themselves and their children. These men and women do not depend on sales incentives or rewards to make ends meet; in fact, while the bank does set goals for its branches, it does so with the best interests of the customer first and foremost and does not mandate individual goals nor offer individual rewards.[43]

There are also examples in other countries of codes of conduct that address the issue of over-aggressive sales quotas and incentives plans. The Finance Sector division of UNI, the global union organization, works with financial regulators and banking leaders in the European Union to protect worker interests, including ensuring that “the use of sales targets should be limited in order to avoid conflicts of interests and to reduce pressure on employees.”[44] In 2010, after workers employed by financial companies across the globe shared their stories about aggressive sales practices, UNI Finance adopted a Model Charter on Responsible Sales of Financial Products. Recognizing that customers depend on bank employees for responsible advice and aid in their financial dealings, the Charter calls for realistic, fair, and transparent incentive systems for employees and states that rewards should be given for good customer service and qualified advice, not for selling specific products.[45] Furthermore, UNI Finance Sector worked to get whistleblower protections written into compulsory financial regulations adopted by the European Commission, giving concerned banking employees a process by which to alert lawmakers if their employer asks them to engage in unethical behaviors on the job.[46]

Additionally, in Brazil after a 2014 industry-wide strike, workers at numerous private and public banks won a pay raise and language addressing sales practices in that country.[47]

Santander Bank—one of the banks operating in the United States using aggressive sales metrics in its branches, according to workers interviewed for this report—has an agreement with its workers there that addresses many of the abuses reported by workers in this country. Managers are prohibited from publicly posting employees' rankings and from mocking workers who are not meeting their goals. They are encouraged to tailor sales offers to the needs and financial capacity of each banking customer and to ensure customers understand all the conditions attached to products before employees close the sale.[48] In Denmark and Finland, UNI reports that sales targets are set after consultation and negotiation with worker-led bodies and that targets are linked to customer service.[49]

The majority of bank and finance sector workers around the world, including those employed by U.S. banks operating in other countries, are union members who are covered by collective bargaining agreements. Finance workers who have a voice on the job and whose fundamental rights are protected through collective agreements can be instrumental in mitigating abusive labor practices that can lead to customer harm. When workers are empowered inside the workplace they have the ability to ensure, on a day-to-day basis, that customer interactions are not tied to excessive goals accompanied by the threat of loss of incentive pay, discipline, or termination. Through collective bargaining, they can implement methods that ensure that interactions with customers focus on meeting financial service needs and uphold high standards of ethical sales practices.

Less than a decade ago, poor practices and the pursuit of consumer-generated revenue by the big banks triggered the worst recession this country had seen in generations. Policymakers addressed some of those practices, but in the process, banks developed a policy of replacing some of those revenue streams with fees and penalties generated by multiple accounts and banking products. In order to generate these profits, low-wage front-line workers must engage in sales tactics that range from the uncomfortable and unethical to some that border on illegality. It is time for policymakers to support front-line workers who suffer under these systems and to continue the task of cleaning up the financial services industry and protecting consumers by crafting new regulations to cease these practices.

# Endnotes

1 This and other worker quotes from our interviews are published here without identifying information in order to protect the worker from retribution or reprimand for speaking about their sales metrics or the workplace culture in which they work. Copies of interview sheets are on file with NELP.

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34 Wells Fargo Annual Report 2015, page 46.

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[36] Wells Fargo "Vision and Values" page 26, version available at: http://www.damicofcg.com/files/74720/Vision%20%26%20Values.pdf The version currently available on the Wells Fargo website does not include a section on opportunities nor sets explicit numerical goals for increasing the cross-sell metric. Available at: https://www08.wellsfargomedia.com/assets/pdf/about/corporate/vision-and-values.pdf

[37] Worker phone interview, April 22, 2016. On file with NELP.

[38] "At Wells Fargo, how far did bank's sales culture go?" *Wall Street* Journal, November 30, 2015.

[39] Linette Lopez, "In Preet Bharara's Suit Against BofA, He Reveals A Program Called 'The Hustle'," Business Insider, October 24, 2012; Christina Rexrode, "Bank of America Appeals $1.27 Billion 'Hustle' Penalty," Wall Street Journal, April 22, 2015. This problem is not limited to United States banks (see for example, Jill Treanor and Jennifer Rankin, "Lloyds Banking Group fined record £28m in new mis-selling scandal," The Guardian, December 11, 2013), but in other nations organized labor within the UNI Global Union federation has been successfully advocating for codes of conduct limiting the effect of sales quotas in the industry. Notably, UNI officials note that European bankers point to extreme opposition to such agreements from United States banks. See Josh Eidelson, "Union Seeks to Shield Bank Workers from Sales Quotas," Bloomberg Businessweek, March 19, 2015.

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