

Buy Now, Pay Later Company Agrees to Cease Illegal Loans, Pay Refunds in Settlement

Aug 3, 2022

The DFPI has entered a [settlement](#) with Florida-based point-of-sale lender Four Technologies, Inc., in which the company has agreed to stop making loans, pay \$2,500 in penalties, get a license, and refund \$13,065 in illegal fees.

These refunds represent the fees Four Technologies collected from consumers in transactions the DFPI concluded were illegal loans. Under the settlement, Four Technologies will make future loans to California residents only after obtaining a California Financing Law (CFL) license.

In late 2021, the DFPI reported on the [shift to Buy Now, Pay Later products](#), and an increase in consumer use of Buy Now, Pay Later products is drawing scrutiny from regulators. The DFPI continues to lead the way on oversight, clarifying late last year that BNPL products are loans and that the companies that offer them must comply with California's state lending rules.

The DFPI continues investigating other companies offering Buy Now, Pay Later products. In 2020, the DFPI (formerly Department of Business Oversight) entered similar settlements with Buy Now, Pay Later companies [Quadpay](#), [Sezzle](#), [Afterpay US](#), and [Klarna, inc.](#)

About Us

The DFPI licenses and regulates financial services, including state-chartered banks and credit unions, money transmitters, securities broker-dealers, investment advisers, non-bank installment lenders, payday lenders, mortgage lenders and servicers, escrow companies, franchisors, and more.

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