Oregon court upholds \$409 million verdict against BP for debit card fee at gas station

Updated May 31; Posted May 31



The Oregon Court of Appeals on Thursday, May 31, 2018, upheld a \$409 million jury verdict against BP, which oversees the operation of ARCO and am/pm gas stations in Oregon.(The Oregonian/File photo)

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The Oregonian/OregonLive

The Oregon Court of Appeals on Thursday upheld a \$409 million jury verdict against BP, the oil and gas-producing giant, for misleading gas station customers by tacking on a 35-cent debit card fee to their purchases without proper notice.

A Multnomah County Circuit Court jury ruled in 2014 that BP must pay the money to more than 2 million individual customers who bought gas in Oregon from ARCO and am/pm stations using their debit cards over nearly three years from 2011 to 2013.

The stations were independently operated but beholden to follow rules handed down by BP, according to the Appeals Court decision. The rules included a prohibition against advertising the 35-cent fee on large street signs visible to people driving. The stations also didn't show the fee at the pump, the ruling said.

David Sugerman, one of the attorneys representing the plaintiffs, said it wasn't until customers had filled up their tanks and walked up to the register to pay that they were notified of the 35-cent debit card fee.

"The gas was already in your car, you would go inside, and congratulations, your \$10 of gas is now \$10.35," Sugerman said.

Attorneys for BP have said the fee was clearly advertised within the stations and that the company wasn't misleading customers.

"BP strongly disagrees with the decision by the Court of Appeals and will appeal to the Oregon Supreme Court," said BP spokesman Brett Clanton. "We continue to believe that our debit card practices were lawful and consistent with our goal of providing our customers quality fuel at the lowest possible cost."

After the verdict, the class action-members of the lawsuit were due \$200 each, as called for under Oregon law. But they haven't been paid, because of the company's appeals.

The amount due will continue to rack up annual interest of 9 percent, pending the outcome of an Oregon Supreme Court decision.

In siding with the class-action plaintiffs, the Appeals Court rejected arguments from BP that the \$200 to be paid to each wronged customer was constitutionally excessive.

The Appeals Court also disagreed with BP's contention that it didn't violate state consumer rules. The court noted that only customers paying in cash would get the gas price advertised on street signs. At the time, almost all ARCO and am/pm stations accepted cash and debit cards, but not credit cards.

The company argued that Oregon's Gasoline Price Advertising Rule didn't apply to its "flat-fee" debit card add-on.

ARCO and am/pm have more than 25 gas stations in the Portland area and dozens more throughout the state.

A three-judge panel of the Appeals Court delivered Thursday's ruling: Douglas Tookey, Joel DeVore and Senior Judge Virginia Linder. Read the opinion here.

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