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Wells Fargo says South Florida customers got account information of strangers by mistake

By Doreen Hemlock and Donna Gehrke-White

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Banking giant Wells Fargo confirmed Friday that South Floridians are among customers affected by a mistake in which printed statements contain information about other people's bank accounts.

The bank said a small number of new customers in South Florida have been affected by the printing mistake on statements arriving this week, but it would not disclose the number. It has called the problem a security breach, since some statements include Social Security numbers from other customers.

Customers affected can call for assistance at 800-ToWells or visit a branch. They will be reimbursed should losses occur in their account because of the error, a spokeswoman said.

Bank executives believe chances of identity theft from the gaffe are low, because most printed statements do not contain Social Security numbers or other information needed to access a person's account. In addition to reimbursing any loss from the error, the bank also is extending its ID protection program for one year to all affected customers, said a spokeswoman.

Wells Fargo has linked the error to a single malfunctioning printer in Charlotte, N.C., which apparently put multiple customers' account and transaction information on pages, or even single pages, of one statement. The problem affected new customers in Florida and in South Carolina.

In many cases, customers' names and their account and routing numbers ended up with other people. In some cases, where customers have set up direct deposit of their paychecks to accounts, Social Security numbers also ended up on those printouts, Wells Fargo has said.

Some South Florida customers were not convinced by the bank's explanation.

"It's not the printer's fault," said Cheryl Austin of Pompano Beach, a Wells Fargo customer upset with the bank because of its new online bill pay system.

"It's the software program that would have entered page breaks, and somebody screwed up on their programming," said Austin, an office administrator who works with computers. "It's human error."

Wells Fargo bought Wachovia bank in 2008 and has been converting its branches in phases since then, including about 230 branches in South Florida in July.
Some Wells Fargo customers who received co-mingled statements in South Carolina told The Post and Courier of Charleston newspaper that they were Wachovia account holders who were receiving their first statements under the Wells Fargo banner.

However, a Wells Fargo spokesman told the paper the mix-up had nothing to do with the account changeover.

In Florida, Wells Fargo ranks as the second largest bank by deposits, after Bank of America. It had 668 branches with $64.3 billion in deposits, or nearly 16 percent market share in the state, according to the most recent annual review by the Federal Deposit Insurance Corp.

In Palm Beach County, it ranks first by deposits, holding almost $8.6 billion or nearly 23 percent market share. And in Broward County, it was second after Bank of America, holding $6.6 billion in deposits or nearly 18 percent market share, according to the June 30, 2011 report from the FDIC.

Independent banking consultant and economist Ken Thomas said the Wells Fargo mishap is a lesson for all consumers: Don't put all your assets in one institution.

That way when a bank has a glitch, then not all your accounts will be affected, he said. He recommended dividing accounts in a major bank and a community bank.

Thomas said this type of error could happen again, with so many bank outlets changing hands after the housing crisis and becoming part of giant trillion-dollar conglomerates such as Chase and Wells Fargo.

"It's just very bad," Thomas said, especially since Wells Fargo is new to South Florida and trying to set up with relationships with thousands of new customers. "You want to come in with a good reputation."

The error also is bad for the entire banking industry, Thomas said.

"This is going to create a whole new round of complaints," he said. Many remain upset with the federal bailout of banks, and this new mishap will add to the anger against banks, predicted Thomas.

William B. Stronge, economics professor emeritus at Florida Atlantic University, said banks have some of the most complex computer systems in the business world.

When they merge, "one of the most difficult things they face is to integrate their computer systems," he said.

"They work at it very hard," with the process taking months, Stronge said. "But in tinkering with their systems, something can go wrong."
Stronge added that he thought Wells Fargo would emerge relatively unscathed from the glitch. He predicted any uproar would be "transitory."