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August 3, 2026

Rohit Chopra Outlines Enforcement Priorities for California's New Business and Consumer Services Agency

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On July 1, 2026, Governor Gavin Newsom swore in Rohit Chopra as the first Secretary of the newly created Business and Consumer Services Agency (BCSA). The cabinet-level agency consolidates dozens of consumer-protection boards and departments whose jurisdiction spans financial services, healthcare, real estate, retail, hospitality, agriculture, and higher education.[1] Chopra, who previously served as Director of the Consumer Financial Protection Bureau (CFPB) and as a Commissioner of the Federal Trade Commission (FTC), has indicated in his first public statements that enforcement, particularly involving pricing, fees, competition, and new technologies, will be central to the agency's early agenda.

Key Takeaways

- California new Business and Consumer Services Agency, led by former CFPB Director and FTC Commissioner Rohit Chopra, began signaling its enforcement approach within weeks of its July 1 launch—soliciting consumer tips, warning mortgage companies over withheld LA fire insurance funds, and urging the FTC to preserve a data-security consent order.

- Chopra, Governor Newsom, and Attorney General Bonta have each framed California role as filling the gap left by curtailed federal enforcement, a position Chopra has advocated since his FTC tenure.
- Chopra's federal record suggests early scrutiny of fee practices, conduct with competitive dimensions such as undisclosed kickbacks, technology-driven practices including algorithmic pricing and dark patterns, and data privacy.
- The BCSA's jurisdiction extends well beyond financial services; companies in healthcare, technology, real estate, retail, hospitality, and other regulated sectors should expect complaint- and tip-driven investigations and prepare accordingly.

BCSA's Initial Enforcement Priorities

On July 23, 2026, Secretary Chopra publicly called on consumers to submit tips about businesses engaged in "harmful and corrupt practices," including dishonest pricing schemes, inflated fees, undisclosed kickbacks, and manipulative schemes.[2] In an agency blog post, Chopra stated:

> *"Californians and families across the country are feeling squeezed by higher prices, fees, and other costs. To add insult to injury, federal regulators and law enforcement are turning a blind eye to illegal upcharges that we all pay the price for . . . . A key priority for the agency is to crack down on harmful and corrupt practices that wrongfully raise costs for families and honest businesses."*[3]

The BCSA has announced that in its first year it will pursue initiatives to: (1) protect consumers and help small businesses succeed; (2) crack down on harmful, anticompetitive, and corrupt practices; and (3) ensure new technologies benefit all Californians.[4] The agency's component departments will have authority to bring enforcement actions against companies violating state law and, in certain circumstances, can pursue federal-law violations.[5] The agency has already put that authority to use: in mid-July, it publicly warned that mortgage companies improperly withholding insurance funds from homeowners rebuilding after the Los Angeles fires may face enforcement under state and federal consumer-protection laws.[6]

The Agency's Role in State Enforcement

Both Governor Newsom and Secretary Chopra have described the BCSA as a state-level response to reduced federal consumer-protection enforcement.[7] Regardless of the political framing, the practical implication is that California intends to deploy state resources in areas historically associated with the CFPB and FTC, rather than limiting the agency to traditional licensing and regulatory matters.

The CFPB's operations have been substantially curtailed since February 2025,[8] FTC resources have been reduced, and state regulators are increasingly acting on their own initiative in consumer-protection and antitrust matters.[9] Secretary Chopra has been explicit about the rationale, writing in the agency's first weeks that many federal agencies are "shuttering their law enforcement activities" and that the BCSA will work closely with other states to step up scrutiny of potentially unlawful practices. California Attorney General Rob Bonta has taken the same position, asserting that states can act where the federal government does not.[10] Nor is the posture new for Chopra: as early as his FTC tenure he publicly opposed federal preemption of state data protection laws and urged state attorneys general to do more, and in his final days as CFPB Director he published a report encouraging states to expand their consumer-protection frameworks.[11] California's response is distinctive mainly in its institutional form: a consolidated, cabinet-level agency rather than case-by-case attorney general enforcement. And although the Department of Financial Protection and Innovation (DFPI), which enforces the California Consumer Financial Protection Law (CCFPL), the California Financing Law (CFL), and the Digital Financial Assets Law (DFAL), gives the new agency its most developed enforcement machinery, the BCSA's jurisdiction extends well beyond financial services to healthcare, real estate, retail, hospitality, and the other consolidated sectors.

Chopra's Federal Enforcement Record

As CFPB Director from 2021 to 2025, Chopra oversaw the recovery of nearly $10 billion in refunds and penalties, led the Bureau's campaign against "junk fees," and finalized a rule lowering credit card late fees from $32 to $8 for large issuers, a change estimated to save consumers more than $10 billion annually, although a federal district court vacated the rule before it took effect.[12] As an FTC Commissioner from 2018 to 2021, he pressed for stronger remedies against repeat offenders, opposed the Commission's reliance on "no-money, no-fault" settlements, and supported more assertive antitrust enforcement against dominant technology platforms.[13]

Potential Areas of Early Scrutiny

Chopra's record suggests several likely areas of early attention. Fee practices and financial services are the most obvious candidates: consumer-facing charges that are poorly disclosed, difficult to avoid, or excessive relative to cost, along with lending disclosures, banking fees, debt collection, and fintech compliance (the DFPI now sits within the BCSA). Conduct with competitive dimensions, including undisclosed kickbacks and exclusionary contract terms, is also likely to draw interest, as are algorithmic pricing, dark patterns, and other technology-driven practices.

Data privacy is a further candidate. At both agencies, Chopra focused on how large technology platforms collect and use personal information, including for targeted advertising; among his first acts as CFPB Director was to order large technology payment platforms to disclose their collection and use of consumer payments data.[14] He also supported FTC orders requiring the destruction of algorithms built on unlawfully collected data and, at the CFPB, brought dark-pattern enforcement actions, opened a data-broker rulemaking under the Fair Credit Reporting Act, and finalized the Personal Financial Data Rights rule.[15] Given that history, businesses that collect or use consumer financial or other sensitive data should anticipate that the BCSA may take an interest in those practices. The agency's early actions bear this out: within a week of launch, the BCSA publicly urged the FTC to deny a social media company's petition to terminate a long-standing data-security consent order, warning that mishandling of sensitive personal data exposes users to fraud and other harms.[16]

Chopra's prior enforcement positions also suggest that the agency may seek penalties calibrated to deterrence, particularly in matters involving repeat conduct, and that consumer complaints are likely to play an important role in identifying potential investigations. The agency has said as much: it plans to focus its audit and inspection resources on the entities it views as posing the greatest risks, and it is building out channels for consumers, businesses, and whistleblowers to file complaints and enforcement tips.[17]

Considerations for Businesses

- **Review fee disclosures across the customer journey.** The relevant questions are not only whether a fee is disclosed somewhere, but when it appears, how prominently it is presented, whether the customer can avoid it, and whether its description corresponds to the service provided.[18]
- **Assess business relationships that could be characterized as kickbacks.** Undisclosed referral compensation and exclusionary contract terms warrant particular attention, especially for firms with significant market share.
- **Evaluate algorithmic pricing and automated decision-making.** Consider whether these systems produce outcomes that could be characterized as manipulative, and document the rationale for the pricing structures they generate.
- **Revisit complaint-handling and document-retention protocols.** Companies in BCSA-regulated sectors should be prepared to respond to investigative demands. Sectors include financial services (banks, credit unions, and financial advisers), real estate, professional licensing and healthcare, specialized consumer goods including alcohol and cannabis, and entertainment and gaming.[19]

[1] Press Release, Governor Newsom Swears in Rohit Chopra as Secretary of the New California Business and Consumer Services Agency, Office of Governor Gavin Newsom (July 1, 2026), https://www.gov.ca.gov/2026/07/01/governor-newsom-swears-in-rohit-chopra-as-secretary-of-the-new-california-business-and-consumer-services-agency/.

[2] Lauren Berg, Calif.'s New Biz Agency Set To Target 'Corrupt Practices,' Law360 (July 24, 2026, 6:19 PM EDT), https://www.law360.com/articles/2505560.

[3] Rohit Chopra, California's New Agency Will Crack Down on Harmful and Corrupt Practices, Bus. & Consumer Servs. Agency (July 23, 2026), https://bcsa.ca.gov/newsroom/2026/07/20260723.html. The agency previews its enforcement thinking through its blog, https://bcsa.ca.gov/newsroom/blog.html, and Secretary Chopra's X account, https://x.com/ChopraUSA.

[4] Press Release, supra note 1.

[5] Chopra, supra note 3.

[6] LA Fire Survivors Have the Right to Fair and Timely Payouts to Rebuild, Bus. & Consumer Servs. Agency (July 16, 2026), https://bcsa.ca.gov/newsroom/2026/07/20260716.html; Rohit Chopra (@ChopraUSA), X (July 16, 2026), https://x.com/ChopraUSA.

[7] Press Release, supra note 1; Chopra, supra note 3.

[8] Trump Administration Attempts to Close the CFPB, Block Agency's Work, Econ. Pol'y Inst. (updated Jan. 16, 2026), https://www.epi.org/policywatch/trump-administration-closes-the-cfpb/.

[9] Consumer Protection Enforcement: FTC, DOJ, and State AGs at the Crossroads, Gibson Dunn (Jan. 12, 2026), https://www.gibsondunn.com/wp-content/uploads/2026/01/WebcastSlides-Consumer-Protection-Enforcement-DOJ-FTC-and-State-AGs-at-the-Crossroads-12-JAN-2026.pdf.

[10] Chopra, supra note 3. On Attorney General Bonta's enforcement posture and the broader expansion of state attorney general activity, see The Rise of the State Attorneys General, Gibson Dunn (July 16, 2026), https://www.gibsondunn.com/the-rise-of-the-state-attorneys-general/.

[11] See, e.g., Rohit Chopra (@ChopraUSA), X (Oct. 15, 2018) (noting state attorneys general seeking to do more to enforce antitrust and data protection laws); Rohit Chopra (@ChopraUSA), X (Feb. 25, 2019) (opposing federal preemption of state data protection laws); Consumer Fin. Prot. Bureau, Strengthening State-Level Consumer Protections: Promoting Consumer Protection Federalism (Jan. 2025), https://files.consumerfinance.gov/f/documents/cfpb_strengthening-state-level-consumer-protections_2025-01.pdf; Rohit Chopra & Seth Frotman, State Enforcement as a Federal Legislative Tool, Harv. J. on Legis. (Jan. 15, 2025), https://journals.law.harvard.edu/jol/2025/01/15/state-enforcement-as-a-federal-legislative-tool/.

[12] Press Release, supra note 1; Press Release, CFPB Bans Excessive Credit Card Late Fees, Lowers Typical Fee from $32 to $8, Consumer Fin. Prot. Bureau (Mar. 5, 2024), https://www.consumerfinance.gov/archive/newsroom/cfpb-bans-excessive-credit-card-late-fees-lowers-typical-fee-from-32-to-8/.

[13] Rohit Chopra, Commissioner, Fed. Trade Comm'n, Biography, https://www.ftc.gov/about-ftc/commissioners-staff/rohit-chopra (last visited Aug. 1, 2026); Press Release, supra note 1.

[14] Press Release, CFPB Orders Tech Giants to Turn Over Information on their Payment System Plans, Consumer Fin. Prot. Bureau (Oct. 21, 2021), https://www.consumerfinance.gov/about-us/newsroom/cfpb-orders-tech-giants-to-turn-over-information-on-their-payment-system-plans/.

[15] See, e.g., Rohit Chopra (@ChopraUSA), X (Jan. 11, 2021) (FTC order requiring destruction of technologies enhanced by unlawfully obtained data); Rohit Chopra (@ChopraUSA), X (Apr. 4, 2023) (CFPB rulemakings on open banking, data rights, and data brokers); Rohit Chopra (@ChopraUSA), X (Oct. 22, 2024) (Personal Financial Data Rights rule).

[16] Press Release, California Calls on the Federal Trade Commission to Deny X Pardon, Safeguard Personal Data of X Users, Bus. & Consumer Servs. Agency (July 6, 2026), https://bcsa.ca.gov/newsroom/2026/07/20260706.html.

[17] Chopra, supra note 3.

[18] Berg, supra note 2; Press Release, supra note 1.

[19] *About the Business and Consumer Services Agency*, Bus. & Consumer Servs. Agency (last visited Aug. 1, 2026), https://bcsa.ca.gov/about/.

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Gibson Dunn's White Collar Defense and Investigations and Consumer Protection practice groups have extensive experience defending companies and individuals in consumer-protection investigations and enforcement actions brought by the FTC, the CFPB, the Department of Justice, and state regulators.

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding these developments. Please contact the Gibson Dunn lawyer with whom you usually work, any leader or member of the firm's White Collar Defense & Investigations or Consumer Protection practice groups, or the authors:

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