

Markets

Robinhood Accused of Offering Snafu Credits to Squelch Suit

By [Joel Rosenblatt](#)

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- ▶ Company is attempting to ‘wipe out’ claims, lawyers tell court
 - ▶ Payments aimed at quick customer compensation, brokerage says
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The Robinhood app *Photographer: Andrew Harrer/Bloomberg*

Robinhood Financial Inc., facing lawsuits over crashes on its trading platform amid violent stock market swings, is now being accused of offering a “\$75 goodwill credit” to dupe customers into waiving their legal rights.

Attorneys for users who are suing the beleaguered online brokerage company asked a federal judge in Florida to order Robinhood to stop sending “misleading communications” and to void any releases already signed by customers.

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“We view this type of activity by Robinhood as a calculated attempt to wipe out users’ class action claims without informing the users that they can instead participate in the class action should they so choose” lawyer Michael S. Taaffe said in a statement.

Robinhood’s platform has gone down multiple times this month, creating problems for trading equities, options and cryptocurrency. The crashes have set back the Silicon Valley startup, which has been trying to lure young, tech-savvy investors who want to trade entirely online.

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Robinhood said in an emailed statement that it’s quickly compensating customers who contact the company on a “case-by-case review.” The company said it aims to compensate customers before the conclusion of the litigation to avoid a long wait. Claims that Robinhood is attempting to block customers from participating in any class action are inaccurate, according to the statement.

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– *With assistance by John Gittelsohn*

