



Court Grants Preliminary Approval of \$1.2 Billion Discover Credit Card Settlement

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The US District Court for the Northern District of Illinois recently granted preliminary approval of a \$1.2 billion settlement in a class action involving Discover-related credit cards.

Background

In 2023, three separate class action lawsuits were filed and later consolidated into one case before the Court. These cases name Discover Financial Services and related entities as defendants and involve interchange fees charged to merchants that accepted or processed Discover cards between January 1, 2007, and December 31, 2023.

The lawsuits allege that Discover misclassified the cards as commercial credit cards, which caused merchants and others to incur excessive interchange fees.

Filing Claims in the Class Action

Under the preliminary settlement terms, certain class members must submit claims by May 18, 2026, to receive a settlement payment, and some of these class members will also need to submit additional information by that date. Other class members are automatically eligible to receive a settlement payment without submitting a claim form, but some of them will need to provide additional information by May 18, 2026.

Filing Direct Claims

Some merchants may determine that it is more beneficial to opt out of the class and pursue recovery directly against the defendants. To retain the right to sue Discover directly regarding the issues covered by the class action settlement, a request for exclusion must be mailed by March 25, 2026.

MG+M The Law Firm is following this case and stands ready to advise clients on how to protect their interests and file claims.