From the Net

Capital One is Going to Have Some Banking Discrimination Explaining to Do

By Mark Oliva

Capital One, the corporate banking giant, has an advertising tagline that asks, "What's in your wallet?" For one Maryland gun shop, the answer to that question appears to be a banking giant that ignores a White House Executive Order and dismisses Treasury Department regulations that forbid banking discrimination.

Capital One Financial Corporation has been in business since 1994 and the McLean, Va., international banking giant with over $475.6 billion in assets boasts that it offers credit cards, auto loans, checking and savings accounts and commercial banking services. That is, unless the business happens to be a firearm retailer.

Just ask Jonathan Bennett, owner of United Gun Shop in Rockville, Md. Bennett tried using Capital One's payment platform, administered by Melio Payments, for business and billing transactions. The firearm retailer had previously used the payment platform without issue. That changed on April 11, 2025, when Bennett met with Capital One after services were cancelled without notice. That cost Bennett's business $75,000 in damages and disrupted services.

According to reporting by The Daily Wire, Bennett was surprised to learn that his business, that of legally selling firearms to law-abiding citizens, was considered to be in a "prohibited industry." Bennett's not rolling over on the illegal debanking. He's making Capital One and Melio Payments answer in court. His lawsuit alleges the two banking service providers of blocking United Gun Shop from "making future payments" before disabling the business from completing payment transactions.

"As an American-owned small business operating legally, we were shocked when Capital One abruptly stopped processing our payments without any clear explanation and instead cited vague reasons tied to a third-party payment provider we never agreed to work with," United Gun Shop owner Jonathan Bennett told The Daily Wire. "We filed this lawsuit to hold Capital One and its third-party partner accountable for what we believe is unfair discrimination against our company."

Capital One pointed the finger at Melio Payments for the prohibited banking discrimination decision. Melio Payments claimed they did nothing wrong and didn't respond to follow-up questions from The Daily Wire. Capital One, likewise, didn't respond to requests for comment.

Bringing the Receipts

But United Gun Shop has the receipts. Three days after meeting with Capital One when the business was debanked, Melio Payments told United Gun Shop that it belonged to a prohibited industry, despite several payments having already been processed starting in December 2024 before those payments were cut off in March 2025. Capital One Business confirmed to Bennet that his business didn't meet "eligibility criteria" and "your business is considered a restricted industry."

That's going to be a problem for Capital One and Melio Payments. In August 2025, President Donald Trump issued the Executive Order Guaranteeing Free and Fair Banking for All Americans. That ended banking discrimination against individuals and entities based on political beliefs. It didn't end there. The agency that regulates banks, The Office of the Comptroller of the Currency (OCC), issued preliminary findings in December 2025 that revealed what the firearm industry has known, and



experienced, for years. Large banks systematically "made inappropriate distinctions" of lawful businesses, including those against firearm-related businesses, to restrict access to banking services.

Capital One was among those corporate banking giants unlawfully discriminating against certain industries, including the firearm industry, for political reasons.

Banking Regulators Step In

The OCC issued a Final Rule just last month codifying the elimination of "reputational risk" from their supervisory programs. The OCC explained that the Final Rule defines "reputational risk" and prohibits the OCC and FDIC from criticizing or taking adverse action against an institution on the basis of reputation risk. The rule also prohibits the agencies from requiring, instructing or encouraging an institution to close customer accounts or take other actions on the basis of a person or entity's political, social, cultural or religious views or beliefs, constitutionally protected speech or solely on the basis of politically disfavored but lawful business activities perceived to present reputation risk.

That rule applies to the federal agencies. However, the OCC put teeth into the new policy when it gave bank customers, including firearm industry members, a clearer path to document politicized debanking and enter those concerns into the regulatory record. The OCC issued public comment guidance offering bank customers and stakeholders a way they may share debanking experiences with the OCC and the Federal Deposit Insurance Corporation (FDIC) and those complaints may be considered when the agency reviews bank licensing filings. They may also be considered during Community Reinvestment Act examinations.

The OCC's guidance states the agency will consider whether a bank has terminated individual customer accounts or categories of customer accounts, or refused to provide financial services to a person or category of persons, without assessing individual customer risk on a case-by-case basis. The OCC further states it may deny or condition approval of a licensing proposal by a bank with a record of politicized or unlawful debanking.

That is exactly the type of accountability the firearm industry has demanded and worked for years to generate.

It's also the sort of accountability that Capital One can expect if they continue to illegally discriminate against firearm businesses for being in a "prohibited industry."

Capital One, at the same time, will have to attempt to tell a court that "What's in your wallet?," is actually illegal banking discrimination when it answers a judge over United Gun Shop's allegations.

Hey LUCY!
You got some
Explaining to do!

