

# The Class Action Claim Rate Gap

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## The Class Action Claim Rate Gap: Why 91 Percent of Eligible Consumers Never File

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### TL;DR

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- The FTC's 2019 study of 149 consumer class action settlements found a median claim rate of 9 percent and a weighted mean of 4 percent.
- The notice method drives outcomes more than the settlement amount. Notice packets achieve a median 16 percent claim rate. Postcards land at 6 to 7 percent. Email notice bottoms out at 2 percent.
- Class action and government enforcement settlements totaled roughly \$79 billion in 2025, a record, up from \$42 billion in 2024 and \$51.4 billion in 2023. The first half of 2026 alone reached \$53.8 billion. The majority of consumer-side dollars go unclaimed.
- Unclaimed funds are distributed three ways: pro rata to claimants who did file, cy pres to a court-selected charity, or reversion to the defendant. None of those routes reaches the original eligible consumer.
- Fitzpatrick's empirical work documented 688 federal class action settlements in 2006 to 2007 totaling \$33 billion, with roughly 15 percent flowing to class counsel as fees. The percentage of dollars actually delivered to class members is lower than the settlement headline suggests.
- The dominant reason for non-claiming is friction, not principled opt-out. Consumers either never see the notice, do not believe it is real, or judge the claim form not worth the time.
- Abundera's Q1 2027 report will publish aggregate eligibility-detection rates, claim-filing conversion rates, and median recovery per filed claim from the platform's first six months of class action monitoring. This article pre-registers the methodology.

### The size of the gap

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Class action settlements are the legal system's primary tool for compensating consumers who were each harmed by a small amount. A bank charges 30 million customers an unlawful \$4 fee. No individual consumer can afford to litigate over \$4. A class action aggregates the harm and forces a settlement. The defendant writes a large check.

The check is real. The compensation is not, for most class members.

In the FTC's 2019 study, staff used subpoena power to obtain data from seven of the largest U.S. settlement administrators. The dataset covered 149 consumer class action settlements between 2013 and 2015. The median percentage of direct-notice recipients who actually filed a claim was 9 percent. The weighted mean, which accounts for the size of each settlement, was 4 percent.

Roughly nine in ten eligible consumers leave their share on the table.

### Notice method matters more than settlement size

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The FTC report's most important finding is that the channel used to tell consumers about the settlement explains more variation in claim rates than almost any other factor.

Notice packets, which are physical envelopes containing the full court-approved claim form and instructions, produced a median claim rate of 16 percent and a weighted mean of 10 percent. Postcards produced a median of 6 to 7 percent. Email notice produced a mean and median of 2 percent.

There is a clean ranking. The more substantial the notice, the more consumers act. Email is at the bottom because it competes with hundreds of unread promotional messages and because it is the easiest channel for a defendant or administrator to satisfy a court's notice requirement at minimal cost.

Defendants and their insurers pay for the notice campaign. The cheaper the notice, the more money is left in the settlement fund. The more money is left in the fund, the larger the fee award to class counsel can plausibly be. The incentives push toward channels that minimize claim rates.

## What happens to the unclaimed money

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Three options exist for the residual.

Pro rata redistribution divides the unclaimed funds among the consumers who did file, increasing each successful claimant's payout. This is the option that most directly benefits the harmed class. It is not the most common.

Cy pres awards send the unclaimed funds to a third-party charity selected by the court, on the theory that the charity's mission approximates the interests of the absent class. The doctrine takes its name from the Norman French *cy près comme possible*, "as near as possible." In practice, cy pres recipients are sometimes the alma maters of the judge or class counsel, sometimes legal aid organizations with no specific connection to the underlying claim, and occasionally the defendant's own preferred charity. Critics of the doctrine, including federal judges, have argued that cy pres awards primarily benefit lawyers and courts rather than class members.

Reversion returns unclaimed funds to the defendant. This is the option most favorable to the party that committed the underlying violation. Modern settlement orders often prohibit reversion explicitly, but it still occurs in older or smaller matters.

None of the three routes restores the dollar to the consumer who was originally harmed.

## How the headline number deflates

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A press release announcing a \$100 million class action settlement is reporting the gross fund. Several deductions follow before any consumer sees a check.

Class counsel fees typically run 25 percent of the fund in federal cases, per Fitzpatrick's empirical work. Notice and administration costs are additional. Incentive payments to named plaintiffs come off the top. What remains is the net distributable amount.

Apply a 9 percent claim rate to that net amount and the per-consumer payout is small relative to the headline. A \$100 million gross settlement with 25 percent fees, 5 percent administration, 9 percent claim rate, and a class of 5 million eligible consumers yields roughly \$14 per claimant. The other 4.55 million eligible consumers get zero.

*The class action system is structurally optimized to produce headlines about defendant accountability, not to deliver dollars to harmed consumers.*

## Why consumers do not file

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Surveys of non-claimants identify three dominant reasons.

The first is that the notice never arrived in a form the consumer recognized. Email notice is the worst offender. A subject line beginning "Important Legal Notice Regarding" reads as either spam or a phishing attempt to most recipients. Postcards land in the same mental bin as direct mail and are discarded unopened.

The second is disbelief. The notice describes a claim against a brand the consumer recognizes, offers \$8 or \$20 in compensation, and requires the consumer to enter their personal information on a website they have never heard of. The pattern is indistinguishable from a scam. Many consumers correctly identify the legitimate notice as a scam-like communication and discard it for that reason.

The third is friction. Even motivated consumers who believe the notice is real often abandon the claim form. Common requirements include the original transaction date, the original receipt, the account number, proof of residence in a covered state, and an attestation under penalty of perjury. For an \$8 claim, the time cost exceeds the recovery for most consumers.

The 91 percent who do not file are not making a principled rejection of the settlement. They are responding to a system that has not been designed to make filing easy.

## The fraudulent claim problem

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A separate trend has emerged on the other side of the curve. Settlement administrators have reported a sharp increase in fraudulent and bot-generated claim filings, particularly in settlements that allow online claims with low documentation requirements. Some administrators report that 30 to 50 percent of claims received in certain settlements are flagged as suspicious.

This creates a vise. Tightening documentation requirements suppresses legitimate claim rates further. Loosening them invites fraud that dilutes the recovery for legitimate claimants. The class action industry has not solved this tradeoff. Better consumer-side tools that can prove eligibility from the consumer's own records, rather than asking the consumer to dig up a five-year-old receipt, are part of the answer.

## What Abundera will measure

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Abundera is a consumer-side audit and recovery platform. Users grant the system permission to ingest transaction history from their bank accounts, credit cards, retailer accounts, and email confirmations. The system maintains a continuously updated registry of pending and recently approved class action settlements, sourced from federal court dockets, state court reporters, and the major settlement administrators.

When a user's transaction history matches the eligibility criteria for an open settlement, the system surfaces the match, populates the claim form with the user's documented evidence, and submits the claim with the user's approval. The system tracks whether the claim was paid, by how much, and how long it took.

Every analysis is tied to a specific transaction in the user's history. Not a statistical estimate of likely eligibility. Real purchases, real account numbers, real evidence the consumer would otherwise have had to reconstruct from memory.

## Pre-registration: what we will publish in Q1 2027

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In March 2027, Abundera Research will publish the first Class Action Claim Rate Gap report. The report will contain the following metrics, broken out by settlement category (consumer products, financial services, telecommunications, data breach, employment, securities) and by settlement size bucket:

1. **Eligibility detection rate.** The percentage of monitored settlements in which Abundera identified at least one eligible user from documented transaction history.
2. **Claim filing conversion rate.** Of users notified of eligibility, the percentage who authorized claim submission.
3. **Claim approval rate.** Of submitted claims, the percentage paid by the administrator.
4. **Median recovery per approved claim.** In dollars.
5. **Aggregate recovery per active user per quarter.** In dollars, as a measure of the platform-level effect on the gap.
6. **Time from settlement notice to user payment.** Median days.
7. **Comparison against the platform-wide null hypothesis.** What the same users would have recovered without Abundera, estimated from FTC baseline rates and matched-cohort survey data.

We will publish the aggregate numbers, the methodology, and the sample-size caveats. We will not publish individual claims, settlements identifiable to specific users, or any data the platform's privacy policy prohibits from disclosure. We will make the methodology available for external review before the report lands.

If the aggregate findings show that Abundera's automated claim filing produces no meaningful improvement over the FTC baseline, we will publish that. This research is independent of the product. Abundera Research reports what the data says.

## References

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*Abundera Research is the independent research arm of Abundera, Inc. The Q1 2027 Class Action Claim Rate Gap report will be published under the same methodology described here. Press and data-access inquiries: [research@abundera.ai](mailto:research@abundera.ai).*