Crisis Communications

The Challenge: When a technology malfunction caused many RushCard customers to become locked out of their accounts for several days, there was a bank run on RushCard, and the company lost nearly half its customers, with many of them going directly to the media with their stories. Our goals were to mitigate the crisis by keeping customers informed throughout the resolution of the issue, restore customers’ long-term trust in the product, and rehabilitate the reputation of the company and Co-founder Russell Simmons.

Our Strategy: TASC fielded hundreds of media requests for statements about the crisis. We encouraged RushCard to set up an emergency response team that investigated customer complaints quickly and resolved issues before stories went on-air. Simmons addressed customers on social media and made personal calls to hundreds more. TASC advised RushCard to create a $20 million compensation fund and helped the company develop a “fee holiday,” which suspended all fees for customers for a four-month period. We also set up face-to-face meetings for Simmons with members of Congress. TASC generated positive media attention around RushCard announcements, including hiring a new CEO, product launches and a new mobile app.

Results: Over the crisis period, TASC generated media coverage that included 649 million media impressions from stories in the AP, The New York Times, The Wall Street Journal and dozens of other publications. The NNPA, the nation’s largest African American newspaper association, ran a series of positive stories about RushCard post-crisis that reached its 22 million readers. By the third and fourth quarters of the year after the malfunction, RushCard had its best new-customer acquisition periods in the company’s 14-year history, and the number of RushCard customers surpassed pre-crisis numbers. The following January, 15 months after the crisis, RushCard was sold to Green Dot, the largest prepaid debit card company in the industry, for $170 million, representing a significant profit for Simmons and his investors.