

Consumer Financial Protection Bureau
1700 G St., N.W.
Washington, DC 20552
Bureau of Consumer Financial Protection

Docket No. CFPB-2018-0014

Re: CFPB RFI - Request for Information Regarding the Bureau's Consumer Complaint and Consumer Inquiry Handling Processes

July 16, 2018

Dear Acting Director Mulvaney:

Thank you for your interest in our feedback to your Request for Information (RFI) regarding the Bureau's consumer complaint and consumer inquiry handling processes. The undersigned consumer protection, civil rights, fair lending, higher education and community groups welcome the opportunity to express our fervent support of the Consumer Financial Protection Bureau's (CFPB) public complaint process and address your request as to whether changes to existing practices would be appropriate.

Our organizations are grateful for the Bureau's historical appreciation for stakeholder feedback in refining these vital processes for consumers. Since the Consumer Bureau's inception, the agency has had a record of thoughtfully considering input from a variety of sources in creating its first-class complaint system. Individuals with unresolved financial complaints often find the CFPB is one of the very few options left for them to turn to for help in solving a dispute with a financial services company.

The Bureau's primary objective for its consumer complaint and inquiry process must remain focused on consumers: to assist them in receiving timely responses and resolutions to their financial questions and complaints.

Our organizations represent the consumers, seniors, servicemembers, veterans, students and underrepresented communities across our nation who rely on the consumer protections that the CFPB was created to support and enforce. It is essential that the CFPB not retreat from its core mission to protect and inform consumers, and to make our financial markets more fair, accountable, transparent and competitive.

The Bureau should improve transparency in its complaint process.

The Bureau should not focus its time and effort on "reclassifying" consumers' complaint submissions, rather it should increase and improve complaint transparency by making details of financial problems and resolutions a primary

source of information for the public in both the public complaint database and in regularly published reports.

We urge the Bureau to expand the use of the complaint feedback process to include public access. Specifically, the CFPB could enhance its complaint process by making the newest portion of the system, the Feedback portion, publicly available as soon as the feedback is reported to the Bureau. Complaint outcomes offer invaluable information to individuals who are trying to evaluate a company's commitment to its customers. Consumers who use the complaint process as a pre-purchase tool would be well served to review the detailed feedback that individuals provide once they've received a response to a complaint filed with the CFPB. Consumer satisfaction or dissatisfaction in a complaint's outcome – and the *details why*--are precisely the kind of information consumers value to indicate if a company has a habit of standing behind its products and services.

This excellent addition to the complaint process provides firsthand feedback for consumers to determine whether a company stands behind its services and customer service claims. It allows the public to seek out firms that have positive complaint resolution practices.

The CFPB's system permits for both positive and negative feedback from consumers which allows businesses that cater to customers to stand out in this sort of system, and for other companies to strive to achieve that recognition through the feedback process. Sharing complaint outcome details with the public would enhance the valuable complaint tool the Bureau currently offers, and reduce the need to rely on its supervision and enforcement authority. Making consumer complaint feedback more transparent inspires corporate accountability and encourages the market to monitor itself.

Public access to this final portion of a complaint's lifecycle offers the public the opportunity to hold the CFPB accountable as well. Direct consumer feedback helps the CFPB better recognize companies that are consistently providing excellent customer service and companies that are falling short. Firsthand feedback on complaint outcomes can alert the Bureau and businesses to remaining unresolved problems, communications breakdowns, and the potential existence of festering harmful trends.

Here are some other recommendations to improve the CFPB's complaint process:

Complaint resolution details should be featured in an annual public report. The Bureau should make it possible for consumers to see how individual companies are handling the complaints they receive in the database. A company "snapshot" could include an overview of response times, explanations and relief. Resolutions should be broken down by monetary relief and include dollar amounts received, combined with the type of complaint filed and company name. Non-monetary relief

should report the specific actions taken by a company, such as “Error removed from credit bureau records” and “interest rate reduced.” Additional complaint resolution information such as the percentage of complaints resolved--broken down by method and company--should be released in an annual specialty report. A summary of resolution details could also appear when a consumer hovers over a company name in the public database.

Complaint explanation details should be publicly reported. The vast majority of consumers receive a private explanation in response to their complaints. Consumers have frequently reported that they are not provided with a meaningful company response to their complaint, receiving instead a nebulous, unresponsive reply. Details from company explanations should be transparent to the public and reported in summary form. The Bureau should compile company responses and provide the public with the primary explanations consumers are receiving. Response examples might include why a credit line was not increased or a loan was denied. Companies are required to provide complainants with *tailored* responses, rather than a stock, vague reply that does not address the consumer’s concerns. In a monthly or specialty report, the Bureau should publicly disclose companies’ most common response examples, including vague replies. How a company typically responds to its customers’ complaints is precisely the type of helpful information consumers can use when evaluating which businesses to engage with. Highly responsive companies would benefit from this public disclosure, even when the response is not in the consumer’s favor.

Consumer inquiries should be recorded and reported.

A CFPB record should be kept registering the type of financial product or service a consumer has called to inquire about, as well as detailed categories of topics raised. The CFPB should track the topics inquired about. If the Bureau’s Division of Consumer Education and Engagement has not already addressed the most requested topics in its publications it should create new financial education materials or additions to the Ask CFPB section of its website. Names of companies should also be logged along with a note as to whether the consumer’s inquiry has been addressed.

Consumers--not companies--should distinguish if their inquiry is a complaint or a question. If it is not abundantly clear to a CFPB phone representative, consumers should be asked if their inquiry is a complaint, and if so, they should be assisted in filing a formal complaint. Conversely, the consumer should be the one to reclassify her complaint as an inquiry if appropriate, but the focus of the Bureau’s attention should be on response and resolution to the consumer rather than what category to classify their communication.

Consumer representation must continue for complaint assistance.

It is essential that the Bureau continue to allow consumers’ credit and housing counselors, attorneys and other representatives assist individuals in filing a financial complaint. Consumer advocates are often more familiar with the complaint

system and better able to effectively describe the issue(s) to enable the company to better understand the problem to properly address it. This assistance benefits the Bureau as well as the consumer.

CFPB should maintain its indispensable language access line for inquiries and complaints from limited English consumers.

To its credit, the Bureau accepts questions, complaints and comments regarding financial products and services in more than 180 languages. Limited English Proficiency (LEP) consumers have a place to lodge a complaint, expect a response and hopefully receive a solution to their financial problem. This access to information and action provides a vital service to LEP consumers that should be maintained. In addition to critical phone line access, the CFPB should develop an online system that allows LEP consumers to submit written complaints in their preferred language, which will expand access and protection for LEP consumers.

The Bureau should report on company communication with complainants.

How a company communicates with consumers reflects its customer responsiveness. For instance, if a company does not respond to a consumer complaint, the Bureau should report it in the database as “No response.” Companies that fail to provide a response to a complaint within 60 days should be disclosed to the public in monthly or specialty reports. This type of public reporting would allow consumers to see the percentage of complaints to which a specific company does *not* respond in a timely manner or at all.

The Bureau should require timely, tailored company responses.

The Bureau should require all companies supervised by the CFPB to adequately respond to and attempt to resolve consumer complaints within the 15 and 60-day time frames. The CFPB should pursue companies that do not respond to or resolve consumer complaints and hold them more accountable. If a company is too reliant on a boilerplate, standardized response to customers, the CFPB should review its response history during supervisory examinations. The Bureau should follow up with unresponsive companies directly and press them to provide more detailed, tailored responses and resolutions, both publicly and privately.

All consumer complaints received by the Bureau should be reported publicly.

All complaints filed with the CFPB should become part of the public database, including complaints referred to other agencies or involved in a lawsuit. These complaints can include a note that they were referred to a specific agency or not addressed by the Bureau due to litigation, but the existence of these complaints should nonetheless be reported publicly. Complaint reports should also include all complaints to allow researchers and the public to review the full complement of complaints received and evaluate how widespread a harmful practice may be.

All complaints should be listed by the specific company the consumer complained about, as well as by the parent company's name. The Bureau should

add a field to the database that lists each complaint in the public database by the company subsidiary name used by the consumer in the complaint. Currently complaints are listed typically by a field containing just the parent company's name. For example, the only place that the specialty consumer reporting agency ChexSystems appears currently is in optional complaint narratives section, since it is owned by Fidelity National Information Services, Inc. (FNIS). No consumer knows FNIS. Reporting complaints by the company subsidiary name that a consumer would recognize makes the complaint far more useful to consumers wanting to check on previous complaints about a firm. The additional field would greatly help the public evaluate a company's overall practices and help to hold the company accountable.

Complaints should be transmitted from the Bureau to each company complained about. Depending on the financial product or service, only a portion - in some cases less than half of complaints received (only 47% of debt collection cases, for example) are transmitted by the CFPB to the aggravating company. This fails to achieve one of the Bureau's primary functions of "collecting, investigating, and responding to consumer complaints," nor does it provide the public with the vital information needed to help consumers make responsible financial decisions. Every effort must be made (including use of U.S. Postal mail) to ensure that a consumer's complaint reaches the company, even if the company is not connected to the portal, to increase the likelihood of resolution.

The Bureau should improve the targeting of its scrubbing standard. While consumer privacy is imperative, sometimes too much information is redacted from complaint details (dates, times and numbers), and what data is removed often seems inconsistent. While personally identifiable information should remain redacted, details about the situation forming the basis of the complaint should be made publicly available so that consumers can better understand what happened.

Consumer complaint data should be made more accessible and more user-friendly. The Bureau should be commended for continuously seeking feedback from the public and for its constant improvements to the database, which are regularly published in updated release notes. For example, as recently reported, the interface has seen improved tools for filtering and visualizing complaints [Consumer Financial Protection Bureau, *Consumer Complaint Database Release Notes for 14 November 2017*, 14 November 2017, archived at <https://web.archive.org/web/20180514030347/http://cfpb.github.io/api/ccdb/release-notes.html>]. Nevertheless, the Bureau should continue to demand that its online database vendor Socrata create a more entry-level, user-friendly interface so consumers can more intuitively select the most useful dataset views. Power users often simply download the dataset into their preferred analysis software. It makes sense to better optimize the online viewer for entry-level users—average consumers. The *Read Consumer Narratives* section is the most valuable option for consumers because it supplies complaint details. The *View Complaint Data* section is

too similar to *Read Narratives* and should be made easier for consumers to sort or filter. Consumers will not know to convert data to columns in *View data in Socrata*, nor how to best review the columns.

The consumer complaint database should be made more accessible to small business owners. The complaint database should be more available as a tool for small business owners seeking to submit concerns about financial products and services. While individual consumers have filed approximately 1.4 million complaints with the Bureau, an estimated 911 small business-related complaints have been filed with the CFPB from 2011 through the first half of 2017, according to a review by the California Reinvestment Coalition. The Consumer Bureau should improve outreach and enhance its website to make clear that small business owners are welcome to file financial complaints. Making the complaint database more accessible to consumers who own small businesses would empower small business owners to apply this tool and help the CFPB exercise its existing authority to identify and enforce fair lending laws, and to develop a critically needed small business data collection rule.

The Bureau must maintain public access to its invaluable complaint database. The CFPB's public complaint database is a trustworthy tool that empowers individuals to inform and protect themselves in the marketplace. It helps consumers evaluate a company's practices and creates incentives for companies to treat their customers fairly. It helps both consumers and businesses resolve problems when they arise and helps the market reward good products and services by providing consumers with the ability to publicly share their experiences. The complaint database also allows companies to identify and correct problems on their own without the impetus of a new rule or enforcement action.

Providing consumers access to a public complaint database fulfills the Bureau's obligations to ensure that:

- 1) "consumers are provided with timely and understandable information to make responsible decisions about financial transactions"; and
- 2) consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination."¹

These obligations, combined with the Bureau's statutory function of "collecting, researching, monitoring, and *publishing* information relevant to the functioning of markets for consumer financial products and services to identify risks to consumers" all add up to a powerful argument for the vital role a public database plays in advancing the legally mandated work of the Bureau.

¹ Dodd-Frank Section 1021

The CFPB's public complaint reporting and analysis is beyond useful; the Bureau's collection and dissemination of consumer complaint information is an indispensable resource for consumers to empower and protect themselves in the marketplace.

Conclusion

We call on the Bureau to focus on response and resolution to consumer inquiries and complaints. Any changes to existing practices would *not* be appropriate or helpful in delivering on its duty to provide consumers with timely and understandable information about consumer financial products and services, and to protect consumers from harm.

We urge the Bureau to maintain public access to the complaint database and to include additional detailed data in its statutory reports to provide the most meaningful information possible for consumers to make responsible financial decisions.

We must once again note our objection to the CFPB's reliance on burdensome RFIs that appear designed primarily to divert valuable consumer advocacy and third-party resources and create unnecessary opportunities for industry to circumvent or eliminate thoughtful, thorough positions and processes already evaluated and crafted by the Consumer Bureau. We remain gravely concerned about attempts to weaken consumer protection through this RFI process.

Thank you for taking the time to thoughtfully review our comments.

Sincerely,

Allied Progress
Atlanta Legal Aid Society
Americans for Financial Reform
Arizona PIRG
Association for Neighborhood and Housing Development
Bronx Legal Services
Brooklyn Legal Services
CALPIRG
California Reinvestment Coalition
Center for Digital Democracy
Center for Economic Integrity
Center for NYC Neighborhoods
Center for Responsible Lending
COPIRG
Community Legal Services of Philadelphia
Connecticut Fair Housing Center
ConnPIRG

Consumer Action
Consumer Federation of America
Consumers Union
Demos
Empire Justice Center
Florida PIRG
Georgia PIRG
HomeSmart NY
Illinois PIRG
Indiana PIRG
Interfaith Center on Corporate Responsibility
Iowa PIRG
Legal Services NYC
Main Street Alliance
Manhattan Legal Services
Maryland PIRG
MASSPIRG
MoPIRG
Mobilization for Justice
National Association of Consumer Advocates
National Association of Consumer Bankruptcy Attorneys
National CAPACD
National Community Reinvestment Coalition
National Consumer Law Center (on behalf of its low income clients)
National Consumers League
National Fair Housing Alliance
National Housing Resource Center
National Urban League
New Yorkers for Responsible Lending
NCPIRG
NHPIRG
NJPIRG
NMPIRG
Ohio PIRG
Oregon PIRG
PennPIRG
PIRG in Michigan
Privacy Rights Clearinghouse
Privacy Times
Public Citizen
Public Justice
Public Law Center
Queens Legal Services
RIPIRG
Staten Island Legal Services
Student Debt Crisis

The Institute for College Access & Success
Tennessee Citizen Action
TexPIRG
UnidosUS
U.S. PIRG
WASHPIRG
WISPIRG
Woodstock Institute
World Privacy Forum