NCLC Advocates Applaud CFPB’s Action to Protect Consumers from False Identification by Background Screening Companies

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BOSTON – National Consumer Law Center advocates applaud the Consumer Financial Protection Bureau’s (CFPB) advisory opinion affirming that consumer reporting agencies, including tenant and employment screening companies, violate the Fair Credit Reporting Act if they use name-only matching or other insufficient matching procedures to match information to a consumer.

“Too many people are denied jobs and housing due to shoddy and inadequate matching practices by background screening companies,” said Ariel Nelson, staff attorney at the National Consumer Law Center. “Today’s advisory opinion makes crystal clear that companies that sloppily attribute the wrong information to a prospective tenant or employee are breaking the law.”

Background screening reports have an enormous impact on the lives of Americans because the majority of employers and landlords use them to evaluate prospective employees and tenants. Matching a public record based solely on an individual’s name (i.e., name-only matching) and other insufficient matching practices often lead to reports that contain the criminal history or eviction records of the wrong person. By the time the applicant successfully removes the other person’s negative information from their screening report, they’ve often already lost out on the job or apartment.

“This is a game changer,” noted Chi Chi Wu, staff attorney at the National Consumer Law Center. “Today’s strong action by the CFPB will lead to increased accountability, better accuracy, and fewer consumers being denied jobs and housing.”

Additional Resources:

- Broken Records Redux: How Errors by Criminal Background Check Companies Continue to Harm Consumers Seeking Jobs and Housing, December 2019