

August 1, 2022

Via regulations.gov
Comment Intake
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Re: Advanced Notice of Proposed Rulemaking: Credit Card Late Fees and Late Payments, Docket No. CFPB–2022–0039

Americans for Financial Reform Education Fund (AFREF), Consumer Federation of America (CFA), and the National Consumer Law Center (NCLC) (on behalf of its low-income clients) submit the following comments in response to the Consumer Financial Protection Bureau’s (CFPB or Bureau) Advance Notice of Proposed Rulemaking on Credit CARD Late Fees and Late Payments. We thank the CFPB for taking the initiative to re-examine whether the Regulation Z provisions governing credit card late fees still produces safe harbors and late fees that are “reasonable and proportional” to the costs incurred by the credit card issuer from late payments.

We believe the answer to this inquiry is no -- that the late fees imposed by card issuers exceed the amounts they incur in costs, especially for accounts with smaller balances and for delinquencies of short periods of time. We recommend that the CFPB amend Regulation Z to require the following:

1. More closely tailor late fees to the amount of the debt owed by the cardholder;
2. Require a mandatory waiting period of several days before a late fee can be assessed;
3. Decline to incorporate deterrence as a factor in setting late fee rules and safe harbor amounts;
4. Include the savings from online-only statements in the calculation of costs, and require a postal mail notification before a late fee can be imposed for an online-only account; and
5. Exclude the costs of being a furnisher of information to consumer reporting agencies.

A. Credit Card Late Fees are Still Too High, Which Could Encourage Abuses

Late fees are still an inappropriate, back-end profit center for credit card issuers that obscures the costs of credit cards. As long as they are, issuers will have a tremendous incentive to engage in unfair, deceptive, and abusive practices in order to trigger the fees.¹ Many of the penalty fee abuses from the 2000s that led to the Credit CARD Act involved hair trigger tactics in order to generate late fees, and such tactics were driven by the lucrative amount of those fees.² While the

¹ See National Consumer Law Center, Restoring the Wisdom of the Common Law: Applying the Historical Rule Against Contractual Penalty Damages to Bank Overdraft Fees, Apr. 2013, https://www.nclc.org/images/pdf/high_cost_small_loans/common-law-overdraft-fees.pdf (discussion of how penalty fees above the costs of the violation incentivize abusive practices).

² For a history of these practices, see NCLC, Consumer Credit Regulation Ch. 8 (3d ed. 2020), updated at www.nclc.org/library.

tactics may have changed, it remains critical for the Credit CARD Act regulations to align incentives so that issuers have the incentive to help consumers minimize late fees.

Thus, it is critical for the CFPB to reduce the fees to the point where they truly only cover the cost of late payments, and in a manner that is tailored the specifics of the consumer's account. The Credit CARD Act's protections and the 2010 reduction in late fees from the Federal Reserve's initial setting of the late fee rules and safe harbors did help reduce credit card late fees by \$7 billion.³ However, issuers still have too much incentive to be clever in the ways they can trigger these fees, and too little incentive to help consumers avoid the fees.

Totaling \$12 to \$14 billion, the CFPB's own research shows that late fees still constitute too much of issuers' revenue stream.⁴ The fees not only constitute a whopping 99% of credit card penalty fees, but 45% of all fees assessed on general-purpose credit cards.⁵ Credit card late fees make up a 10 to 11% of total interest and fees charged by issuers in 2018 to 2020, a significant chunk of the industry's revenues.⁶

A historical perspective shows that late fees were not always such a significant portion of credit card issuers' income. Few credit card lenders charged late fees in the late 1980s and early 1990s, and if they did, it was for amounts such as \$5 to \$10.⁷ However, this situation changed quickly after the Supreme Court's decision in *Smiley v. Citibank (South Dakota), N.A.*,⁸ which nullified state law limits on fees for national banks. The average late fee soared from \$12.83 in 1995 to over \$33.64 in 2005, an increase of 115% adjusted for inflation,⁹ before being reined in by the Credit CARD Act.

Adjusted for inflation using the Consumer Price Index, a late fee of \$12.83 in 1995 translates to \$23.86 in 2022 dollars. Moreover, with technology being much more efficient and powerful in 2022, it is much easier and cheaper for issuers to use automated methods to communicate with late borrowers, encourage payments, and collect overdue payments and delinquent debts. A simple increase using the Consumer Price Index likely overestimates the cost of collections in 2022.

Getting the amount right for the penalty fee safe harbor, and not allowing super compensatory fees, is critical. An examination of the CFPB's complaint database reveals over 7,800 complaints involving credit card late fees. Selected complaints are summarized in Appendix A of these

³ See CFPB, *The Consumer Credit Card Market*, at 69 (December 2015), https://files.consumerfinance.gov/f/201512_cfpb_report-the-consumer-credit-card-market.pdf.

⁴ CFPB, *Credit card late fees*, March 2022, at 2, 13, https://files.consumerfinance.gov/f/documents/cfpb_credit-card-late-fees_report_2022-03.pdf (hereinafter "CFPB Credit Card Late Fees Report")

⁵ *Id.*

⁶ *Id.* at 4.

⁷ Government Accountability Office, *Credit Cards: Increased Complexity in Rates and Fees Heightens Need for More Effective Disclosures to Consumers*, GAO-06-929, at 14 (Sept. 2006) <https://www.gao.gov/assets/gao-06-929.pdf> (hereinafter "GAO 2006 Credit Card Report").

⁸ 517 U.S. 735, 116 S. Ct. 1730, 135 L. Ed. 2d 25 (1996).

⁹ GAO 2006 Credit Card Report at 18.

comments. While many of these complaints may involve the *practices* of issuers in imposing the late fees, the problematic nature of the practices are driven by the *amount* of the fees.

Of course, the CFPB has the authority to regulate late fee practices as well as late fees, given the broad scope of the Bureau's authority under the Truth in Lending Act.¹⁰ However, if the Bureau does not wish to go beyond setting the amount of the late fee in this rulemaking, the CFPB could also tailor the late fee to the specific practices at issue. We provide suggestions in the next sections.

B. Late Fees Should Be Proportional to the Debt Owed

The CFPB's data show that late fees appear to be highly regressive. Subprime customers are the hardest hit by the fees, averaging \$138 annually in late fees per account as compared to an \$11 average for superprime consumers.¹¹ Several studies have shown a relationship between credit score and income, with lower-income consumers having lower scores,¹² and the CFPB's data showed consumers in the lowest income neighborhoods paid twice as much on average in late fees than those in the wealthiest areas.¹³

There is an even stronger relationship between race and credit score.¹⁴ Thus, it's no surprise that the CFPB's data showed significant racial disparities in late fee assessments, with consumers in neighborhoods with more Black consumers paying more in late fees.¹⁵

The stark disparity in how much subprime versus superprime consumers are charged fees is magnified when one considers that the average balance held by subprime cardholders is lower, so that late fees constitute an average of 11 percent of their balances, versus only 0.8% for superprime cardholders.¹⁶ Subprime consumers are also more likely to be assessed late fees - in

¹⁰ 15 U.S.C. § 1604(a) (permitting the CFPB to prescribe regulations that "may provide for such adjustments and exceptions for all or any class of transactions, as in the judgment of the Bureau are necessary or proper to effectuate the purposes of this subchapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.)

¹¹ CFPB Credit Card Late Fees Report at 2.

¹² A 2012 CFPB study found that the median FICO score in low-and moderate-income (LMI) areas was in the 34th percentile while the median FICO score in non-LMI areas was 52th percentile, similar the disparities by race. CFPB, Analysis of Differences Between Consumer- and Creditor-Purchased Credit Scores, at 18, Sept. 2012, https://files.consumerfinance.gov/f/201209_Analysis_Differences_Consumer_Credit.pdf. A 2007 Federal Reserve study found that the mean score of a low-income Census tract was 32.5 out of 100, and that it was 57.9 for a high-income Census tract, a difference of 25.4 points. FRB, Report to Congress on Credit Scoring and Its Effects on the Availability and Affordability of Credit 80-81 (Aug. 2007), www.federalreserve.gov/boarddocs/rptcongress/creditscore/creditscore.pdf

¹³ CFPB Credit Card Late Fees Report at 9.

¹⁴ Chi Chi Wu, NCLC, Past Imperfect: How Credit Scores and Other Analytics "Bake In" and Perpetuate Past Discrimination (May 2016), www.nclc.org/images/pdf/credit_discrimination/Past_Imperfect050616.pdf.

¹⁵ CFPB Credit Card Late Fees Report at 10.

¹⁶ *Id.* at 7-8.

2019, 48 percent of deep subprime and 28 percent of subprime accounts were charged three or more late fees, compared with only 3 percent of superprime accounts.¹⁷

All of these late fees burden consumers who may be the most vulnerable and economically distressed. They are also counterproductive – they make it harder for consumers to recover from periods of financial difficulty. Late fees are in illustration as to why low credit scores become a self-fulfilling prophecy – the consumer runs into financial trouble causing them to miss a payment, and they are then charged a fee or a higher interest rate (or both) because of the missed payment. The increased cost makes it even harder for the consumer to catch up, *i.e.*, to make the past-due and current payments. This leads to further delinquency, an eventual chargeoff, and further damage to their credit score

The CFPB should address the regressive and disproportionate impact of late fees, including by:

- Establishing a sliding scale for the safe harbor so that late fees are proportional to the account balance. A late fee should be no more than 1% of the balance and no more than 25% of the missed payment. Thus, a fee harvester card with a \$300 maxed-out credit limit could charge no more than \$3, and a subprime card with a \$1,000 balance could charge no more than \$10.
- Capping the amount of late fees that can be imposed for an account during the year, including setting the cap in relationship to the high balance amount or credit limit.

The penalty fee rules in Regulation Z, as developed by Federal Reserve Board, already have somewhat similar provisions, but they do not go far enough. For example, a penalty fee cannot exceed the amount of the payment due. 12 C.F.R. § 1026.52(b)(2)(i)(A). And if there is no dollar amount associated with the violation, no penalty fees can be assessed. 12 C.F.R. § 1026.52(b)(2)(i)(B). However, the late fee can still result in doubling a missed payment (on top of the additional minimum payment due the next month).

C. Late fees should be banned or de minimis for payments that are a few days late

Credit cards appear to be one of the only payment obligation that immediately impose a late fee if the consumer is only one day. Issuers' use of hair trigger tactics to trick consumers into paying late fees for being a day (or even a few hours) late were the impetus for the Credit CARD Act's payment protections, such as the prohibitions against setting the cutoff time for a payment before 5 PM of the issuer's time zone and against treating a payment as late until the next business day if the due date falls on a day on that the issuer does not receive or accept payments by mail.¹⁸ Ironically, these rules fail to protect consumers who pay *electronically* from delays caused by payments that are not processed over weekends. And they confuse consumers who assume they get an extra day if a payment is due on a Sunday or holiday, when some issuers might actually have methods to receive mail on those days.

¹⁷ *Id.* at 7.

¹⁸ See 15 U.S.C. §§ 1666c(a), 1637(o)(2).

Requiring issuers to wait a period of just a few days before a late fee can be imposed would prevent such hair trigger tactics. For example, other types of loans or payment obligations require a grace period¹⁹ before late fees can be imposed.

Rent: Some states require that before a late fee may be assessed, a certain amount of time must have lapsed beyond the date the rental payment was due. The statutorily imposed grace periods range from 3 days to 30 days.²⁰

Mortgages: Mortgage loan contracts typically provide a grace period—for instance, ten or fifteen days beyond the due date—during which time borrowers may pay the installment without penalty.²¹

Retail Installment Sales Contracts: A number of states do not permit late fees before the 10 days after a payment is due.²²

Importantly, the Metro 2 reporting format does not even consider a payment to be late if it is made within 30 days of the due date.²³ This industry convention demonstrates that, from the perspective of risk management, late payments under 30 days are not even really considered to be late. One might ask why an issuer should be permitted to charge a late fee for payments under 30 days late when the industry convention doesn't actually consider the consumer late from a risk perspective.

Thus, the CFPB should require a mandatory waiting period of several days before a late fee can be assessed. If the CFPB would rather focus only on setting the amount of fees, it should only allow a de minimis fee (e.g., \$1) during the first few days after a consumer is late.

D. Late fees should consider whether the account receives paper versus online only statements

One of the relatively more recent practices that has become a trigger for late fees is when consumers are required or pushed into receiving periodic statements online. The credit card

¹⁹ The use of the term “grace period” in this section is a different concept than the interest-free period that many credit cards provide, before which the issuer will not charge interest on purchases.

²⁰ Ryan Sullivan, Survey of State Laws Governing Fees Associated with Late Payment of Rent, Jan. 30, 2022, at 4, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4021560 (listing 15 states that have grace periods between 3 and 30 days).

²¹ NCLC, Mortgage Servicing and Loan Modifications (2019), § 2.10.7.1, updated at www.nclc.org/library (“Mortgage loan contracts typically provide a grace period—for instance, ten or fifteen days beyond the due date of an installment payment—during which time borrowers may pay the installment without penalty).

²² See, e.g., Cal. Civil Code § 1803.6 (West) (ten to fifteen days); Fla. Stat. § 520.37 (ten days); 815 Ill. Comp. Stat. § 405/12 (ten days); Md. Code Ann., Com. Law (West) § 12-623 (ten days); Mich. Comp. Laws § 445.859 (ten days); N.C. Gen. Stat. § 25A-29 (ten days); Tex. Fin. Code Ann. § 345.060(a) (West) (ten days); W. Va. Code § 46A-3-113 (ten days). See generally NCLC, Consumer Credit Regulation § 11.3.5.2 (3d ed. 2020), updated at www.nclc.org/library.

²³ Consumer Data Indus. Ass’n, Inc., Credit Reporting Resource Guide 2-2, 5-14 to 5-15 (2020). See generally, NCLC, Fair Credit Reporting § 6.3.3.7 (9th ed. 2017), updated at www.nclc.org/library.

industry has made constant, aggressive, and sometimes deceptive, efforts to move consumers from mailed paper periodic statements to online-only statements.²⁴ One of the many drawbacks to online-only statements is that consumers often overlook the email notification that their statement is available, or it gets buried in an avalanche of new emails, which results in the consumer being late in their payment. We documented this issue in our 2016 report on protecting paper statements²⁵ and our 2015 report on deferred interest promotion abuses.²⁶ Since that time, these issues have continued, while the number of consumers with online-only statement has increased from 25% in 2013²⁷ to 56% of cardholders in 2020.²⁸

The following are two examples from the CFPB Complaints Database of consumers who had a problem with online-only statements, which resulted in the imposition of one or more late fees. Additional examples are in Appendix B.

I opened this new XXXX XXXX card issued thru Citi card in XX/XX/XXXX. Statements were set up for online billing and I didnt make this request. I preferred mailed paper statements and complained in XX/XX/XXXX, I was assured that statements would be mailed in the future. This didnt happen and the online bills went to my junk file on my computer. I received a call on XX/XX/XXXX indicating that I was 2 payments behind. I paid my balance in a payment of {\$150.00} on XX/XX/XXXX and {\$910.00} on XX/XX/XXXX. I was charged late fees of {\$39.00} each for 2 billing dates. I complained that I was promised that I would receive regular bills back in XX/XX/XXXX and they failed to correct my account.

Source: Excerpted from CFPB Complaint No. 3563059, filed Mar. 11, 2020.

I am told by the Credit Card Company that sometime in XXXX, 2020 my account billing was changed from paper billing to paperless billing. I told them that I did not initiate or request such a change and would not do so because we never elect paperless billing for anything for record keeping purposes. I was told by customer service that it is not uncommon that people ""[sic] mistakenly " sign up or switch to paperless billing because a pop up will appear on their computer screen and in an effort to close the pop-up the pop-up records a response choosing the paperless request. Obviously the Credit Card Company want paperless billing because it saves them money so they make it convenient for customers to make this "" mistake ". ... According to the Credit Card Company we did not pay our bill in XXXX, XXXX or XXXX. Of course we never paid the bill because we never received a bill. Not only did we never receive a bill we never received any

²⁴ See Chi Chi Wu and Lauren Saunders, National Consumer Law Center, [Paper Statements: An Important Consumer Protection](https://www.nclc.org/images/pdf/banking_and_payment_systems/paper-statements-banking-protections.pdf), at 13 (Mar. 2016), www.nclc.org/images/pdf/banking_and_payment_systems/paper-statements-banking-protections.pdf

²⁵ *Id.* at 6.

²⁶ Chi Chi Wu, National Consumer Law Center, [Deceptive Bargain: The Hidden Time Bomb of Deferred Interest Credit Cards](https://www.nclc.org/images/pdf/pr-reports/report-deferred-interest.pdf), at 13 (Dec. 2015), www.nclc.org/images/pdf/pr-reports/report-deferred-interest.pdf

²⁷ See Consumer Financial Protection Bureau, [Consumer Credit Card Market Report](https://files.consumerfinance.gov/f/201512_cfpb_report-the-consumer-credit-card-market.pdf) at 134 (Dec. 3, 2015), https://files.consumerfinance.gov/f/201512_cfpb_report-the-consumer-credit-card-market.pdf.

²⁸ CFPB, [The Consumer Credit Card Market](https://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2021.pdf), at 172 (September 2021), https://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2021.pdf

notice of the account having a past due balance, was delinquent, or otherwise had an issue. Then a couple of days ago, we submitted a mortgage refinancing application and it was rejected (by the same Credit Card Company) based on a bad credit score. Up until this incident our credit score was extremely highnear, if not perfect. Only by checking into what caused the credit score problem did we learn about this problematic account. The day we figured out the problem we paid the amount in full including onerous late fees, interest and charges.

Source: Excerpted from CFPB Complaint No. 3777112, filed Aug. 3, 2020.

Because issuers aggressively switched consumers to online-only statements, they bear a significant portion of the blame when a consumer is late. Any calculation of the costs to issuers of late fees should subtract the savings that the issuers have obtained from switching consumers to online-only statements.

In addition, before they can impose a late fee (or a late fee over a certain amount such as \$1) on an account that has online-only statements, the CFPB should require issuers to send a notice via postal mail informing the consumer of the impending late fee and giving them 10 days to make the payment. If the consumer wants to pay over the phone because they are locked out of their online account, the CFPB should amend Regulation Z, 12 C.F.R. § 1026.10(e) to prohibit the imposition of any pay-to-pay fee for that service.

E. Deterrence Effect Should Not Be a Factor in the Late Fee Rules

The CFPB should not require or permit deterrence to be included as a factor in what constitutes a reasonable and proportional fee or in setting the safe harbor amounts, or the Bureau should only consider it indirectly. While the Credit CARD Act does require the CFPB to “*consider*” deterrence as a factor, 15 U.S.C. § 1665d(c), it does not require any particular treatment – the Bureau can very well consider deterrence and then reject its incorporation into the rules.

Indeed, when the Federal Reserve Board finalized the penalty fee rules back in 2010, the FRB initially proposed but then rejected a provision to permit issuers to set penalty fees in the amount that was statistically determined to be necessary to deter future violations.²⁹ Instead, the FRB decided to incorporate deterrence indirectly by establishing a higher safe harbor for a second violation.³⁰ Thus, there is a precedent for the CFPB to reject or minimize the incorporation of deterrence as a factor. (Nonetheless, we do not think that the second late fee should be higher than the first, and in fact, the opposite, because those are the consumers who need the most help getting back on track.)

²⁹ 75 Fed. Reg. 37,526, 37,532–37,534 (June 29, 2010) (rejecting proposed 12 C.F.R. § 226.52(b)(1)(ii) allowing an issuer to “impose a fee for violating the terms or other requirements of an account if the card issuer has determined that the dollar amount of the fee is reasonably necessary to deter that type of violation using an empirically derived, demonstrably and statistically sound model that reasonably estimates the effect of the amount of the fee on the frequency of violations”).

³⁰ *Id.*

The CFPB should exclude or minimize deterrence as a factor because, in general, late fees in general have a limited deterrent effect. One study of video rentals found that a late fee only reduces the probability of another violation by 19 percent.³¹ More importantly, the deterrent effect is short-lived – according to this study only lasting two trips to the video store.³²

The CFPB can also consider deterrence by considering what has a stronger impact on deterring a consumer who has missed a payment from catching up – high late fees, or low ones. From our experience in hearing from those who work with low-income consumers, we believe that high and repeated late fees actually have the opposite effect – deterring efforts to become current, as escalating amounts make that effort futile.

One simple way to show the limited deterrent effect of late fees is to compare the delinquency rates for a credit card portfolio where the product does not charge late fees with a portfolio for a similar card product that does charge late fees. For example, the CFPB could compare Citi’s Simplicity portfolio, which does not charge late fees, with other Citi cards products with similar customer profiles. Or the CFPB could compare portfolios that have different late fee amounts, or different practices in terms of subsequent late fees.

We note that Capital One and Synchrony have some of the highest delinquency rates for major credit card issuers. In January 2022, Capital One’s delinquency rate was 2.4%, while Synchrony’s rate was 2.8%.³³ Yet as far as we know, neither of these issuers offers a card without a late fee. In contrast, Citi’s delinquency rate was 0.84%, or one-third that of Capital One and Synchrony, yet one of its major offerings has no late fee.³⁴

F. The Costs of Furnishing to Consumer Reporting Agencies Should Be Excluded from Consideration

With respect to credit reporting, the CFPB should not consider the costs of being a furnisher of information to consumer reporting agencies in determining the cost of late payments. While credit reporting does serve a function to collect delinquent payments, it is also heavily used for underwriting purposes and issuers would report even if it had no impact on credit scores. As such, the costs of furnishing (and of course using) credit reporting information is a cost that an issuer would bear regardless of collection activities.

³¹ Peter Fishman and Devin Pope, Punishment-Induced Deterrence: Evidence from the Video-Rental Market, May 26, 2006, <https://escholarship.org/uc/item/17r2v5jb>

³² *Id.*

³³ Liz Kiesche, Credit card delinquency, charge-off rates rise on path to normalization in January, Seeking Alpha, Feb. 20, 2022, <https://seekingalpha.com/news/3802101-credit-card-delinquency-charge-off-rates-edge-up-in-january>

³⁴ *Id.*

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Thank you for the opportunity to submit these comments. If you have questions about these comments, please contact Chi Chi Wu at cwu@nclc.org or 617-542-8010.

Respectfully submitted,

National Consumers Law Center
(on behalf of its low-income clients)
Americans for Financial Reform Education Fund
Consumer Federation of America

APPENDIX A

(compiled by Americans for Financial Reform Education Fund intern Avneet Chhabra)

1. RECURRING/FREQUENT THEMES INVOLVING LATE FEES

Slow and conflicting responses from bank customer service representatives.

- Consumers report talking to several different representatives and hearing different explanations, or being told they will be contacted soon and never hearing back.
- 40% of complaints cite little to no assistance from phone conversations with bank representatives.
- *"...In an attempt to resolve, I contacted Citi. The employees were dismissive and transferred me multiple times, including wrong departments, and long hold times. The ended with a Citi bank employee hanging up on me..." – Complaint #5591128*

Slow action on disputed or fraudulent transactions, leading to late fees with interest, decreases in credit limit, closed accounts, damage to credit score, delinquencies on credit report, etc.

- This is typically due to little to no bank customer service assistance and delays in responding to fraud reports.
- 30% of late fees complaints from April 14 - June 22, 2022 cite disputed or fraudulent charges on a credit card as the cause.
- *"... I left several messages to a XXXX at the fraud department with no avail...On XX/XX/2022 our credit score dropped XXXX points to XXXX due to late payment/past dues for this credit card." – Complaint #5454784*

Long-term damage to credit stemming from a first-time/isolated missed payment.

- Many complaints cited a lack of consideration for a good credit history.
- 20% of complaints discussed long term damage to credit reports.
- *"...I was late or did not pay correct amount with my recent payment and the bank decreased my credit line down to the current balance causing me a problem with paying a repair bill. This is the first time being late...what ever happened to grace periods for payments?" – Complaint #5449525*

No communication or notification of late payments from bank to customers.

- Several complaints noted autopay failures that they were not notified of.
- 10% of complaints cited autopay failures or other technical issues as the cause.
- 11% of complaints cited never receiving notification that they had late or missed payments.
- *"...I was never notified of this, neither via mail, email or a phone call. **Only when I went to apply for a mortgage did I know I had this mark against my file.** I was not ever given a chance to rectify this situation, despite being a long time customer of the Bank, and despite never having any issues with paying my bills in full and on time..." – Complaint #5473321*

Customers never receiving their statements.

- This is especially common in customers who rely on mailed statements. Many complaints cited confusion/missed statements in transitions from mailed to paperless statements and vice versa.
- 11% of complaints cited never receiving their statement, or receiving it late.
- *"Synchrony bank missed numerous bills sent to me and have numerous times in the past two years charged XXXX \$ fees for bills not received i pay on timed...They are paid on the other*

accounts, but these always are either late or not delivered at all, and it really hurts when i pay my bills on time, all the time..." – Complaint #5595818

2. MOST FREQUENTLY REPORTED BANKS:

- Synchrony
- Citibank
- Capital One
- Comenity/Bread Financial

3. HIGHLIGHTED STORIES

1. An American Express cardholder reports lasting damage from a bout of financial difficulty.

"...Around XXXX & XXXX I went through some health issues & spent most of my time going to the doctor because they were not able to figure out what was wrong with me. I had to go specialists from XXXX XXXX XXXX XXXX XXXX, countless of blood work & so on. As you can imagine it was the hardest moment of my life & was not able to pay in time to my credit cards. Credit cards providers were called & explained the situation but no one was willing to work with me unfortunately. after many calls & good faith letters they were not able to remove those late payments. Time passed & was able to get back on my feet, all credit cards were paid off & balances were taken down. It has been 3-4 years since my fallout & no payment has been missed, everything was working wonderfully until we tried to purchase our first home." – Complaint No. 5454901

2. A Wells Fargo customer complains that they were not notified of repeated missed payments.

"Unknown to me, the USPS was rejecting my mail. Wells Fargo openly admits they knew the statements were being rejected. They could have called me, but claims they did not have permission to do so, same with texting. Or even send something via XXXX or XXXX. In that time, I had a payment that was 3 days late and now my credit score has dropped 130-150 points on all three of the major credit reporting agencies. I want Wells Fargo to remove this 30 day late because they did not make any attempt to reach out to me like any other card company would do. I mistakenly made a day late payment and XXXX was on the phone the next day asking me if everything was ok. There is nothing that says the only way to communicate to me is via the USPS and had they just taken a small step to contact by any other means, I wouldn't have the horrible score I have now." – Complaint No. 5651962

3. A Synchrony cardholder makes the switch from mail statements to electronic, and never receives a statement.

"I called Synchrony/Care Credit serval times the first time was on XXXX XXXX to ask them to make my statements electronic because I have been having issues at my address with someone going in my mail box I do not always receive my mail. The representative said that the statements would be electronic and I would receive them that way, the following month which was XX/XX/2021 I did not receive the statement electronically which caused me to miss the payment. I called in serval times explain to different representatives and they were very mean and unprofessional, after serval calls to this company and serval threats that they would close my account if I did not pay or they would lower my credit limit they did lower my credit limit. This is unfair when it is the company 's fault that the payment was late. My limit is lowered and XXXX cant call again because of fear that the card will be closed next." – Complaint No. 5606714

4. A Chase customer explains long-term damage from a first-time incident of late payments, alongside a difficult response from bank customer service.

"I have had zero late payments, except last month, when I got sick and paid 4 days late. My bill was due on the XXXX and I paid it on the XXXX. I called to dispute this and they explained that due to that late payment and because I had high utilization on other cards they had decided to reduce my credit line by {\$3300.00}. I requested that they reverse this, explained that I had only made one late payment which they reversed, that according to them I had XXXX credit score (it was in the letter) and pointed out that because of this now I had gone from a utilization of 70 % on this card to 97 % that this would adversely effect me. They refused to reverse this change, and said I could reapply for the credit but they would be required to do a hard pull of my credit... When I suggested that it might be because of my XXXX name they became upset and said they would have to transfer my call as they couldn't handle me " playing the race card ", but it is hard to believe that most people would be treated this way for one late payment of 4 days." – Complaint No. 5483917

APPENDIX B

Complaints Regarding Online-Only Statements Triggering Late Fees

1. "Sears Credit Cards, XXXX XXXX, SD I never received the statement with a payment due date of XX/XX/20. Only found out when I received a phone call saying the account is past due. I then paid via electronic transfer the full amount of {\$410.00} including a late fee of {\$28.00} and interest of {\$6.00}. I had previously signed up for paperless statements and when I did not receive one, was told that it was returned and no further communication was attempted so a service charge was put on my account. I cancelled the paperless and now the same thing is happening with mailed statements. Wondering if this is a way to add fees and charges as I never carry a balance and have an excellent credit score.
Sears Credit Cards responded that it is a valid charge."

Source: Excerpted from CFPB Complaint No. 3826639, filed Sept 2, 2020.

2. "Hello, Thank you in advance for your help. My Capital One credit card was recently closed and my account was sent into collections with a third party debt collection agency during the COVID pandemic without Capital One ever sending me a bill or calling me to inform me I had payments that were owed. I only found out about this issue when I received a bill from the debt collection agency in the mail. I promptly called Capital One but they referred me directly to the third party debt collection agency. I asked the debt collection agency for more information about my bill to verify if this was in fact true and they said they could not provide a statement and I had to speak to Capital One. Capital One could also not provide a statement so given the bill was only for {\$250.00} I went ahead and paid it off.

"That being said my credit scorXXXX has been severely impacted as it shows an unpaid credit card bill that was sent to charge offs. I have been unable to qualify for a mortgage or auto loans because of this issue. I feel it's very unjust that Capital One can just destroy my credit score without ever even calling me or sending me a statement. The fact that this also happened during the COVID pandemic is just more insult to injury. I've tried to call Capital One for help to no avail. A few weeks ago I spoke with a supervisor at Capital One named XXXX who gave me the identification XXXX for my reference. He was not able to help me with my complaint. I told him Capital One never sent me a statement or called about the charge off and I did not have any proof I even made the payment. He had nothing to say to refute any of this. The only thing he did tell me that was useful was that the original bill was {\$45.00} and all the late fees that they added, despite not calling or sending statements, led the bill to escalate to {\$250.00} before they charged it off. That's frankly even more insulting. He told me Capital One would not be able to correct this issue on my credit report despite having paid the bill off."

Source: Excerpted from CFPB Complaint No. 3741934, filed July 13, 2020.

3. "Early this year, I received a credit card, which I thought was attached to an existing KeyBank joint checking account. I activated the card and charged {\$4.00} at XXXX XXXX. All cards associated with our accounts at KeyBank are paid, in full, on line and on time. In XXXX, I received a letter, indicating " the minimum amount due " was not paid. I spoke with customer service representative, XXXX (ref XXXX), who told me this is an unsecured credit card, not associated with my personal checking account. As I had not requested such a card, I asked that the card be cancelled and the account closed. I asked him to remove the late fee, as I never received a statement. He said it was an " on line " process. I asked where this account exists on line, as this card is not showing when I log onto the KeyBank site. I asked for a paper statement so I could pay the {\$4.00} owed. I received a letter about a past due account instead. I called customer service again today and was told by XXXX that the call with XXXX was " not properly closed " so, although the account was closed, no statement was sent and I could get the information on line. I asked if she could tell me how to access this, she said she could not and transferred me to another representative. The call was dropped after our initial introduction."

Source: Excerpted from CFPB Complaint No. 3620899, filed April 20, 2020.

4. "I signed up for paperless billing years ago and as a result would receive an email notification of my bill - when it's due, amount due, etc. I also downloaded the app so that when I do get the email notification I can go right on the app to make a payment. Capital One seemingly wants to make it easy and user friendly.

"Here 's the problem.

"Many, many months ago they stopped sending the email billing notification (and also didn't reinstate the paper bill.) I checked my email in case I had inadvertently blocked the email address (I didn't), and then went on the app to make a payment because I realized by now I must have been late. I was. And was charged late fees.

"Here 's what I saw on the app when I went to make a payment - a small notification at the bottom of the home screen that says if I wanted to keep getting an email billing notification I had to logon to the website at least once during the year. A. why is the app even available if it doesn't count that you use it to make payments? and B. why do I have to go on to the app to see this type of notice?

"It's pretty obvious that this is a tactic to collect late fees because people may not notice a missing email from Capital One. They don't send red flag SOS notices if you're late, or a notice to remind you to log on at least once to keep getting emails. I bet Capital One 's income as a result of late fees has close to doubled if not more. This was the first time I saw this notification on the app after using it monthly to make payments - the notice wasn't there previously.

"I ended up reinstating a paper bill which I also NEVER received. So, to confirm - no email and no paper bill."

Source: Excerpted from CFPB Complaint No. 3525009, filed Feb. 8, 2020.

5. "I opened an HSBC MasterCard. I requested paper statements over the phone. I never received a paper statement. I requested statements several times back in XXXX via my online HSBC account, and HSBC refused to provide a statement because allegedly one was not ready. I was never provided with a payment address to mail payments to. The online account didn't seem to have a way for me to link my bank account to the card for automatic payments. If it does it was not easy to find because I could not find it.

"I looked up the HSBC payment address on XXXX, and it was listed as HSBC Card Services, XXXX XXXX XXXX, XXXX XXXX, CA XXXX. Several weeks ago, in mid XXXX, I was aware, via my HSBC mobile app, that the first payment was going to be {\$65.00}. I mailed a check for {\$100.00} to the address I found.

"Yesterday, I received the check I sent back in the mail. The post office stamped on the envelope that the recipient moved and left no address, and also stamped on the envelope that the PO box was closed.

"I called HSBC, and discovered that I was now considered in default and behind on my payments. {\$130.00} was due, of which a portion is a late fee. I paid this over the phone immediately. I tried calling an HSBC representative, but their office is closed right now."

Source: Excerpted from CFPB Complaint No. 3404340, filed Oct. 13, 2019.

6. "Earlier this year, in the spring time, I believe in XXXX, I was informed that my PNC Credit Card ending in the numbers XXXX was past due. This was odd, as I always pay my bills when I receive them. I immediately paid the amount past due. I couldn't find the bill. I receive paper bills and pay them with checks via regular mail. I know I am archaic, but that's just the way I do things and it's within my rights. After being unable to find said bill, I just assumed I had lost it or my mail person misplaced it, although I remained suspicious. I continued to place all my credit card bills in the same spot and keep a very close eye on them.

"This past week, on Friday, XX/XX/XXXX, I was contacted via telephone and informed that my payment was past due on the same credit card, ending in XXXX. This time, I knew I never received the bill. I have three other PNC credit cards and had received the bill for each of those three. Just not the one ending in XXXX. I paid the amount past due over the phone.

"After confirming I had never received a bill in the mail, I decided to file this complaint. I am concerned PNC is purposely doing this to either collect late fees or coerce me into

setting up automatic payment from my checking account. They won in the last matter, I did set up automatic payment so this does not happen again.

"At this point, all I want is for PNC to remove any negative hits on my credit report from these two alleged late payments. I am fine with them keeping the late fees, they can have them. I just want these negative events off my credit score because I am not at fault for them because I never received my bill."

Source: Excerpted from CFPB Complaint No. 3315074, filed July 23, 2019.

7. "Open account at the beginning of the year. Called and asked for a statement. I was told I the information was online. Requested a statement to be mailed. When I went online Citibank would not let me see my charges because I was " late ". I made a minimum payment so I could see charges. I brought current my balance. I was then told it could take 3 to 4 days for the payment to clear and then I could see my statements. The problem is after 3 days I would be late again. I contacted the executive office because I could not believe that they expected a {\$3000.00} payment without ever showing me a statement. The exec. office called me once and asked if I was able to get the information online and I told her no. I never heard back from her. I was told she sent a letter, which I never received, addressing a problem that was not consistent with my complaint and not being able to see a statement. After a few months I contacted the exec. office to try to resolve the problem. On XXXX XXXX I spoke to XXXX who said she would email me the statements no later than XX/XX/XXXX. I requested and she agreed that she would call me to confirm that she had emailed the statements. I have not heard from her even though I have left a message asking her to call me back. I am now 90 days late and this is going against my credit which I try to keep perfect. I was told it is the company policy to block the online account when someone is late on a payment. I normally pay my account in full every month. I think it is unrealistic to ask me to make a payment for {\$3000.00}, which now they say approx. {\$2000.00} without seeing the charges. The outstanding balance has changed from the amount they first requested. Also, I am told I will not be able to dispute any of the charges because it is now beyond the timeframe. Please help me get statements for the charges, clear up my credit and have waived all late fees and interest. Thank you."

Source: Excerpted from CFPB Complaint No. 3407756, filed Oct. 16, 2019.

8. "Hello, I would like to request that the CFPB contacts Bank of America regarding their electronic notifications (emails) when credit card payments are due.

"The issue is that the subject line for when a credit card payment is due reads, "" Your Statement is Available in Mobile and Online Banking. " This subject line does not make it clear that an actual monthly payment is due.

"To Bank of America 's defense, the body of the email does go into detail about the minimum payment due and the due date, but here 's the problem with that : Bank of America sends an extreme amount of marketing emails to their consumers that we are subconsciously conditioned to delete several emails bombarding our email inbox. We sometimes receive multiple Bank of America marketing emails per day!

"Being realistic to our modern world of digital marketing, etc. it is very easy and reasonable for a person to delete emails without viewing the body of the email.

"I am requesting that Bank of America standardize their credit card monthly payment emails to have a subject line that states something like, "" Your Bank of America monthly payment is due. " And then we could easily identify that email as an important email and not mindlessly delete it.

"Because of this issue, I have been imposed with 3 (or maybe more) payment late fees! I am a responsible consumer and I'm never late on with any other bill in my life.. .only Bank of America due to this issue.

"In just the last 3 months, I've paid {\$78.00} in late fees due to Bank of America 's unclear payment notifications.

"I contacted Bank of America to request to waive the fees, and they did not comply.

"The problem is that Bank of America will continue to profit off late fees from many consumers and myself simply because their monthly payment notifications have vague "" blending in " email subject lines. "

Source: Excerpted from CFPB Complaint No. 3467566, filed Dec. 13, 2019.

9. "The discovery of the violation of my consumer rights was brought to my attention last year and I began attempting to resolve this issue directly with Barclay in XX/XX/XXXX, however, the violation has been confirmed in effect since XXXX. This account was Closed by the creditor with a balance in XX/XX/XXXX ; this means the existence of the online account is still active, but they have refused to comply with granting access to view statements as well as denial of requests to opt out of paperless statements. I have paid well over what I originally owed on the account as well as an unfair excess due to the unjustly imposed late fees and interest directly resulting from their refusal to abide by federal law and extreme hardship in attempting to contact customer service and/or obtain assistance when actually reached. Despite asking for Terms & Conditions several times and being told these can ONLY be mailed, they were never received.
"... Emails are ONLY notifications that my statement is ready and can only be accessed by logging into the account which I cant, because they a) refuse to provide the information required to reset the login and/or lie about how to obtain the information and b) even if it was restored, I have been informed statement access is denied for limited online access.) I have not been able to monitor charges by Barclay or properly

manage payments for 4 years due to their deliberate refusal to provide access to statements. I have confirmed with CSRs, managers, and other cases filed that this is a KNOWN issue and deliberate"

Source: Excerpted from CFPB Complaint No. 5404481, filed April 4, 2022.

10. "BANK OF AMERICA : ACCT ENDING XXXX WILL NOT PROVIDE PAPER STATEMENTS AND AT TIMES, NEVER RECEIVE ANY ONLINE BILLS TO NOTIFY ME WHEN PAYMENT IS DUE. I WILL RECEIVE A BILL AFTER DUE DATE WITH A LATE CHARGE LISTED. THERE IS NO CUSTOMER SERVICE. CUSTOMER SERVICE NUMBERS- RECEIVE RECORDINGS AND NO ONE EVER GETS ON THE PHONE IN SPITE OF ONGOING RECORDED MESSAGE : SOMEONE WILL BE WITH YOU SHORTLY. BANK OF AMERICA SHOULD NOT BE ALLOWED TO REMAIN IN BUSINESS WITH THESE PRACTICES TO TACK ON LATE FEES AND THEN NO RESPONSE TO CUSTOMER SERVICE. I'VE TRIED TO RESOLVE THESE ISSUES, ATTEMPTED TO CONTACT THEM WITH NO RESPONSE."

Source: Excerpted from CFPB Complaint No. 5345505, filed March 21, 2022.

11. "Summary : Barclays never tried to notify me before sending negative reports to the three Credit Reporting Agencies and ruining my credit rating. If they had, the issue, caused by simple miscommunication, would have been immediately resolved.

"The Background : In XX/XX/XXXX, I received a new Barclay 's Ring Mastercard with a credit limit of {\$30000.00}. The high credit limit is due to the fact that I have always had a stellar credit rating over the last 40 years.

"In XX/XX/XXXX, I tested out the credit card and made four nominal charges totaling {\$170.00}.

"On XX/XX/XXXX, I received a USPS letter from Barclays (dated XX/XX/XXXX) stating that my account was three months past due. This was the first notification that I received from Barclay 's for the XXXX charges since no invoices were received. Within an hour of receiving this letter, I called Barclays and had an eCheck issued to them for the {\$170.00}, plus {\$6.00} in interest, plus {\$87.00} in late fees. Total = {\$260.00}.

"The promptness of my response to paying off the debt once I became aware of it, is indicative of my previously established habits that have resulted in having a stellar credit rating. I always pay my credit card charges promptly.

"During the conversation with the Barclay 's representative, they informed me that Barclay 's had already submitted negative reports to the three Credit Reporting Agencies (CRA 's) in regards to the nonpayment of the initial charges. This is the crux of my CFPB complaint. Barclays never tried to notify me before sending negative reports to the

three Credit Reporting Agencies and ruining my credit rating. If they had, the issue, caused by simple miscommunication, would have been immediately resolved.

“The Problem : The root cause of the problem was that Barclay 's submitted the credit card invoices via email instead of regular USPS mail. The invoices were never received by me, because Barclay 's never verified a proper email communication link with me.

“When Barclays sent the physical credit card, they established and verified a valid USPS mail communication link with me. When I called in to Barclays to activate the credit card, a valid Telephone communication link was established. However, Barclay 's did not utilize either of these validated communication links to provide the invoices. Instead, they used an unverified method, email, which did not have an established bidirectional communication link. In later conversations with Barclay 's escalation manager, she speculated that the invoices probably went into my email spam folder. That is probably what happened, but she also said that it was my responsibility to check the spam folder for the invoices which is a completely unrealistic expectation.

“The Follow-Up : When I was speaking with the Barclay 's representative on XX/XX/XXXX, he provided me with the address to dispute the credit agency claims - Barclays Credit Bureau Dispute Department.

“On XX/XX/XXXX, I submitted a letter to Barclay 's Credit Bureau Dispute Department explaining the problem (as I have noted above), and requesting that they reverse the negative CRA reports as they were a communication mistake.

“On XX/XX/XXXX, I received a short form letter back stating that, "" ... our investigation confirmed that your account is being reported accurately "".

“On XX/XX/XXXX, I submitted a second letter to Barclay 's Credit Bureau Dispute Department stating that their initial conclusion of, "" ... reported accurately "" is technically correct because Barclay 's did not receive payment. But that was not the the reason I appealed. My appeal was because Barclay 's is culpable for the miscommunication that caused the late payments. Because of that, they should take responsibility for their error and reverse the negative CRA reports. I also emphasized that they had the means to communicate with me via USPS letter BEFORE they sent the negative CRA reports, but they chose to report me first and then send me the letter I received on XX/XX/XXXX.

“On XX/XX/XXXX, Barclays sent the exact same form letter to me that they sent on XX/XX/XXXX with the same words that, "" ... our investigation confirmed that your account is being reported accurately "" . No acknowledgement whatsoever of what was in my letter or any recognition of XXXX 's culpability.

“On XX/XX/XXXX, I posted a message on Barclay 's website asking for help. I was contacted by phone a couple days later and explained the situation whereas I was given a Manager 's name to contact. After speaking with her, she said that she couldn't do anything but reopen my case, and referred me to an Escalation Manager. I spoke with the Escalation Manager and she said that she could not remove the delinquency because Barclays had not received an "" undeliverable email "" notification when the invoices were sent to my email. Thus, they assume the emails went through and if the invoices went into my spam folder that it was my responsibility to find them there. She then provided me with the address of the Office of the President to escalate the matter to. “

Source: Excerpted from CFPB Complaint No. 4144268, filed Feb. 16, 2021.

12. "I opened a TD Bank VISA in XXXX, 2021. I requested a standard, monthly, paper bill be sent to my address. The way credit card companies have done for 40+ years. All was fine. The card worked, I received a monthly account statement, and I paid my bill.

“Then, by XX/XX/2021, after receiving numerous TD VISA email requests to "" VIEW "" my account online, I logged on to this account to just "" VIEW "" the account. Nothing else, no changes, etc.

“But, without warning (or) clear notice this TD VISA logon process ; changed the account setup ; to ONLINE BILLING only, and turned off the monthly, paper bill.

“And guess what? The paper bill (s) still kept coming for 3+ months. Very deceptive and tricky, because I had NO IDEA the account was now online billing ONLY. No paper letter clearly explaining this change to WARN the customer of billing impacts to follow.

“Finally, by XX/XX/2021 the paper bills stopped coming, I logged on saw a "" LATE FEE "" charge, and was upset as to why there was a LATE FEE. I called TD BANK and the nice service representative said over, and over, and over that I signed up for ONLINE BILLING ONLY in XXXX of 2021.

“Rather than argue with them. I turned paper billing back on. Setup payment. Paid the balance in full, including the deceptive late fee, and decided to share this experience.

“How a credit card company can deceptively TURN OFF paper billing without clearly letting the consumer know is beyond me. In my opinion their clever online software which does this by default (or) automatically is illegal and they should be investigated for fraud and punished.

“There are probably thousands of consumers that this practice is happening to, and the VISA companies are just racking up illegal late fees.”

Source: Excerpted from CFPB Complaint No. 4903671, filed Nov. 12, 2021.

13. "I PURCHASED XXXX XXXX XXXX XXXX XXXX FROM XXXX XXXX XXXX XXXX XXXX XXXX IN XXXX OF THIS YEAR. THEY OFFERED SEVERAL FINANCE OPTIONS ; I SELECTED THE ONE THAT REQUIRED PAYMENTS OF 1.25 % OF PURCHASE PRICE AT A REDUCED 9.99 % APR UNTIL PAID IN FULL.

"THIS FINANCING WAS PROVIDED BY SYNCHRONY FINANCIAL "" XXXX XXXX ", XXXX XXXX XXXX, XXXX, FL XXXX.

"I HAVE 2 ACCOUNTS : XXXX XXXX XXXX XXXX AND XXXX XXXX XXXX XXXX THE PROBLEM IS THAT DESPITE RECEIVING EMAILS, I HAVE NOT RECEIVED ANY PAPER BILLS. THEY CAN NOT BE CONTACTED BY PHONE OR ONLINE.

"I HAVE ALREADY BEEN ACCESSED A LATE FEE ON ONE ACCOUNT.

"I WANT TO RECEIVE PAPER BILLS!"

Source: Excerpted from CFPB Complaint No. 4558962, filed July 20, 2021.

14. "I used PayPal Credit recently to make a purchase but when it started my account, it wouldn't let me access the online portal for my statement. It gave me a technical error and I immediately called in XXXX, XXXX, XXXX, XXXX, stating I couldn't access my statement. In XXXX I assumed they would resolve it, so I called to report the problem them made a minimum payment through the phone system. Each month, they were unable to provide me access or resolve the error. In XXXX I requested a paper statement be sent because they were charging me late fees and said I owed a significant amount of money. I have never been provided a bill or statement that indicates what I charged and what I owe, just a reminder to pay have been emailed and texted with a request to view my account by logging in ; the email and text were a 'no reply ' so you can only call the company. Again, I tried to access and received a technical error and it wouldn't connect me. I can't screenshot the error, it says due to privacy I can not screenshot, when I call they run me through questions but can not resolve. Again, when a paper statement was requested, it was not sent and no information stating this request was sent to me. They recorded the call, they say when you call, but that is all I have. They corrected the late charge, because I asked for a bill, but again nothing to help me access the account or account information. How can I pay or verify debt if they refuse to provide information about it or help resolve the issue with accessing the account?"

Source: Excerpted from CFPB Complaint No. 4908955, filed Nov. 14, 2021.

15. "We have been a customer for 12 years and never missed a payment. We received several calls marked as spam, and finally, on XXXX XXXX, we picked up one, and we started saying, please take our name off the list, and the rep said, " this is XXXX ; you are late on your bill. " We talked to the rep, paid the entire amount (~ {\$240.00}) due on the phone, and even waived the late fee ({\$40.00}). A few days later, I received an

alert from my credit monitoring service saying my account is delinquent, and when I checked, it was the same Macy 's account. So I called Macy 's, and they informed me that I was late for XXXX and XXXX, and yes, the account is paid in full. I told them I never received a paper bill and went to the post office, who reviewed our past 60 days of mail and confirmed that we did not receive anything from Macy 's. The rep then said that we had been signed up for electronic bills. I then searched my email account and found that all Macy 's emails are directed to the junk folder. I believe Macy 's used predatory practices to switch people to electronic billing and deceptive marketing to collect the money without informing the customer that waiving the late fee does not equate to removing the negative reporting. I ended up closing my account with Macy 's and will never buy anything from them. Even though they claim that we signed up for e-billing, I received a bill from Macy 's In XX/XX/2021 of {\$2.00}”

Source: Excerpted from CFPB Complaint No. 4556240, filed Nov. 3, 2021.