

Consumer Response Annual Report

January 1 – December 31, 2014



Consumer Financial
Protection Bureau

March 2015

Message from Richard Cordray

Director of the CFPB



The Consumer Financial Protection Bureau (CFPB or the Bureau) began consumer response operations on July 21, 2011 as the nation's first federal agency specifically mandated to protect American consumers in the financial marketplace. Our Office of Consumer Response (Consumer Response) has continued to improve and expand the CFPB's ability to engage consumers that face financial challenges and bring their concerns to the attention of companies.

The CFPB now accepts complaints about a wide range of products and services that affect consumers' everyday lives, including mortgages, credit cards, student loans, auto loans, bank accounts and services, debt collection, and credit reporting. Consumers can submit a complaint on our website or by calling us toll-free, where we provide services to consumers in more than 180 languages.

The CFPB continues to work toward expanding its complaint handling capacity. Every complaint the CFPB receives makes a difference. At an individual level, we have helped consumers obtain both monetary relief and non-monetary relief, such as cleaning up their credit reports, stopping harassment from debt collectors, and correcting account information. At a market level, complaints give us insight into

I'm a huge fan of the Consumer Financial Protection Bureau. I've filed several complaints and while not all resolved in a manner to my liking, there was resolution and a documented trail from which others can benefit in the future. I've made numerous attempts to resolve issues with large banks/credit card companies in the past but nothing gets their attention like a filed complaint with the CFPB. What could take months is reduced to days and sometimes hours in terms of response times. This is a huge win for the little guy!
– Consumer from Texas

what is happening to consumers around the country, right now. They enable us to listen to, and amplify, the concerns of any American who wants to be heard. They serve as a compass to direct our work and help us identify and prioritize problems for potential supervisory, enforcement, and regulatory action.

Through our public Consumer Complaint Database, launched by Consumer Response in June 2012, others can learn from consumers' complaints too. By making complaint data publicly available, we hope to improve the transparency and efficiency of the consumer financial marketplace. The database, available on our website, is already being used by consumers, advocacy groups, businesses, policy makers, and journalists as a resource for spotting areas for improvement and trends in the marketplace that they can also share with the public.

Through these various approaches, the voices of consumers remain at the center of the Bureau's work. Many companies are adapting to this focus to become more directly responsive to consumer concerns. We continue to work to fulfill Congress's vision that we stand on the side of consumers to help improve their financial lives. Through their complaints, consumers help us make the marketplace a better and safer place. This is good for consumers, for the responsible businesses that seek to serve them, and for the American economy as a whole.

Sincerely,

A handwritten signature in blue ink that reads "Richard Cordray". The signature is fluid and cursive, with the first name "Richard" and last name "Cordray" clearly legible.

Richard Cordray

Table of contents

Message from Richard Cordray	1
Table of contents.....	3
1. Introduction.....	5
2. How the CFPB handles complaints.....	11
3. Results.....	13
3.1 Complaints handled in 2014	13
3.2 Consumers' debt collection complaints	14
3.3 Consumers' mortgage complaints.....	17
3.4 Consumers' credit reporting complaints.....	20
3.5 Consumers' bank account and service complaints	22
3.6 Consumers' credit card complaints.....	25
3.7 Consumers' consumer loan complaints	26
3.8 Consumers' private student loan complaints.....	29
3.9 Consumers' payday loan complaints.....	30
3.10 Consumers' money transfer complaints	33
3.11 Consumers' prepaid card complaints.....	36
3.12 Other financial services complaints	38
3.13 How companies respond to consumer complaints	40

3.14	Consumers' feedback about companies' responses	44
3.15	Consumer Response investigation and analysis	45
4.	Conclusion	46
5.	Consumers' credit reporting complaints.....	48
5.1	Complaint volume and issues.....	48
5.2	Market distribution of complaints	52
5.3	NCRA responses to complaints	55
5.4	Investigator Observations	60

1. Introduction

The CFPB is the first federal agency solely focused on consumer financial protection.¹ Collecting, investigating, and responding to consumer complaints² are integral parts of the CFPB's work.³ The Bureau's Office of Consumer Response hears directly from consumers about the challenges they face in the marketplace, brings their concerns to the attention of companies, and assists in addressing their complaints.

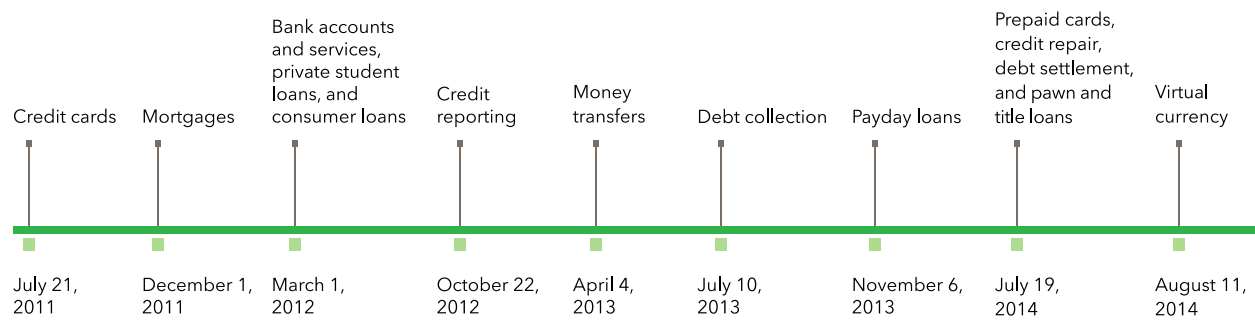
When the Bureau opened its doors on July 21, 2011, it began consumer response operations on the same day, accepting consumer complaints about credit cards. Since then, the Bureau has expanded its complaint handling to include complaints about: mortgages, bank accounts and services, private student loans, vehicle and other consumer loans, credit reporting, money transfers and virtual currency, debt collection, payday loans, prepaid cards, and other financial services.

¹ The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203 ("Dodd-Frank Act") created the CFPB to protect consumers of financial products or services and to encourage the fair and competitive operation of consumer financial markets.

² Consumer complaints are submissions that express dissatisfaction with, or communicate suspicion of wrongful conduct by, an identifiable entity related to a consumer's personal experience with a financial product or service.

³ See Dodd-Frank Act, Pub. L. No. 111-203, Section 1021(c)(2).

FIGURE 1: TYPES OF COMPLAINTS HANDLED OVER TIME



The CFPB has expanded its complaint handling over time to include multiple products and services under its authority. Consumers may also contact the CFPB about other products and services. The Bureau refers consumers to other regulators or additional resources as appropriate.

The CFPB's phased-in approach to taking complaints has allowed Consumer Response to develop strong foundations over time. Based on feedback from consumers and companies, as well as its own observations, Consumer Response identifies new opportunities to improve its processes and implement changes with each product launch. By applying the lessons learned through previous complaint rollouts, Consumer Response has improved its intake process, enhanced communication with companies, and ensured the system's ease-of-use and effectiveness for consumers.

The Bureau generally has relied on the consumer's characterization of his or her complaint to identify its nature for analytical purposes. However, the CFPB's experience to date suggests that consumers may have differing interpretations of what these categories mean. For example, one consumer might choose to categorize a problem as a billing dispute, while another might identify a similar issue as a concern with a provider's processing of the transaction. The CFPB continues to assess how to make the complaint form more intuitive for consumers.

Since beginning to accept complaints on July 21, 2011 and through February 28, 2015, the CFPB has handled approximately 558,800 consumer complaints.

FIGURE 2: COMPLAINTS OVER TIME**FIGURE 3: COMPLAINT VOLUME BY PRODUCT 2013 AND 2014**

Debt collection	2014	35%	88,300
	2013	19%	31,100
Mortgage	2014	20%	51,200
	2013	37%	59,900
Credit reporting	2014	18%	44,800
	2013	15%	24,200
Bank account or service	2014	8%	21,300
	2013	12%	19,000
Credit card	2014	7%	18,600
	2013	10%	16,600
Consumer loan	2014	4%	9,600
	2013	3%	5,300
Student loans	2014	3%	6,800
	2013	3%	4,300
Payday loan	2014	2%	5,600
	2013	0.6%	1,000
Money transfers	2014	0.8%	1,900
	2013	0.6%	1,000
Other financial service	2014	0.2%	600
Prepaid	2014	0.3%	800

Percent of annual complaints

Number of complaints

Year over year, complaint volume has steadily increased, rising 53% from 163,700 in 2013 to 250,700 in 2014.

Information about consumer complaints is available to the public, through the CFPB's public [Consumer Complaint Database](#), launched on June 19, 2012.⁴ Initially populated with credit card complaints received on and after June 1, 2012, the database has been expanded over time:

- October 2012: added credit card complaints dating back to December 1, 2011;
- March 2013: added mortgage complaints dating back to December 1, 2011; bank account and service complaints, private student loan complaints, and other consumer loan complaints, all dating back to March 1, 2012;
- May 2013: added credit reporting complaints dating back to October 22, 2012 and money transfer complaints dating back to April 4, 2013;
- November 2013: added debt collection complaints dating back to July 10, 2013;
- July 2014: added payday loan complaints dating back to November 6, 2013; and
- January 2015: added prepaid cards, other consumer loans (pawn and title loans), and other financial services dating back to July 19, 2014.

A complaint is listed in the database after the company responds to the complaint or after the company has had the complaint for 15 calendar days, whichever comes first. Complaints can be removed if they do not meet all of the publication criteria.⁵

The database updates nightly, and contains certain individual complaint-level data collected by the CFPB, including the type of complaint, the date of submission, the consumer's zip code, and the company that the complaint concerns. The database also includes information about the actions taken by a company in response to a complaint – whether the company's response was timely, how the company responded, and whether the consumer disputed the company's

⁴ In December 2011, the CFPB asked the public to comment on a proposed policy of making some credit card complaint data publicly available. After considering those comments, the CFPB finalized its policy for disclosing some of the data through its Consumer Complaint Database. See *Disclosure of Certain Credit Card Complaint Data*, 77 Fed. Reg. 37,558 (June 22, 2012).

⁵ See *Disclosure of Certain Credit Card Complaint Data*, 77 Fed. Reg. 37,558 (June 22, 2012).

response. The database does not include confidential information about consumers' identities. Web-based and user-friendly features of the database include the ability to filter data based on specific search criteria, to aggregate data in various ways, such as by complaint type, company, zip code, date, or any combination of available variables, and to download data.

Consumer Complaint Database

We share complaints about financial products and services to improve the financial marketplace.

GET THE DATA

Use our API or download the full dataset.

[View all data](#)

What happens when I submit a complaint?

When you submit a complaint, we forward your complaint to the company and work to get a response about your issue.

[Submit a complaint](#) [Learn more >](#)

What information do you publish?

We publish information about the subject and date of the complaint and the company's response. We do not share any personal information with the public.

[Learn more >](#)

Data by product

- [All](#)
- [Bank account or service](#)
- [Credit card](#)
- [Credit reporting](#)
- [Debt collection](#)
- [Mortgage](#)
- [Money transfers](#)
- [Payday loan](#)
- [Student loan](#)
- [Vehicle or other consumer loan](#)

We don't verify all the facts alleged in these complaints but we take steps to confirm a commercial relationship between the consumer and company. Complaints are listed here after the company responds or after they have had the complaint for 15 calendar days, whichever comes first. We remove complaints if they don't meet all of the publication criteria. Data is refreshed nightly.

Download, sort, and visualize

We're using a tool called Socrata to make it easier to view and organize the data into subsets and visualizations. Additionally, Socrata provides a RESTful API for programmers and researchers.

[Visualization tutorials from data.gov >](#) [Technical documentation >](#)

Example visualizations

<http://www.consumerfinance.gov/complaintdatabase>

In July 2014, the Bureau published a notice seeking public comment on a proposed expansion of the public complaint database to include unstructured consumer complaint narrative data. The Bureau received more than 130 unique comments from, among others, consumer groups, trade

associations, companies and individuals. Many consumer advocacy groups, including four nationally recognized privacy groups, have submitted public comments supporting the Bureau's proposal. In March 2015, the CFPB issued a final policy statement to provide guidance on how the Bureau plans to provide consumers who submit their complaints directly to the CFPB the opportunity to share their individual stories with other consumers and the marketplace by including consumer complaint narratives in the Consumer Complaint Database. Only those narratives for which opt-in consumer consent is obtained and to which a robust personal information scrubbing process is applied are eligible for disclosure. The CFPB gives companies the opportunity to respond publicly to the substance of the consumer complaints they receive from the CFPB by selecting from a set list of public-facing response categories. Companies are under no obligation to avail themselves of the opportunity. In March 2015, the Bureau also issued a Notice and Request for Information to solicit and collect input from the public on the potential collection, identification, and sharing of consumer compliments and related data and feedback specific to positive interactions with consumer financial companies.

The CFPB also has a "Tell Your Story" feature on its website that gives consumers the opportunity to share their experiences – positive or negative – with consumer financial products and services. These submissions, like formal complaints, are reviewed by CFPB staff to help the Bureau understand current issues in the financial marketplace.

In keeping with the CFPB's statutory responsibility and its commitment to accountability, this report provides an overview of the handling and analysis of complaints received by the Bureau from January 1 through December 31, 2014.⁶

Consumer Response continually strives to improve data quality and protect sensitive information, while increasingly making data available through reports to Congress and to the public about the complaints the CFPB receives and by sharing certain data with the public through the Consumer Complaint Database.

⁶ This report addresses the reporting requirements of Dodd-Frank Act Section 1013(b)(3)(c), 12 U.S.C. § 5493(b)(3)(c), and Fair Credit Reporting Act Section 611(e), 15 U.S.C. § 1681i(e).

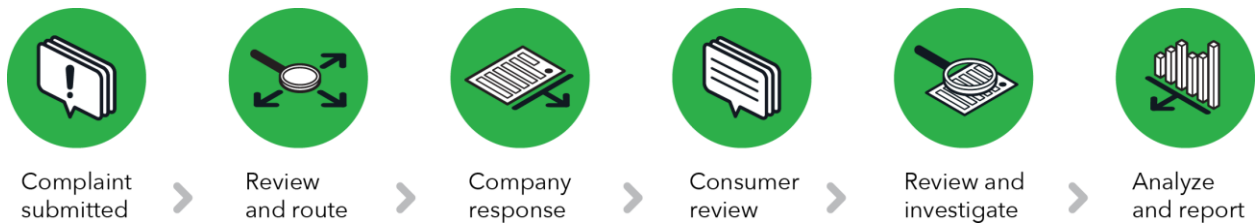
2. How the CFPB handles complaints

Consumer Response receives complaints and inquiries directly from consumers. The CFPB accepts complaints through its website and by telephone, mail, email, fax, and referral. Consumers submit complaints on the Bureau's website using complaint forms tailored to specific products, and can also log on to a secure consumer portal to check the status of a complaint and review a company's response. While on the website, consumers can chat with a live agent to get help completing a complaint form. Consumers can also call the Bureau's toll-free number to ask questions, submit a complaint, check the status of a complaint, and more. The CFPB's U.S.-based contact centers provide services to consumers in more than 180 languages and to consumers who are deaf, have hearing loss, or have speech disabilities via a toll-free telephone number. Cutting-edge technology, including secure company and consumer portals, makes the process efficient and user-friendly for consumers and companies. For companies, the CFPB provides secure channels for communicating directly with dedicated staff about technical issues.

The CFPB's Consumer Response team screens all complaints submitted by consumers based on several criteria, including whether the complaint should be routed to another regulator, whether the complaint is complete, and whether the complaint is duplicative of a prior submission by the same consumer. Screened complaints are sent via a secure web portal to the appropriate company.⁷ The company reviews the information, communicates with the consumer as needed, and determines what action to take in response. The company then reports back to the consumer and the CFPB via the secure company portal, and the Bureau invites the consumer to

⁷ Consumer Response may refer a complaint to the appropriate regulator if, among other reasons, it does not involve a product or market that is within the Bureau's jurisdiction or that is not currently being handled by the Bureau.

review the response and provide feedback. Consumer Response reviews the feedback consumers provide about company responses, using this information along with other information such as the timeliness of the company’s response, for example, to help prioritize complaints for investigation.⁸ Consumers who have submitted complaints with the Bureau can log onto the secure consumer portal available on the CFPB’s website or call a toll-free number to receive status updates, provide additional information, and review responses provided to the consumer by the company.



Throughout this process, subject-matter experts help monitor certain complaints. For example, the Office of Servicemember Affairs coordinates on complaints submitted by servicemembers or their spouses and dependents.

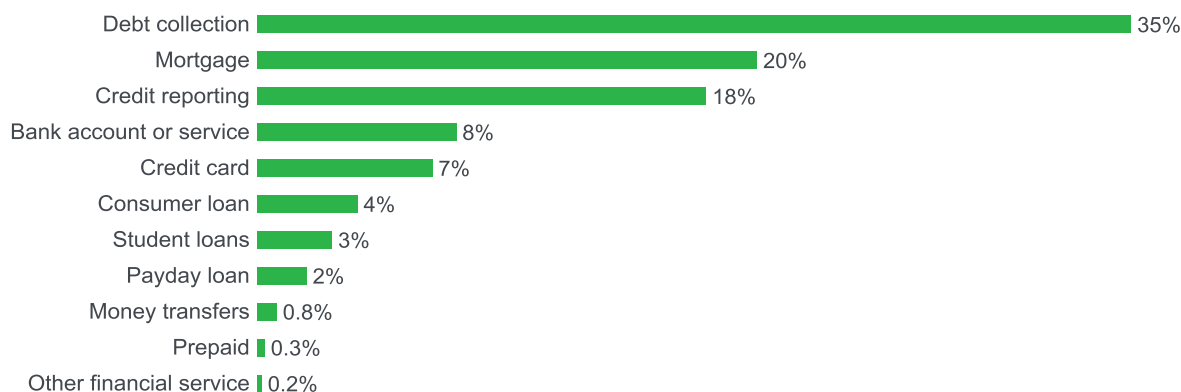
⁸ The CFPB requests that companies respond to complaints within 15 calendar days. If a complaint cannot be closed within 15 calendar days, a company may indicate that its work on the complaint is “In progress” and provide a final response within 60 calendar days.

3. Results

3.1 Complaints handled in 2014

Between January 1, 2014 and December 31, 2014, the CFPB received approximately 250,700 consumer complaints.⁹

FIGURE 4: CONSUMER COMPLAINTS BY PRODUCT¹⁰



Approximately 67% of all consumer complaints were submitted through the CFPB's website and 9% via telephone calls. Referrals accounted for 15% of all complaints received. The rest were submitted by mail, email, and fax.

⁹ This analysis excludes multiple complaints submitted by a given consumer on the same issue and whistleblower tips. All data are current as of January 1, 2015.

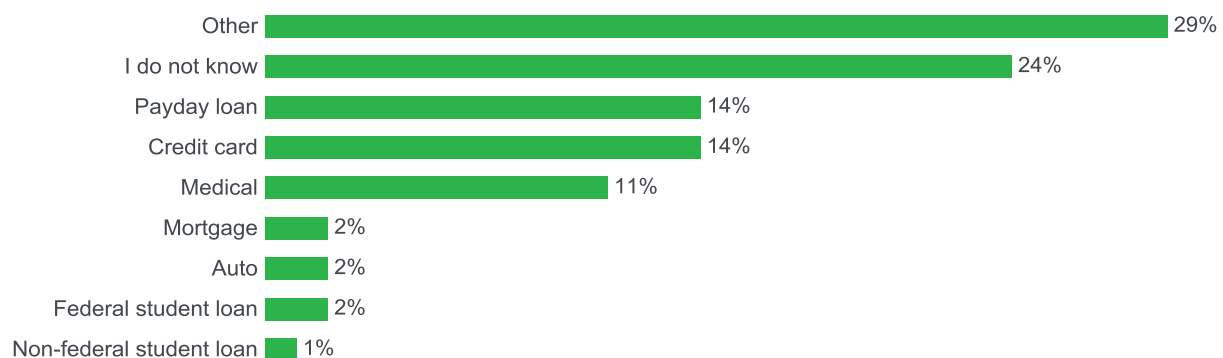
¹⁰ Percentages may not sum to 100 percent due to rounding.

The tables and figures presented below show complaints by type, actions taken, company responses, and consumers' feedback about company responses.¹¹

3.2 Consumers' debt collection complaints

Figures 5 and 6 and Table 1 show the types of debt collection complaints reported by consumers for the approximately 88,300 debt collection complaints the CFPB received in 2014.

FIGURE 5: TYPES OF DEBT CONSUMERS COMPLAIN ABOUT



Debt collection complaints led both the daily and monthly volume of complaints handled in 2014. The increased overall percentage share of debt collection complaints from 2013 to 2014 was accompanied by a slight redistribution of the particular issues that consumers' complained about. The number of debt collection complaints related to payday loans increased by 8% in 2014 while the volume of debt collection complaints received in 2014 related to other products remained consistent with 2013 volume.

¹¹ Percentages may not sum to 100 percent due to rounding.

FIGURE 6: TYPES OF DEBT COLLECTION COMPLAINTS REPORTED BY CONSUMERS

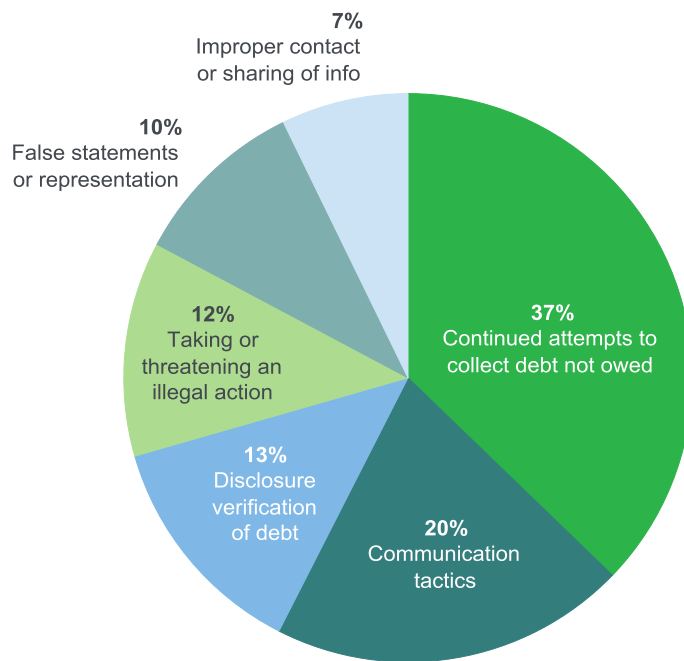


TABLE 1: TYPES OF DEBT COLLECTION COMPLAINTS REPORTED BY CONSUMERS

Types of debt collection complaints	%
Continued attempts to collect debt not owed (Debt was discharged in bankruptcy, debt resulted from identity theft, debt was paid, debt is not mine)	37%
Communication tactics (Frequent or repeated calls, called outside of 8am-9pm, used obscene, profane or other abusive language, threatened to take legal action, called after sent written cease of communication notice)	20%
Disclosure verification of debt (Did not receive notice of right to dispute, not enough information to verify debt, did not disclose communication was an attempt to collect a debt)	13%
Taking/threatening an illegal action (Threatened to arrest me or take me to jail if I do not pay, threatened to sue me on debt that is too old to be sued on, sued me without properly notifying me of lawsuit, sued me where I did not live or did not sign for the debt, attempted to/collected exempt funds, seized or attempted to seize property)	12%
False statements or representation (Attempted to collect wrong amount, impersonated attorney, law enforcement or government official, indicated committing crime by not paying debt, indicated should not respond to lawsuit)	10%
Improper contact or sharing of information (Contacted me after I asked not to, contacted my employer, contacted me instead of my attorney, talked to a third party about my debt)	7%
Total Debt Collection Complaints	100%

The most common type of debt collection complaint is about continued attempts to collect a debt that the consumer reports is not owed. In many of these cases, the attempt to collect the debt is not itself the problem; rather, consumers assert that the calculation of the amount of underlying debt is inaccurate or unfair. In other cases, the consumer complains about the furnishing of information to credit reporting agencies. These complaints, which are often consistent with complaints consumers submit to the Bureau about credit reporting, suggest that consumers frequently only learn about debt collection accounts when they check their credit reports.

Complaints about debt collectors' communications tactics (telephone collections especially) are also still very common. In addition to the frequent complaints about collection calls, which consumers say are too frequent or at inconvenient times of the day, there were a significant

number of complaints about calls to third parties or calls to the consumer's place of employment.

Consumers also complained about the lack of debt validation received from debt collectors and consumers often ask collectors for additional documentation to support the debt. The amount of documentation provided by some debt collectors in response appears to frustrate many consumers, especially when the documentation is a simple invoice or bill for the services or goods that were the subject of the debt being collected. There are a number of collectors who reportedly respond to any consumer complaints by closing the account and returning it to their client.

There were a number of notable trends in debt collection complaints in 2014. Some consumers complained about debt collectors asking for payments on time-barred debt. Consumers have also complained about finding collection accounts on their credit reports, even though they never received an initial notice from the debt collector (*i.e.*, passive collections or parking). In other complaints, consumers reported companies buying second mortgages that were discharged in bankruptcy and then pursuing foreclosure on the mortgages. A large number of complaints involved medical debt. A majority of these complaints focused on the consumer's belief that the insurance should have or already paid off the account being collected. Consumers report that their ability to get an accurate accounting of the amount owed and the amount already paid from the debt collector is a common problem.

3.3 Consumers' mortgage complaints

Figures 7 and 8 and Table 2 show the types of mortgage complaints reported by consumers for the approximately 51,200 mortgage complaints the CFPB received in 2014.

FIGURE 7: TYPES OF MORTGAGE PRODUCTS CONSUMERS COMPLAIN ABOUT

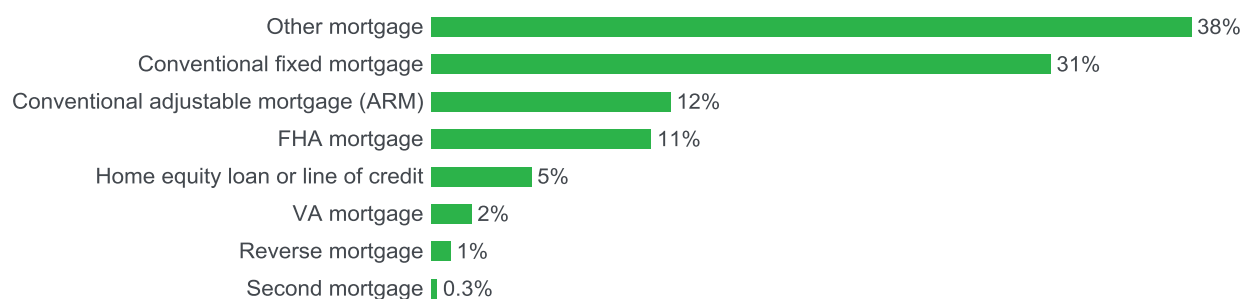


FIGURE 8: TYPES OF MORTGAGE COMPLAINTS REPORTED BY CONSUMERS

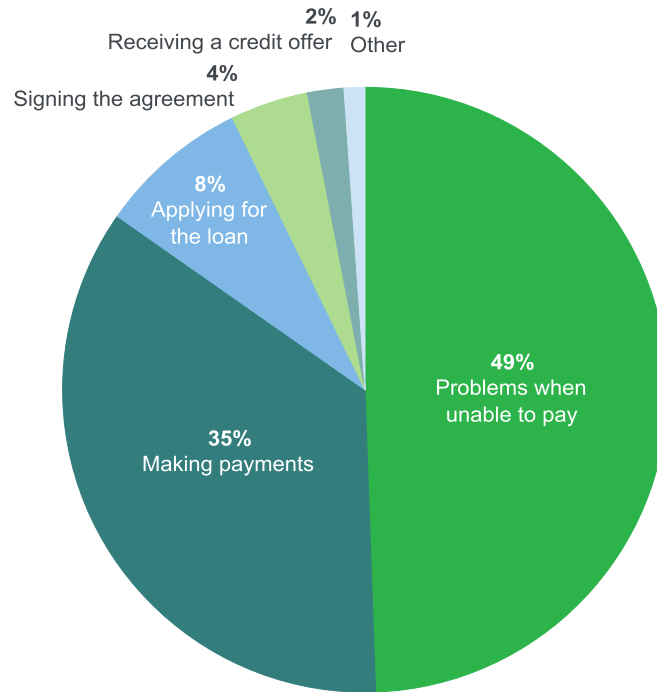


TABLE 2: TYPES OF MORTGAGE COMPLAINTS REPORTED BY CONSUMERS

Types of mortgage complaints	%
Problems when you are unable to pay (Loan modification, collection, foreclosure)	49%
Making payments (Loan servicing, payments, escrow accounts)	35%
Applying for the loan (Application, originator, mortgage broker)	8%
Signing the agreement (Settlement process and costs)	4%
Receiving a credit offer (Credit decision/Underwriting)	2%
Other	1%
Total Mortgage Complaints	100%

The most common type of mortgage complaint continues to involve problems consumers face when they are unable to make payments, such as issues relating to loan modifications, collections, or foreclosures. In particular, consumers still complain about delays and ambiguity

in the review of their modification applications. Some consumers expressed concerns about the documentation requests they receive and argue that they were not provided a reasonable date by which the required documents had to be returned but instead were instructed to return the documents “immediately”. Other consumers complained that they were not considered for all available loss mitigation options or that the terms of the approved modification were unfavorable (*e.g.*, required interest only payments). Consumers with successfully completed loan modifications have complained that some servicers do not amend derogatory credit reporting accrued by consumers during trial periods although documents provided to the consumers by servicers indicated that they would do so.

Consumers also complained about issues they encountered while pursuing short sales or after foreclosure proceedings had been initiated. Some consumers seeking short sales reported that second-lien holders refuse to accept or subordinate in a short sale, whereas some consumers who do obtain a short sale have concerns about the loan account being incorrectly reported as a foreclosure. Consumers facing foreclosure have expressed confusion about fees assessed in connection with the foreclosure process. The fees often seem to represent a substantial barrier to a consumer’s ability to reinstate the loan and avoid foreclosure, as many servicers will not roll the fees into the loan balance. Consumers are then required to pay hundreds or thousands of dollars, in addition to the loan reinstatement amount, to avoid foreclosure, and the actual amount of fees the consumer must pay to reinstate the loan can be confusing. Foreclosure fees are sometimes listed as one line-item on a reinstatement quote, with no itemization provided unless the consumer specifically requests more information on what fees are being assessed. Finally, some consumers complain about dual tracking and express concern that the servicer is proceeding with foreclosure proceedings although their modification application is still under review.

Other common types of mortgage complaints address issues related to making payments, including loan servicing, posting of payments, or management of escrow accounts. For example, consumers express concern over difficulties they experience when the servicing of their loan is transferred, including complaints about fees charged by the prior servicer, unexplained escrow deficiencies, issues with the new servicer accepting the previous servicer’s modification, and communication between the old and new servicer (especially when loss mitigation efforts are ongoing). Consumers also complain that the servicer has not made timely disbursements for tax payments or insurance premiums and in some instances has force-placed insurance on their account in error. In some cases, the untimely disbursement of tax payments has resulted in late fees and penalties being assessed to the consumer’s account. Additionally, successors in interest

complain that they were not assigned a single point of contact and report general confusion about the documents required to obtain authorization to an account when the borrower is deceased.

Consumer complaints about mortgage originations tend to involve the lengthy application and approval processes and unauthorized credit inquiries. Consumers also complained about delayed loan denials that occurred just before settlement but were based upon information that was disclosed early in the application process (*e.g.*, bankruptcy, lack of employment history, etc.). They expressed frustration that fees were charged even though they believe the loan originator knew that the loan would not be approved. A number of complaints involved the lender's refusal to honor rate-locks, and concerns that the terms of loans with variable interest rates were not clearly disclosed.

3.4 Consumers' credit reporting complaints¹²

Figure 9 and Table 3 show the types of credit reporting complaints, as reported by consumers for the approximately 44,800 credit reporting complaints received by the CFPB.¹³ This includes approximately 29,900 (67%) about the three nationwide credit reporting agencies – Equifax, Experian, and TransUnion.

¹² Consumers can submit complaints about various types of consumer reporting agencies, including the three nationwide credit reporting agencies and specialty reporting agencies.

¹³ Consumer Response began handling credit reporting complaints on October 22, 2012.

FIGURE 9: TYPES OF CREDIT REPORTING COMPLAINTS REPORTED BY CONSUMERS

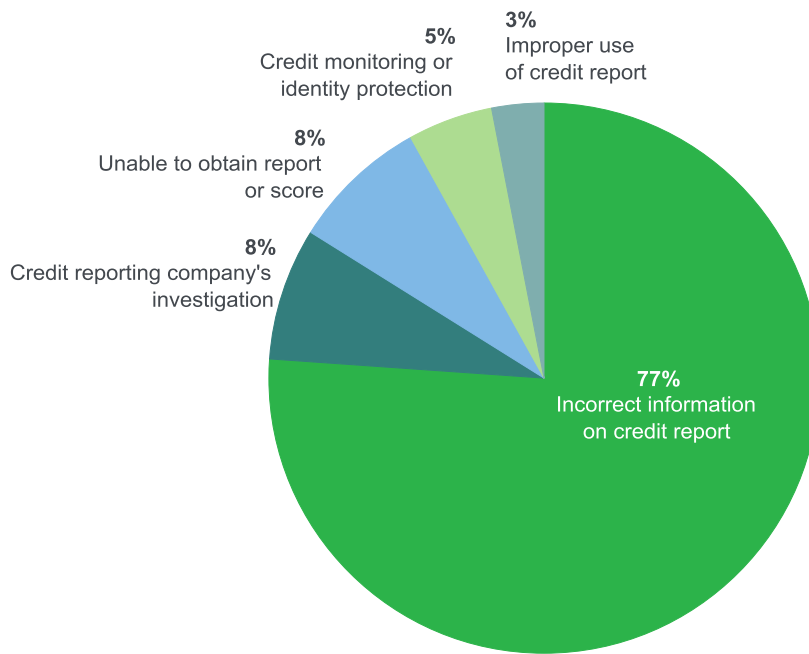


TABLE 3: TYPES OF CREDIT REPORTING COMPLAINTS REPORTED BY CONSUMERS

Types of credit reporting complaints	%
Incorrect information on credit report (Information is not mine, Account terms, Account status, Personal information, Public record, Reinserted previously deleted information)	77%
Credit reporting company's investigation (Investigation took too long, Did not get proper notice of investigation status or results, Did not receive adequate help over the phone, Problem with statement of dispute)	8%
Unable to get my credit report or credit score (Problem getting free annual report, Problem getting report or credit score)	8%
Credit monitoring or identity protection services (Problem cancelling or closing account, Billing dispute, Receiving unwanted marketing or advertising, Account or product terms and changes, Problem with fraud alerts)	5%
Improper use of my credit reporting (Report improperly shared by credit reporting company, Received marketing offers after opting out, Report provided to employer without written authorization)	3%
Total Credit Reporting Complaints	100%

This table illustrates that the most common type of credit reporting complaint continues to be about incorrect information appearing on the consumer's credit report, such as information that does not belong to the consumer, incorrect account status, and incorrect personal information. Of the approximately 44,800 such complaints submitted by consumers, approximately 29,900 (67%) were about the three nationwide credit reporting companies.

Among consumers' complaints about incorrect information appearing on their credit report, the most common concerns were about incorrect account status and information that does not belong to the consumer. Some consumers report having to deal with the reappearance of incorrect account information on their credit reports, including inaccurate collection accounts, they had previously disputed and corrected. Other consumers express frustration with having to correct information that does not belong to them. Many accuracy complaints submitted by consumers reflect confusion concerning how public records, such as bankruptcies and liens, may be reported on a credit report.

Another common type of complaint is about issues with credit reporting companies' investigations of information disputed by consumers. Consumers report that credit reporting companies sometimes return findings on their disputes within only a few days, and consumers question the depth and validity of such quick investigations. Additionally, consumers report frustration when they have submitted documentation that they believe proves that the information provided by the data furnisher was inaccurate, but no change is made to their credit report.

For more analysis of credit reporting complaints, see Credit Reporting Case Study, page 47.

3.5 Consumers' bank account and service complaints

Figures 10 and 11 and Table 4 show the types of bank account and service complaints, such as complaints about checking and savings accounts, reported by consumers for the approximately 21,300 complaints received by the CFPB in 2014.

FIGURE 10: TYPES OF BANK ACCOUNTS AND SERVICES CONSUMERS COMPLAIN ABOUT

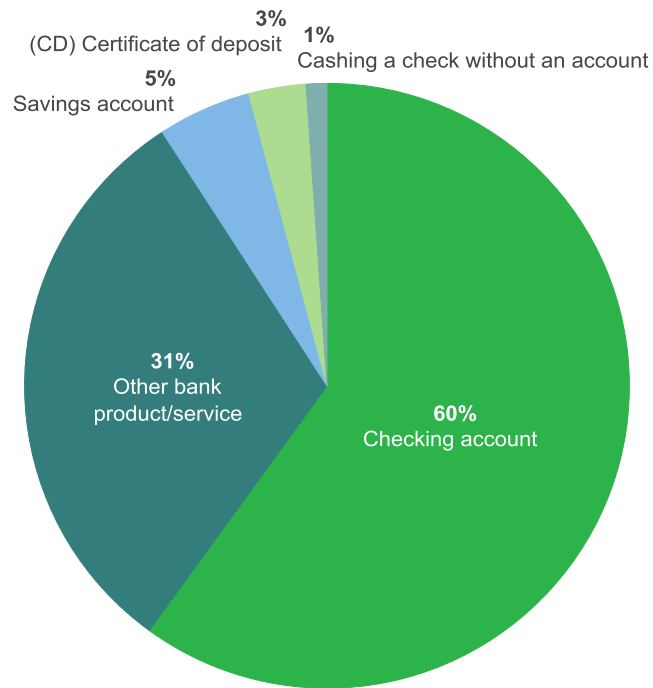


FIGURE 11: TYPES OF BANK ACCOUNT AND SERVICE COMPLAINTS REPORTED BY CONSUMERS

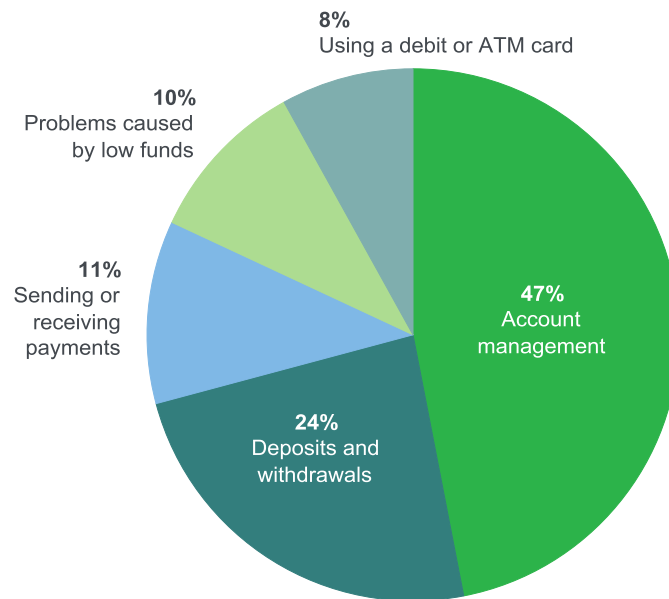


TABLE 4: TYPES OF BANK ACCOUNT AND SERVICE COMPLAINTS REPORTED BY CONSUMERS

Types of bank account and service complaints	%
Account opening, closing, or management (Confusing marketing, denial, disclosure, fees, closure, interest, statements, joint accounts)	47%
Deposits and withdrawals (Availability of deposits, withdrawal problems and penalties, unauthorized transactions, check cashing, payroll deposit problems, lost or missing funds, transaction holds)	24%
Making or receiving payments, sending money to others (Problems with payments by check, card, phone or online, unauthorized or fraudulent transactions, money/wire transfers)	11%
Problems caused by my funds being low (Overdraft fees, late fees, bounced checks, credit reporting)	10%
Using a debit or ATM card (Disputed transaction, unauthorized card use, ATM or debit card fees, ATM problems)	8%
Total Bank Account and Service Complaints	100%

As the table illustrates, the most common type of bank account and service complaint relates to opening, closing, or managing the account. These complaints address issues such as account maintenance fees, legal processing fees for judgments and levies, changes in account terms,

confusing marketing, early withdrawal penalties for certificates of deposit, and involuntary account closures. Other common complaints relate to deposit and withdrawal issues, such as transaction holds, the company's right to offset deposit accounts, and unauthorized debit card charges. In this area, many consumers are frustrated by companies' handling of error disputes and requests to stop payment on preauthorized electronic debits. Another common type of complaint relates to problems caused by a consumer's funds being low, including overdraft fees, bounced checks, charged-off accounts, and negative reporting to credit reporting agencies. In this area, many consumers are frustrated by the way some companies appear to manipulate the order in which deposits and withdrawals are posted to consumers' accounts to maximize overdraft fees.

Consumers also complain about delays in the investigation of their dispute claims. In particular, they express concern that companies do not consider the information that consumers submit to support their claim or conduct sufficient research to assess the issues in dispute. Some consumers complain that they have difficulty obtaining authorization to access a decedent's account even after presenting the company with the required documentation. Other consumers complain that they do not receive monthly billing statements on a regular basis.

3.6 Consumers' credit card complaints

Table 5 shows the most common types of credit card complaints that the CFPB received in 2014 as reported by consumers. Seventy-four percent of the approximately 18,600 credit card complaints fell into these ten categories.

TABLE 5: MOST COMMON CREDIT CARD COMPLAINTS REPORTED BY CONSUMERS

Most common credit card complaints	%
Billing disputes	17%
Other	13%
Identity theft / Fraud / Embezzlement	11%
Closing / Cancelling account	6%
APR or interest rate	6%
Advertising and marketing	5%
Customer service / Customer relations	4%
Delinquent Account	4%
Late fee	4%
Transaction Issue	4%
Credit Card Complaints in Top 10 Types	74%

As the table illustrates, billing disputes are the most common type of credit card complaint. Many consumers continue to be confused and frustrated by the process and by their limited ability to challenge inaccuracies on their monthly credit card billing statements. For example, some consumers realize only after their claim has been denied that they needed to notify their credit card companies within 60 days of any billing errors. In other cases, consumers are not aware that companies typically do not stop a merchant charge once the cardholder has authorized it, or do not override a merchant's "no-return policy". Other common types of credit card complaints relate to identity theft, fraud, or embezzlement; closing or cancelling an account; and annual percentage rates or interest rates.

3.7 Consumers' consumer loan complaints

Figures 12 and 13 and Table 6 show the types of consumer loan complaints, such as complaints about installment loans, vehicle loans and leases, personal lines of credit, and pawn and title

loans reported by consumers for the approximately 9,600 consumer loan complaints received by the CFPB in 2014.¹⁴

FIGURE 12: TYPES OF CONSUMER LOANS CONSUMERS COMPLAIN ABOUT



¹⁴ The Bureau began handling complaints about pawn and title loans as part of the consumer loan complaint category on July 19, 2014.

FIGURE 13: TYPES OF CONSUMER LOAN COMPLAINTS REPORTED BY CONSUMERS

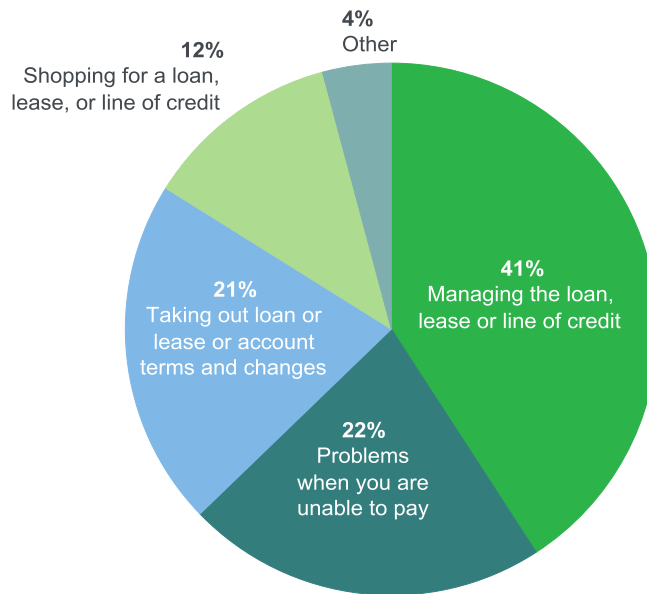


TABLE 6: TYPES OF CONSUMER LOAN COMPLAINTS REPORTED BY CONSUMERS

Types of consumer loan complaints	%
Managing the loan, lease, or line of credit (Billing, late fees, damage or loss, insurance (GAP, credit, etc.), credit reporting, privacy)	41%
Problems when you are unable to pay (Debt collection, repossession, set-off from bank account, deficiency, bankruptcy, default)	22%
Taking out the loan or lease / Account terms and changes (Term changes (mid-deal changes, changes after closing, rates, fees, etc.), required add-on products, trade-in payoff, fraud)	21%
Shopping for a loan, lease, or line of credit (Sales tactics or pressure, credit denial, confusing advertising or marketing)	12%
Other	4%
Total Consumer Loan Complaints	100%

The table illustrates that the most common type of consumer loan complaint pertains to managing the loan, lease, or line of credit. Other common types of complaints address problems

consumers have when they are unable to pay (including issues related to debt collection, bankruptcy, and default) and problems when taking out the loan or lease, such as term changes.

Consumers complain about “bait and switch” experiences where the lender offers a deal with very favorable terms to attract their interest in a product and then changes those terms right before the deal is consummated. Some consumers complain that such behavior is confusing and they often end up paying much more for a loan than they were initially told. Consumers also complained about the transmission of funds drawn on their line of credit with respect to whether the funds were issued to them via check, as they requested, or direct deposited into an account held at the same institution. In the latter case, funds the consumer draws on a line of credit may be deposited in a joint account against the consumer’s wishes and be accessible by other accountholders.

3.8 Consumers’ private student loan complaints

Figure 14 and Table 7 show the types of student loan complaints as reported by consumers for the approximately 6,800 student loan complaints received by the CFPB in 2014.

FIGURE 14: TYPES OF STUDENT LOAN COMPLAINTS REPORTED BY CONSUMERS

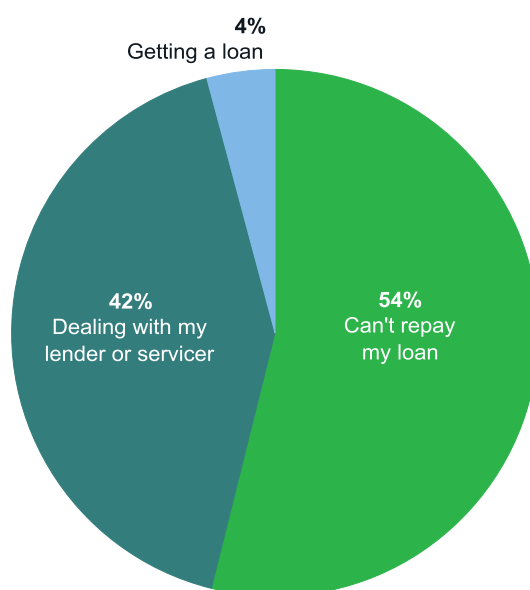


TABLE 7: TYPES OF STUDENT LOAN COMPLAINTS

Types of student loan complaints	%
Can't repay my loan (Fees, default, bankruptcy, billing, deferment, forbearance, fraud, credit reporting)	54%
Dealing with lender or servicer (Making payments, getting information about my loan, managing my account)	42%
Getting a loan (Confusing terms, rates, denial, confusing advertising or marketing, sales tactics or pressure, financial aid services, recruiting)	4%
Total Student Loan Complaints	100%

The most common type of student loan complaint addresses problems consumers confront when they are unable to pay, such as issues related to default, student debt collection, and bankruptcy. Consumers report that they continue to struggle with the limited affordable payment options permitted in their loan agreements. Specifically, some consumers say they are unable to refinance or restructure the repayment terms of their loan, either to lower monthly payments during periods of financial hardship, or to improve existing terms based upon the consumer's improved credit profile and credit-worthiness. Some consumers also express confusion about the difference between their private loans and public loans, specifically when it comes to forbearance and deferment options.

Another common type of complaint relates to dealing with a lender or servicer and includes issues such as making payments, getting information about a loan, and managing an account. Consumers raised concerns about a range of servicing problems, including payment processing problems, challenges obtaining necessary documentation about their private student loans, difficulty obtaining accurate information about their loan status and repayment options, and obstacles to accessing basic account information.

3.9 Consumers' payday loan complaints

Figures 15 and 16 and Table 8 show the types of payday loan complaints reported by consumers for the approximately 5,600 payday loan complaints the CFPB received in 2014.

FIGURE 15: TYPES OF PAYDAY LOAN COMPLAINTS REPORTED BY CONSUMERS

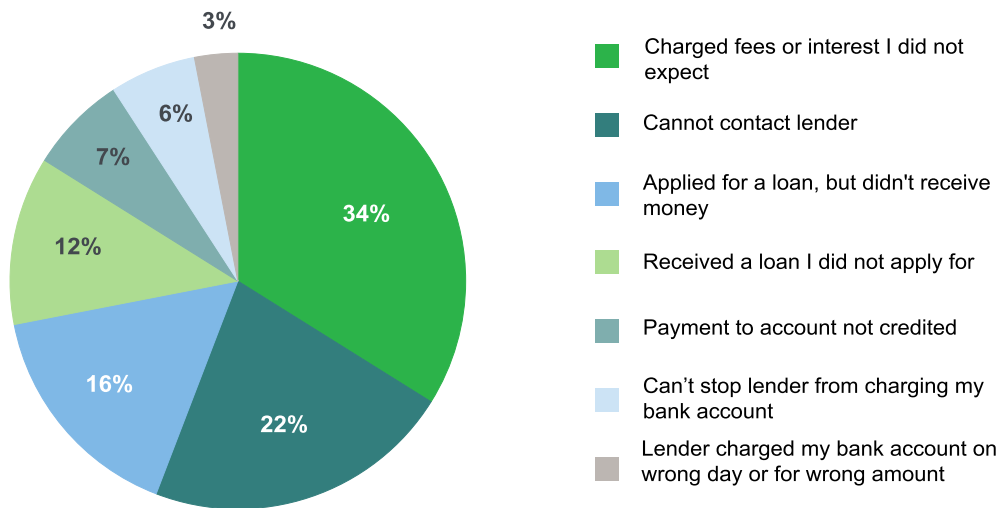


FIGURE 16: TYPES OF PAYDAY LOANS CONSUMERS COMPLAIN ABOUT

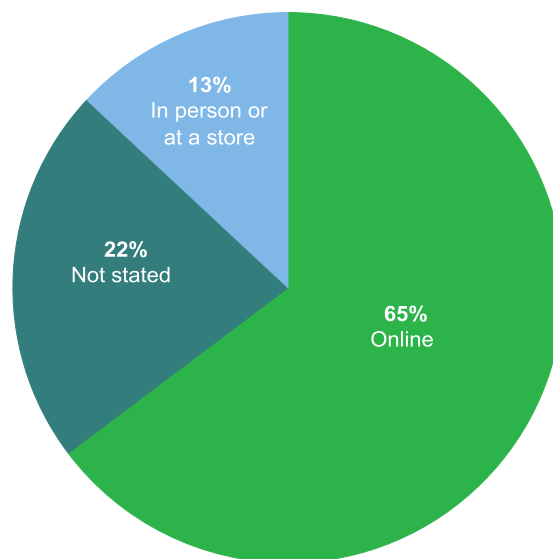


TABLE 8: TYPES OF PAYDAY LOAN COMPLAINTS REPORTED BY CONSUMERS BY SOURCE OF LOAN

Types of payday loan complaints	In person / at a store	Online	Not stated	Total
Charged fees or interest I did not expect	14%	72%	14%	34%
Cannot contact lender	15%	56%	29%	22%
Applied for a loan, but didn't receive money	6%	73%	21%	16%
Received a loan I did not apply for	5%	48%	46%	12%
Payment to account not credited	15%	68%	18%	7%
Can't stop lender from charging my bank account	20%	72%	9%	6%
Lender charged my bank account on wrong day or for wrong amount	17%	73%	11%	3%

Of the 5,600 payday loan complaints submitted by consumers, approximately 65% were about problems consumers experienced after obtaining a payday loan online. Approximately 13% reported problems when obtaining a payday loan in person / at a store. For the remaining approximately 22% of complaints, the consumer did not indicate how the loan was obtained.

The most common type of payday loan or deposit advance (*i.e.*, bank payday advance loan) complaint is about being charged unexpected fees or interest. Another common type of complaint involves problems with contacting the lender and issues with applying for the loan, but not receiving the money. Consumers also complain about receiving loans for which they did not apply.

The remaining complaints involve issues surrounding payments, such as the use of check holding and electronic debit authorization that hands control of the consumer's bank account over to the lender. Consumers report that they are not aware that the payday contract can sometimes authorize the lender to withdraw the funds electronically in the event that the consumer stops payment on the first check. Additionally, consumers complain that payday

lenders re-present a check several times, causing the consumer to incur nonsufficient funds fees multiple times.

Many consumers report that they were unaware that funds would be taken from the next direct deposit to pay the direct deposit advance they took. There is also confusion over the repayment date. Consumers with multiple advances and deposits often have difficulty managing a short repayment period and will roll-over the loan, inflating the cost (*i.e.*, annual percentage rate) of the loan. Other common complaints include lack of clarity about repayment of the loan using automatic withdrawal features on a bank card, prepaid card, or by direct deposit and disputes with lenders about whether the loan had been paid off.

The cost and structure of a particular loan can make it difficult for consumers to repay. Many consumers voiced concerns about being unable to repay the loan while still having enough money left over for other expenses, the high cost of the loan, and aggressive debt collection practices in the case of delinquency or default.

Consumers also submit debt collection complaints to the Bureau that are related to payday loans. In addition to the 5,600 payday complaints handled during 2014, the CFPB has also handled 12,400 debt collection complaints related to a payday loan or loans. These payday-related debt collection complaints account for nearly 14% of all debt collection complaints handled by the CFPB.

3.10 Consumers' money transfer complaints

Figures 17 and 18 and Table 9 show the types of money transfer complaints reported by consumers for the approximately 1,900 money transfer complaints the CFPB received in 2014.¹⁵

¹⁵ The Bureau began handling complaints about virtual currency as part of the money transfer complaint category on August 11, 2014.

FIGURE 17: TYPES OF MONEY TRANSFERS CONSUMERS COMPLAIN ABOUT

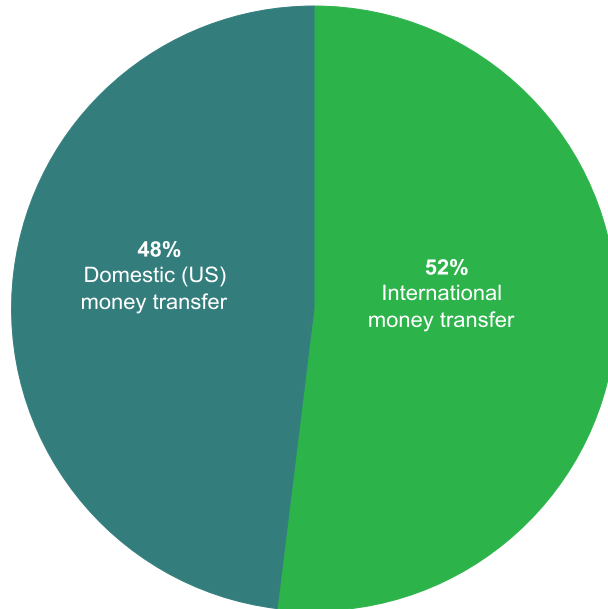


FIGURE 18: TYPES OF MONEY TRANSFER COMPLAINTS REPORTED BY CONSUMERS

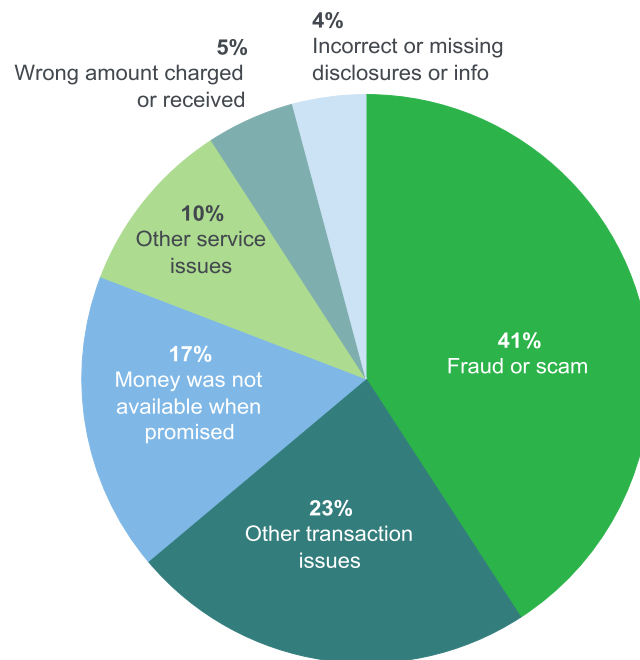


TABLE 9: TYPES OF MONEY TRANSFER COMPLAINTS REPORTED BY CONSUMERS

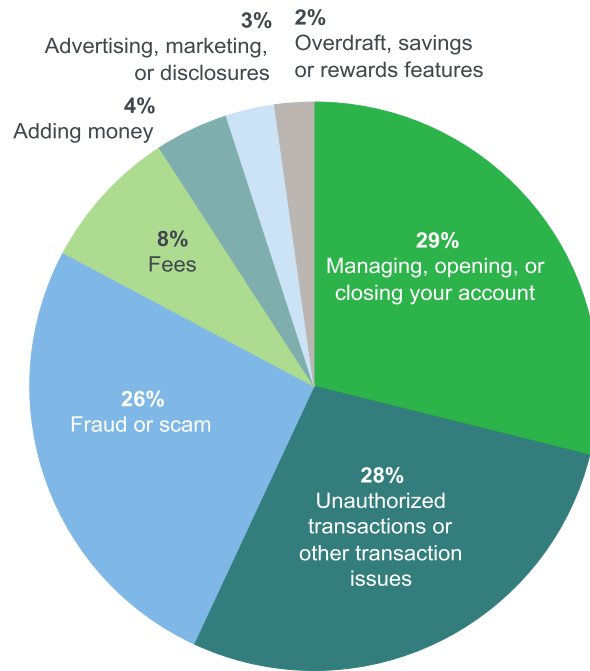
Types of money transfer complaints	%
Fraud or scam	41%
Other transaction issues (<i>Unauthorized transaction, cancellation, refund, etc.</i>)	23%
Money was not available when promised	17%
Other service issues	10%
Wrong amount charged or received	5%
Incorrect or missing disclosures or info	4%
Total Money Transfer Complaints	100%

This table illustrates that the most common type of money transfer complaint is about fraud or scams. In these cases, the consumer is prompted to send funds as a result of a scam, and someone other than the consumer's intended recipient ultimately receives the funds. For example, consumers often complain that they were prompted to transfer funds in response to a request for help from a family member or friend, for the purchase of goods or services, the rental of an apartment, a loan, a job opportunity, or to pay taxes on lottery earnings. In response to such complaints, companies claim no liability when someone other than the intended recipient receives the funds, as long as the company complied with its policies and procedures and the minimum identification requirements were satisfied by the recipient. Another common type of complaint involves other transaction issues, such as the refusal to cancel transactions or honor refunds the consumer believes the company should provide them.

3.11 Consumers' prepaid card complaints

Figure 19 and Table 10 show the types of prepaid card complaints reported by consumers for the approximately 800 prepaid card complaints the CFPB received in 2014.¹⁶

FIGURE 19: TYPES OF PREPAID CARD COMPLAINTS REPORTED BY CONSUMERS



¹⁶ CFPB began accepting complaints about prepaid cards on July 19, 2014.

TABLE 10: TYPES OF PREPAID CARD COMPLAINTS REPORTED BY CONSUMERS

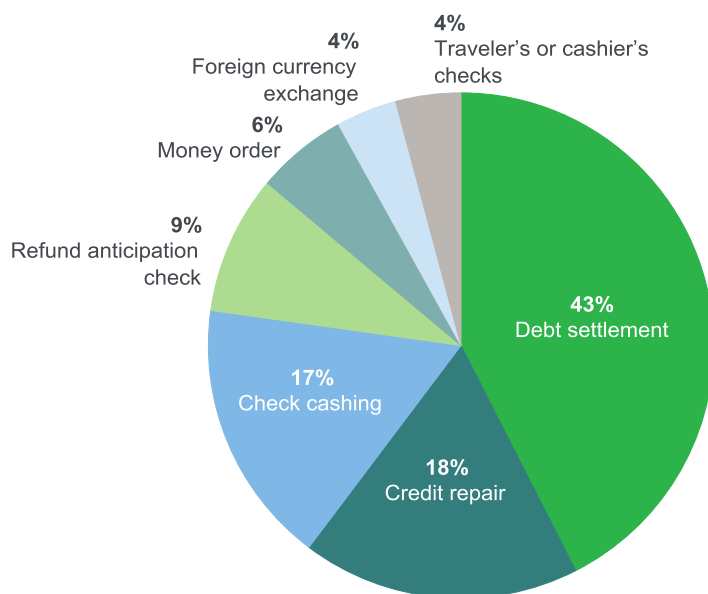
Types of prepaid card complaints	%
Managing, opening, or closing your account	29%
Unauthorized transactions or other transaction issues	28%
Fraud or scam	26%
Fees	8%
Adding money	4%
Advertising, marketing, or disclosures	3%
Overdraft, savings or rewards features	2%
Total Prepaid Card Complaints	100%

The most common type of prepaid card complaint involved managing, opening, or closing a prepaid card account. Another type of complaint was about unauthorized transactions or other transaction issues. Consumers also commonly complain about frauds and scams in relation to prepaid cards. Some consumers are frustrated that they are charged an inquiry fee when they call to obtain the balance on the card. Many consumers appear to be confused about the application of various fees related to the maintenance of the account, including fees that are assessed when funds are deposited on the card or withdrawn from the card. Consumers also complained that they did not know that prepaid cards expire and that they have experienced differences in error resolution procedures among issuers. The remaining complaints involved issues with adding money to a reloadable prepaid card, dealing with misleading advertising or marketing, or not being properly compensated on rewards.

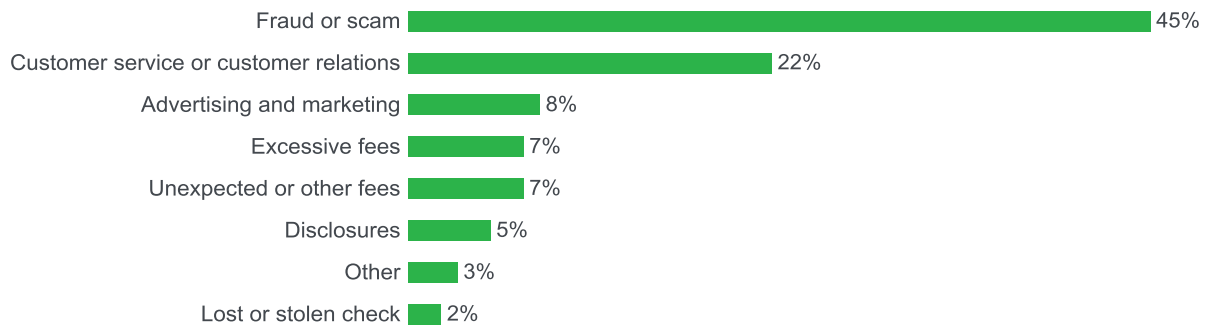
3.12 Other financial services complaints

Figures 20 and 21 and Table 11 show the types of other financial services complaints reported by consumers for the approximately 600 other financial services complaints the CFPB received in 2014.¹⁷

FIGURE 20: TYPES OF OTHER FINANCIAL SERVICES CONSUMERS COMPLAINED ABOUT



¹⁷ CFPB began accepting complaints about check cashing, credit repair, debt settlement, foreign currency exchange, money orders, refund anticipation checks, and travelers' and cashiers' checks on July 19, 2014.

FIGURE 21: TYPES OF OTHER FINANCIAL SERVICES COMPLAINTS REPORTED BY CONSUMERS**TABLE 11: TYPES OF OTHER FINANCIAL SERVICES COMPLAINTS REPORTED BY CONSUMERS**

Types of other financial services complaints	%
Fraud or scam	45%
Customer service/Customer relations	22%
Advertising and marketing	8%
Unexpected/Other Fees	7%
Excessive Fees	7%
Disclosures	5%
Lost or stolen check	2%
Other	3%
Total Other Financial Services	100%

Of the 600 other financial services complaints submitted by consumers, approximately 45% dealt with fraud or scams. Approximately 22% of complaints were about customer service issues, while approximately 8% of complaints dealt with advertising and marketing issues. The remaining complaints for other financial services involved issues with unexpected and excessive fees, disclosures, and lost or stolen checks.

3.13 How companies respond to consumer complaints

Approximately 156,600 (or 62%) of all complaints received between January 1, 2014 and December 31, 2014 were sent by Consumer Response to companies for review and response.¹⁸ Table 12 shows how companies responded to these complaints during this time period.

Company responses include descriptions of steps taken or that will be taken, communications received from the consumer, any follow-up actions or planned follow-up actions, and a categorization of the response. Response category options include “Closed with monetary relief,” “Closed with non-monetary relief,” “Closed with explanation,” “Closed,” “In progress,” and other administrative options. “Monetary relief” is defined as objective, measurable, and verifiable monetary relief to the consumer as a direct result of the steps taken or that will be taken in response to the complaint. “Closed with non-monetary relief” indicates that the steps taken by the company in response to the complaint did not result in monetary relief to the consumer that is objective, measurable, and verifiable, but may have addressed some or all of the consumer’s complaint involving non-monetary requests. “Non-monetary relief” is defined as other objective and verifiable relief to the consumer as a direct result of the steps taken or that will be taken in response to the complaint. “Closed with explanation” indicates that the steps taken by the company in response to the complaint included an explanation that was tailored to the individual consumer’s complaint. For example, this category would be used if the explanation substantively meets the consumer’s desired resolution or explains why no further action will be taken. “Closed” indicates that the company closed the complaint without relief – monetary or non-monetary – or explanation. Consumers are given the option to review and provide feedback about company closure responses.

Companies have responded to approximately 94% of complaints¹⁹ sent to them and report having closed 90% of the complaints sent to them. Table 12 shows how companies have responded.

¹⁸ The remaining complaints have been referred to other regulatory agencies (25%), found to be incomplete (10%), or are pending with the consumer or the CFPB (1% and 2%, respectively).

¹⁹ Companies have responded to approximately 147,100 of the 156,600 sent to them for response.

TABLE 12: HOW COMPANIES HAVE RESPONDED TO CONSUMER COMPLAINTS

	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Closed (without relief or explanation)	Administrative response	Company reviewing	Company did not provide a timely response
Debt collection	2%	16%	66%	4%	1%	3%	9%
Mortgage	2%	3%	81%	2%	4%	4%	3%
Credit reporting	1%	32%	61%	0%	1%	4%	0%
Bank account or service	20%	5%	66%	3%	1%	3%	1%
Credit card	21%	10%	60%	0%	2%	3%	3%
Consumer loan	7%	8%	75%	1%	1%	4%	4%
Student loans	6%	8%	76%	0%	1%	4%	4%
Money transfers	11%	3%	76%	1%	2%	5%	2%
Payday loan	3%	5%	70%	2%	5%	3%	12%
Other financial services	9%	4%	69%	1%	3%	8%	7%
Prepaid	29%	4%	54%	1%	2%	7%	4%
All	6%	13%	70%	2%	2%	4%	4%

TABLE 13: UNTIMELY COMPANY RESPONSES AS A PERCENTAGE OF COMPLAINTS SENT TO COMPANY

	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Closed (without relief or explanation)	Administrative response	Company reviewing	No response
Debt collection	1%	10%	66%	7%	2%	0%	14%
Mortgage	1%	2%	77%	4%	11%	0%	5%
Credit reporting	2%	13%	73%	0%	5%	4%	3%
Bank account or service	10%	2%	71%	5%	8%	0%	4%
Credit card	23%	7%	68%	1%	1%	0%	1%
Consumer loan	7%	3%	73%	3%	4%	1%	9%
Student loans	1%	3%	90%	2%	1%	2%	1%
Money transfers	22%	0%	63%	0%	7%	0%	7%
Payday loan	4%	2%	47%	5%	14%	0%	28%
Other financial services	17%	0%	58%	0%	0%	0%	25%
Prepaid	19%	0%	81%	0%	0%	0%	0%
All	3%	7%	69%	5%	5%	0%	10%

Companies sometimes report providing an amount of monetary relief, where applicable. As of December 31, 2014, companies report providing relief in response to more than 9,050 complaints. For companies which have reported monetary relief, the median amount of relief reported was \$148; however, the amount varies by product, ranging from a median of \$475 in relief for mortgage complaints to \$24 in relief for credit reporting complaints.

TABLE 14: MONETARY RELIEF REPORTED BY COMPANIES

Product	Number of complaints	Median amount
Debt collection	670	\$363
Mortgage	1,000	\$475
Credit reporting	200	\$24
Bank account and service	3,060	\$105
Credit card	3,140	\$121
Private student loan	270	\$200
Payday	70	\$319
Consumer loan	400	\$253
Money transfer	130	\$97
Prepaid card	100	\$200
Other financial services	10	\$2,298
Overall	9,050	\$148

Companies sometimes report providing non-monetary relief in response to complaints, such as:

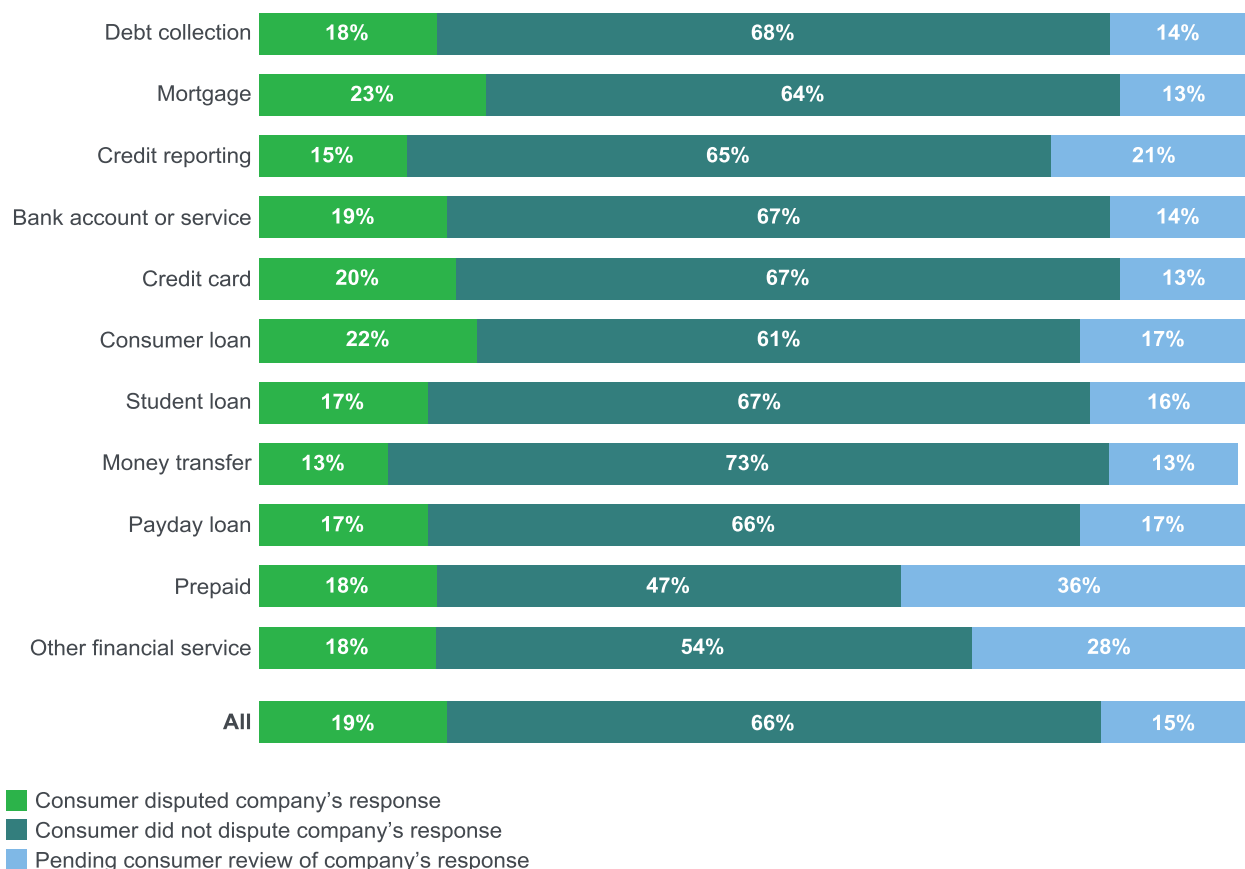
- providing mortgage foreclosure alternatives that do not have direct monetary value to the consumer, but that help them to keep their home;
- stopping harassment from debt collectors;
- cleaning up consumers' credit reports by correcting submissions to credit bureaus; restoring or removing a credit line;
- correcting account information, including in credit reports; and
- addressing formerly unmet customer service issues.

3.14 Consumers' feedback about companies' responses

Once the company responds, the CFPB provides the company's response to the consumer for review. Where the company responds "Closed with monetary relief," "Closed with non-monetary relief," "Closed with explanation," or "Closed," consumers are given the option to provide feedback on the company's response. Figure 22 shows how consumers responded to the approximately 141,200 complaints where they were given the option to provide feedback.

Approximately 19% of consumers disputed the response provided by the company while approximately 66% did not dispute the response during the feedback period. The rest were pending with consumers at the end of December 31, 2014.

FIGURE 22: CONSUMER FEEDBACK ABOUT COMPANY RESPONSES



3.15 Consumer Response investigation and analysis

After requesting that companies respond to complaints sent to them for response and giving consumers the opportunity to review and provide feedback on company responses, Consumer Response prioritizes complaints for investigation based on a review of the complaint, the company's response, and the consumer feedback. Consumer Response seeks to determine why a company failed to provide a timely response (if applicable) and whether the consumer's feedback of the company's response (if applicable) justifies additional review of the company's minimum required actions under the consumer financial protection laws within the CFPB's authority. In the course of an investigation, Consumer Response may ask companies and consumers for additional information. In some cases, Consumer Response has referred complaints to colleagues in the CFPB's Division of Supervision, Enforcement, and Fair Lending & Equal Opportunity for further consideration.

4. Conclusion

Listening to consumers and reviewing and analyzing their complaints is an integral part of the CFPB's work in understanding issues in the financial marketplace, and helping the market work better for consumers. The information shared by consumers and companies throughout the complaint process informs the Bureau about business practices that may pose risks to consumers and helps the Bureau in its work to supervise companies, enforce Federal consumer financial laws, and write better rules and regulations.

Credit reporting case study

Consumer Response Annual Report | January 1 – December 31, 2014



Consumer Financial
Protection Bureau

5. Consumers' credit reporting complaints²⁰

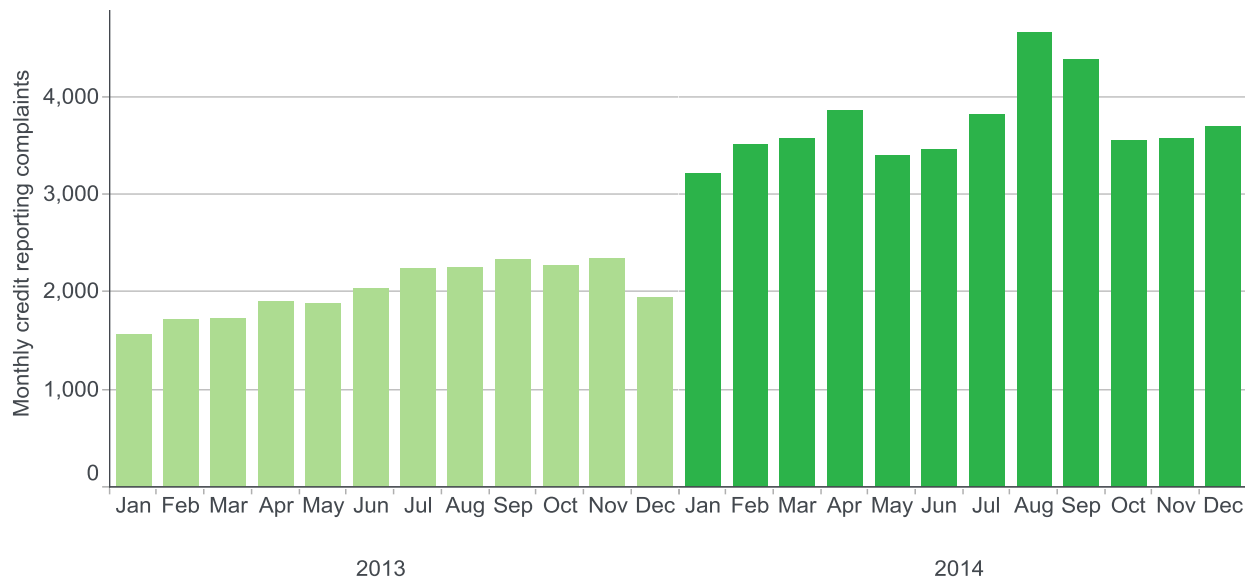
Over the past year, the CFPB has handled thousands of credit reporting complaints. The majority of these consumers continue to express concerns with the accuracy of their credit reports and the ability of the three nationwide credit reporting companies to correct perceived errors. Although consumers complain about accuracy problems involving a variety of financial products, from mortgages to student loans to collections, credit reporting complaints are unique because they shed light on problems consumers experience related to multiple financial products over the consumer's entire credit history. Because of this complexity, credit reporting complaints reflect the many different ways in which incorrect information on a credit report can negatively impact consumers.

5.1 Complaint volume and issues

Credit reporting complaint volume increased from approximately 24,200 complaints in 2013 to 44,700 in 2014 — an 85% increase.

²⁰ Consumers can submit complaints about various types of consumer reporting agencies, including the three nationwide credit reporting agencies and specialty reporting agencies. This section of the Annual Report satisfies the requirement of Fair Credit Reporting Act (FCRA) section 611(e), 15 U.S.C. § 1681i(e), that the Bureau submit an annual report to Congress about the information gathered about nationwide credit reporting agencies' responses to credit reporting completeness and accuracy complaints. A list of credit reporting agencies may be found here: http://files.consumerfinance.gov/f/201501_cfpb_list-consumer-reporting-agencies.pdf

FIGURE 23: MONTHLY CREDIT REPORTING COMPLAINT VOLUME 2013 AND 2014



A number of factors may have contributed to the growth in complaint volume between 2013 and 2014, including increased consumer access and awareness about credit reporting issues, the availability of the Consumer Complaint Database, and changes in consumer complaint handling by credit reporting agencies.

For example, the Bureau’s website provides information about how to obtain a free credit report through AnnualCreditReport.com. In December 2013, AnnualCreditReport.com began providing information about how to submit complaints to the CFPB. Additionally, a growing number of financial institutions have begun providing free access to credit scores and reports. This increased access contributes to consumer awareness of credit reporting generally and specific errors that may exist on consumers’ credit reports, prompting consumers to take action to correct their credit reports. A number of corporate data breaches may also have contributed to increased awareness of credit reports, as credit monitoring is sometimes provided to affected consumers as a form of relief.

When submitting credit reporting complaints to the Bureau, consumers can select from 5 general issues and 21 corresponding sub-issues. Despite the 85% increase in total complaints in 2014, the distribution of issues chosen by consumers has remained relatively consistent as shown in Table 15 below. As in the previous year, the majority of consumers’ complaints involve

incorrect information on their credit report. Despite this consistency, it is worth noting that complaints about the credit reporting agencies' investigations of disputes declined relative to other issues.²¹

TABLE 15: TYPES OF CREDIT REPORTING COMPLAINTS REPORTED BY CONSUMERS, 2013 AND 2014

Types and sub-types	2013 Percent of Total	2014 Percent of Total	Percent of Total Change
Incorrect information on credit report	72.6%	77.1%	4.5%
Account status	36.6%	39.0%	2.4%
Information is not mine	19.2%	21.1%	1.9%
Account terms	6.7%	6.7%	<0.1%
Public record	4.3%	4.5%	0.1%
Personal information	3.4%	3.6%	0.2%
Reinserted previously deleted info	2.2%	2.1%	-0.2%
Credit reporting company's investigation	11.0%	7.7%	-3.2%
Problem with statement of dispute	4.4%	3.3%	-1.1%
No notice of investigation status/result	4.4%	2.8%	-1.7%
Investigation took too long	1.2%	0.8%	-0.4%
Inadequate help over the phone	0.9%	0.9%	<0.1%
Unable to get credit report/credit score	9.0%	7.8%	-1.2%

²¹ While the data do not show this definitively, it is possible that enhancements to E-OSCAR (the Online Solution for Complete and Accurate Reporting)—an online dispute handling system developed and utilized by Equifax, Experian, Innovis and TransUnion—contributed to this change. Specifically, E-OSCAR now allows for documents submitted by consumers to be forwarded to data furnishers along with the dispute codes that were previously forwarded.

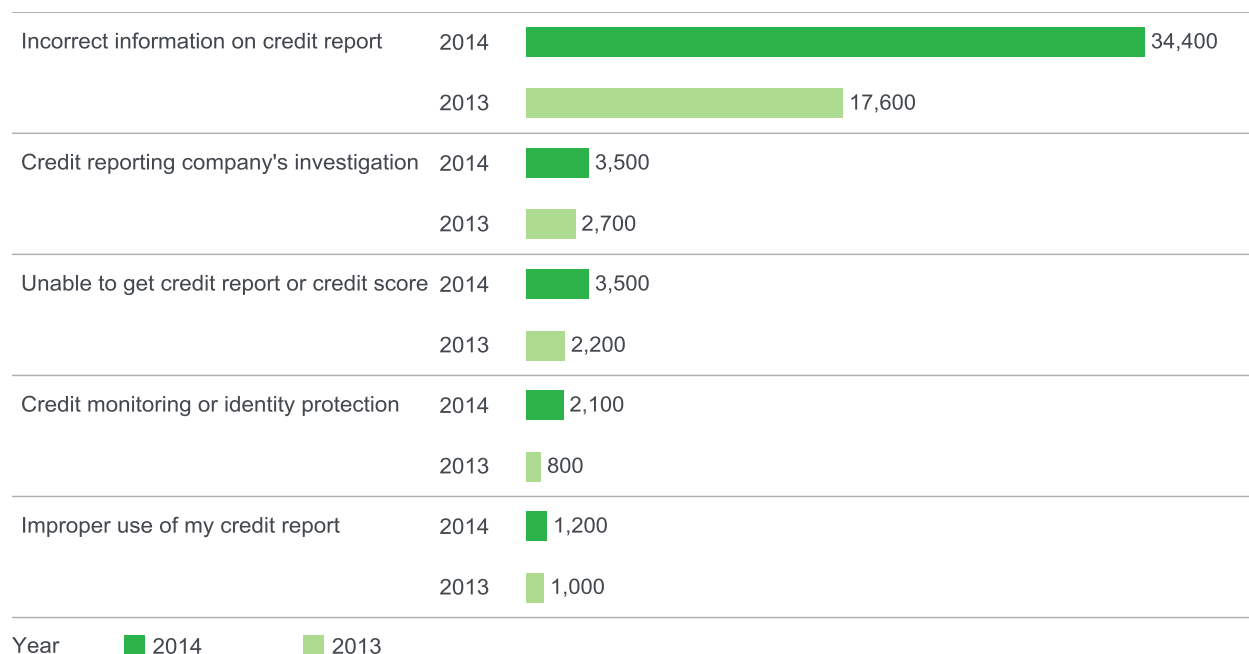
Problem getting my free annual report	5.3%	4.9%	-0.4%
Problem getting report or credit score	3.7%	2.9%	-0.8%
Credit monitoring or identity protection	3.4%	4.6%	1.2%
Problem with fraud alerts	1.5%	1.4%	-0.1%
Account terms and changes	0.5%	1.9%	1.4%
Billing dispute	0.7%	0.7%	<0.1%
Problem cancelling or closing account	0.5%	0.4%	-0.1%
Receiving unwanted marketing/advertising	0.2%	0.3%	0.1%
Insurance terms	<0.1%	<0.1%	<0.1%
Improper use of my credit report	4.1%	2.8%	-1.3%
Report improperly shared by Credit Reporting Agency	3.6%	2.6%	-1.1%
Report shared with employer w/o consent	0.2%	0.1%	-0.1%
Received marketing offer after opted out	0.2%	0.1%	-0.1%
Total	100%	100%	100%

In 2014, nearly all complaint issues experienced a year over year increase compared with 2013. Although the overall distribution of complaints was similar between 2013 and 2014, complaints about “Credit monitoring or identity protection”²² and complaints about “Incorrect information on credit report” had larger increases in 2014 than others, as shown in Figure 24 below. The largest increase for complaints involving credit monitoring or identity protection was seen in the

²² Given the relatively small volume of complaints for this issue, we cannot determine to what extent this large increase is driven by market factors. As mentioned above, credit monitoring products are sometimes provided as a form of relief in class action settlements over corporate data breaches, which may provide a partial explanation.

account terms and changes sub-issue. For complaints about incorrect information, the complaints remained distributed relatively consistently between the various available sub-issues from 2013 to 2014.

FIGURE 24: 2013 AND 2014 COMPLAINT VOLUME BY ISSUE



5.2 Market distribution of complaints

Figure 25 below groups the consumer reporting complaints routed to companies into three subgroups: nationwide credit reporting agencies, data furnishers (*i.e.*, companies that provide information to credit reporting agencies), and other credit reporting agencies.²³ As in previous years, the nationwide credit reporting agencies (*i.e.*, Equifax, Experian, and Transunion) received the majority (96%) of credit reporting complaints that were sent to companies. For complaints sent to data furnishers, the numbers below reflect only the total number of consumer complaints related to credit reporting. A number of other complaints where the consumer

²³ The Bureau also received and routes a small number of complaints to companies that do not fit these descriptions.

selected a product other than credit reporting (such as bank accounts) also involve credit reporting issues.

FIGURE 25: COMPLAINTS SENT TO COMPANIES BY COMPANY SUBGROUP²⁴

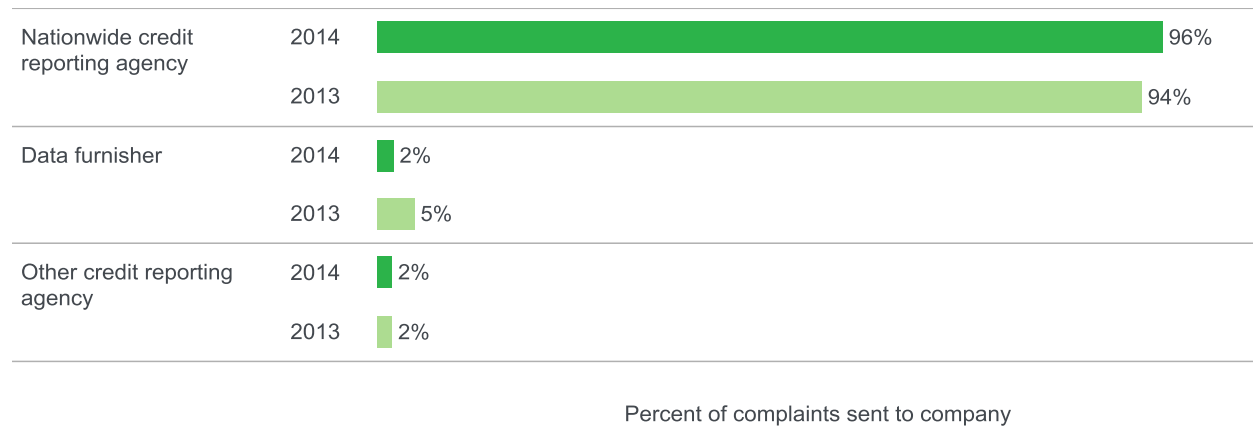


Table 16 below shows the annual volume of credit reporting issues at the three nationwide credit reporting agencies by issue and sub-issue. The volume break down for both issues and sub-issues is generally similar for most issues. However, some differences are apparent. Consumers who submit complaints about Equifax are 54% more likely to select “Unable to get credit report/credit score” as their primary issue as compared with Experian.²⁵ Also, consumers who submit complaints about Experian are 45% more likely to select complaints about “Did receive a notice of investigation results” than Equifax.²⁶

²⁴ Other credit reporting agencies (CRA) refers to credit reporting agencies, generally. Nationwide credit reporting agencies (NCRA) refers specifically to Experian, Equifax, and Transunion.

²⁵ 12.7% and 8.2%, respectively.

²⁶ 4.5% and 3.5%, respectively.

TABLE 16: COMPLAINTS BY CREDIT REPORTING AGENCY AND ISSUE

Types of credit reporting complaints	Equifax	Experian	Transunion	Nationwide credit reporting agency total
Incorrect information on credit report	71.1%	74.1%	77.9%	74.2%
Account status	31.6%	34.4%	36.2%	33.9%
Information is not mine	20.5%	20.4%	21.5%	20.8%
Account terms	6.9%	7.2%	7.9%	7.3%
Public record	5.7%	5.1%	5.4%	5.4%
Personal information	3.6%	4.7%	4.4%	4.3%
Reinserted previously deleted info	2.8%	2.3%	2.5%	2.5%
Credit reporting company's investigation	10.4%	10.9%	8.6%	10.1%
Problem with statement of dispute	5.0%	4.2%	3.7%	4.4%
No notice of investigation status/result	3.1%	4.5%	2.7%	3.5%
Inadequate help over the phone	1.1%	1.0%	1.1%	1.1%
Investigation took too long	1.2%	1.1%	1.0%	1.1%
Unable to get credit report/credit score	12.6%	8.2%	7.3%	9.5%
Problem getting my free annual report	8.5%	5.0%	4.4%	6.0%
Problem getting report or credit score	4.2%	3.2%	2.9%	3.4%
Credit monitoring or identity protection	3.3%	4.0%	3.2%	3.5%
Problem with fraud alerts	1.6%	1.3%	1.2%	1.4%

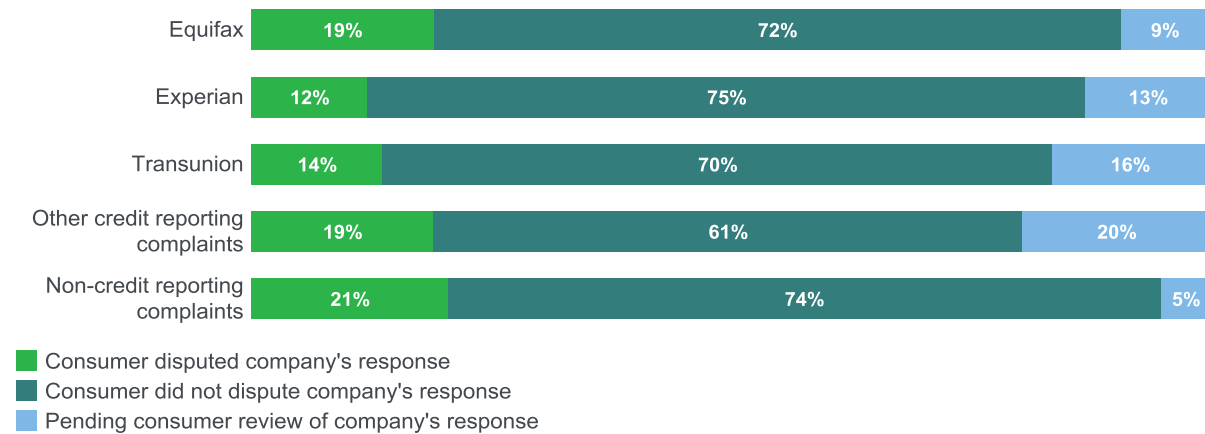
Account terms and changes	0.8%	0.9%	0.8%	0.9%
Billing dispute	0.4%	1.0%	0.6%	0.7%
Problem cancelling or closing account	0.3%	0.6%	0.3%	0.4%
Receiving unwanted marketing/advertising	0.2%	0.2%	0.3%	0.2%
Insurance terms	<0.1%	<0.1%	<0.1%	<0.1%
Improper use of my credit report	2.5%	2.9%	3.0%	2.8%
Report improperly shared by Credit Reporting Agency	2.4%	2.6%	2.9%	2.6%
Report shared with employer w/o consent	<0.1%	0.2%	<0.1%	0.1%
Received marketing offer after opted out	<0.1%	0.1%	<0.1%	<0.1%
Total	100%	100%	100%	100%

5.3 NCRA responses to complaints

After submitting a complaint to the Bureau, consumers are given the option to provide feedback about the company's response. Consumers generally dispute the responses they receive from companies in about 1 in 5 complaints.²⁷ For both Experian and Transunion, dispute rates are lower than the average for other credit reporting companies and for all companies across all products. By contrast, the rate at which consumers dispute responses from Equifax is similar to the dispute rate for all other products.

²⁷ In 2014 the average for all products including credit reporting was 20%.

FIGURE 26: PERCENT OF DISPUTED CREDIT REPORTING COMPLAINTS

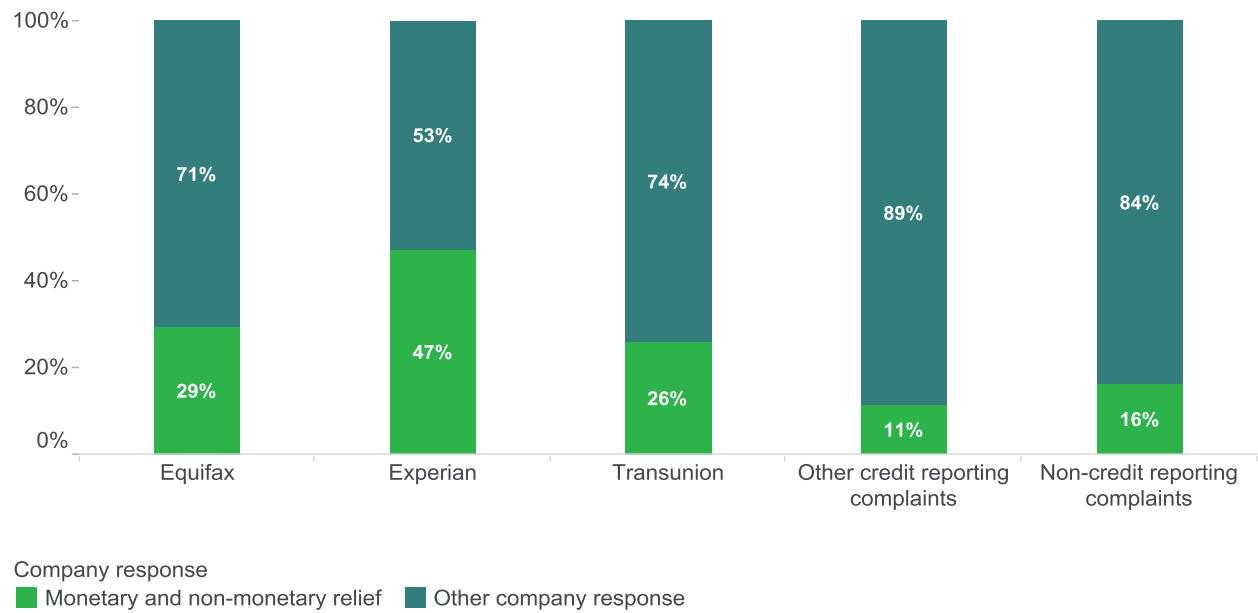


As noted in Figure 27, nationwide credit reporting agencies report that they provide relief at a higher rate than other companies.²⁸ Thirty-four percent of credit reporting complaints are closed with relief compared to 16% for all other products. One reason that relief rates for consumers may be higher for credit reporting complaints than for other complaints is that nationwide credit reporting agencies frequently provide free copies of consumers' credit reports in response to consumer complaints. A free copy of the consumer's credit report is considered a form of non-monetary relief. This is also reflected in the distribution of relief between issues in credit reporting. Consumers who complain about access to their credit report receive relief at a higher rate (55%) than consumers who complain about other credit reporting issues (32%).

Despite the higher rates of overall relief for consumer credit reporting complaints, this relief is unequally distributed between the three nationwide credit reporting agencies, with Experian providing relief to consumers at a higher rate than either Transunion or Equifax.

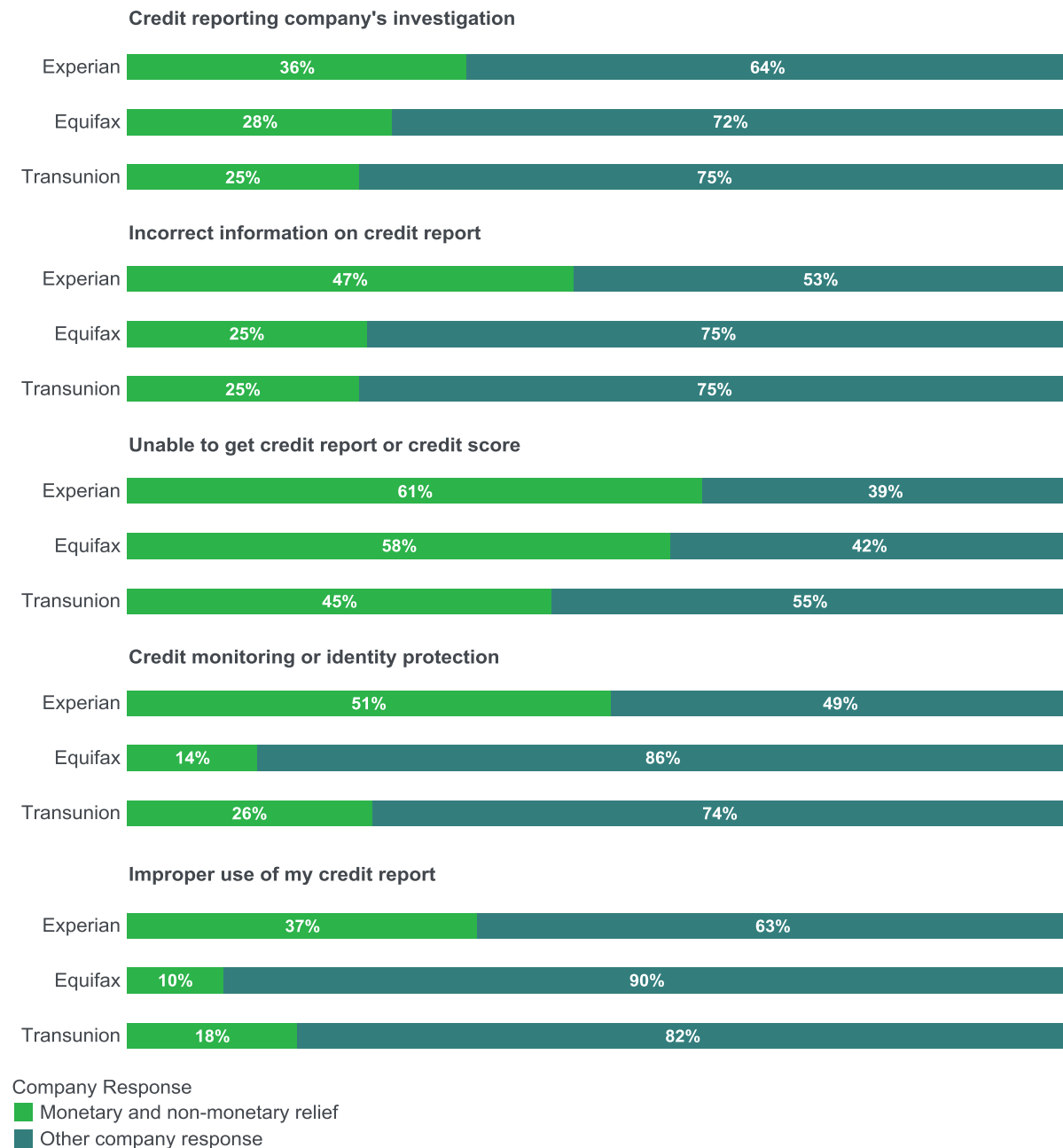
²⁸ Companies can report the closure of complaints with a variety of closure statuses. Two statuses indicate that a consumer was provided relief: "closed with monetary relief" and "closed with non-monetary relief." The figures below combine both sorts of relief into one more general category. For credit reporting the vast majority of relief provided is in the form of non-monetary relief.

FIGURE 27: PERCENTAGE OF RELIEF FOR CREDIT REPORTING COMPLAINTS



As shown in Figure 28 below, differences in relief rates reported by nationwide credit reporting agencies are consistent across all issues.

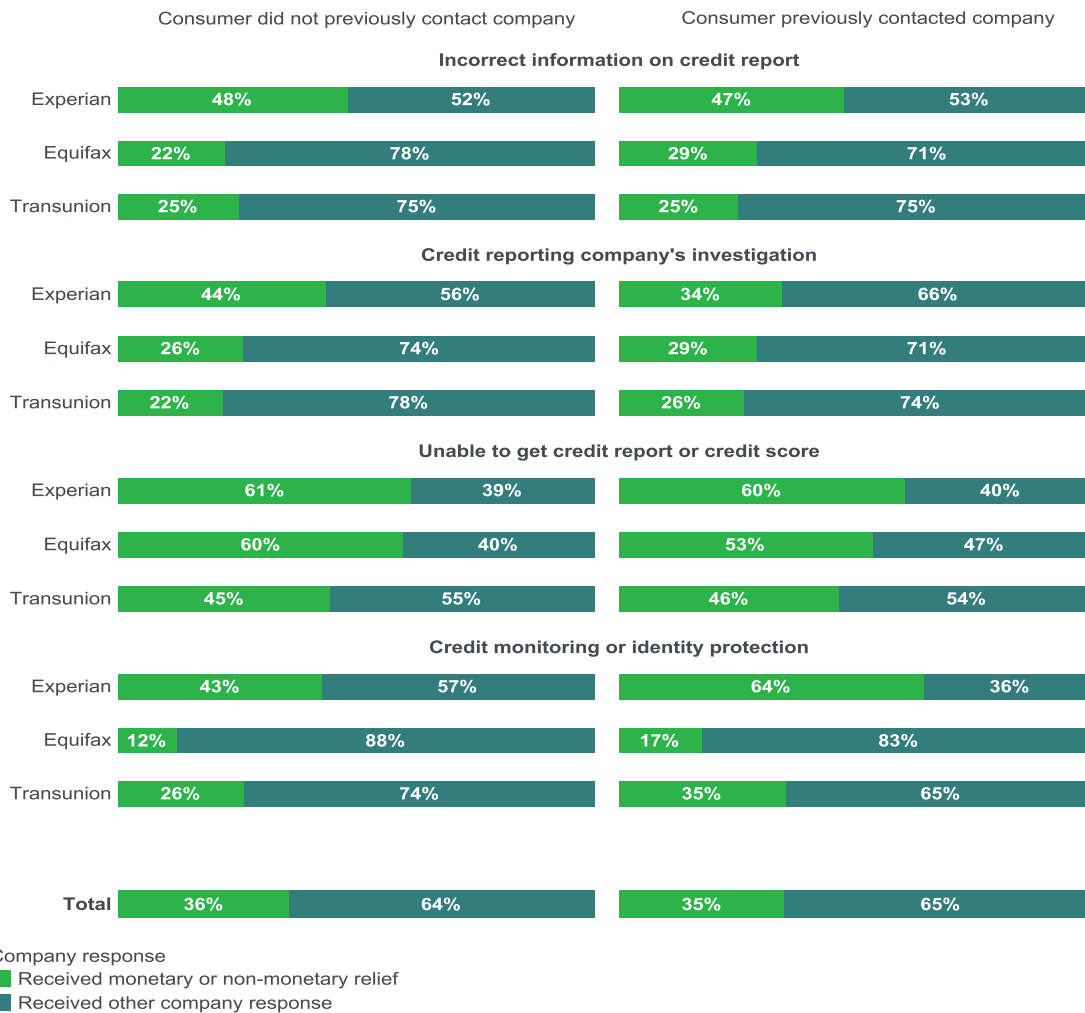
FIGURE 28: PERCENTAGE OF RELIEF BY NATIONWIDE CREDIT REPORTING AGENCY AND ISSUE



When submitting a credit reporting complaint, consumers are asked whether they have previously filed a dispute against the credit reporting agency and received a final resolution.²⁹ In 2014, across all credit reporting issues, nearly 41% of consumers report having previously contacted the company to address their issue. As Figure 29 below demonstrates, companies report having provided relief at about the same rate both for consumers who previously attempted to resolve the issue and those that did not.

²⁹ Although the term “dispute” has a specific meaning within the context of the FCRA, consumers appear to be generally using this field when they have previously contacted the credit reporting agency in an attempt to resolve an issue about which they are submitting a complaint.

FIGURE 29: COMPANY REPORTED RELIEF BY PREVIOUS CONSUMER CONTACT WITH THE COMPANY BY ISSUE



5.4 Investigator Observations

Consumer credit reporting complaints often involve problems with the accuracy of credit reports. In these complaints, consumers express concern about various inaccuracies and delays in correcting information on credit reports.

For example, a large number of consumer complaints concern the accuracy of public records, such as bankruptcies, judgments³⁰, and tax liens. Consumers frequently complain that public records contained on their credit reports are not updated in a timely manner or do not accurately reflect the current status of the public record. These consumers also emphasize the difficulties that they experience when attempting to remedy errors. For example, some consumers report that they personally provided the credit reporting agency with documentation of inaccurate public records on their credit report only to have the contested public record verified as accurate by the nationwide credit ratings agency's public records vendor. This results in delays in correcting inaccuracies on the credit report. Some consumers report that contested public records were corrected only after submitting a complaint to the Bureau.

Different consumer financial marketplaces with different origination, servicing, and collection models result in a diversity of problems for consumers. For example, the Bureau receives a significant number of complaints about the inaccurate reporting of student loans. In many of these cases, consumers report that after their loans were transferred from one servicer to the other, the original loans were still reported as open, conveying the impression that consumers have more student loans than they actually do. Consumers also report loans as being forgiven, but not reported as closed. Some consumers report that the balance or terms of the student loan on their accounts were incorrect, or that consolidated loans were reported incorrectly as multiple individual loans. Consumers report that their credit scores dropped significantly when one missed payment resulted in several delinquencies being reported. Other consumers complain that loan servicers disbursed payments incorrectly. For example, servicers applied an on-time payment to some, but not all of the loans, resulting in collection attempts and negative reporting. Additionally co-signers frequently state that they did not receive notice that negative information would be reported on their account as a result of the primary borrower's failure to keep up with payments.

Beyond complaints involving the accuracy of the information in the credit report, another common type of credit reporting complaint is about the difficulty consumers have in accessing their credit reports. Consumers frequently report that the questions used by the three nationwide credit reporting agencies to authenticate their identity prevented them from accessing their report. Consumers indicate that the questions required to be answered in order

³⁰ It is worth noting that a large proportion of judgments involve debt collection lawsuits.

to obtain the report do not apply to them, that they cannot recall the answer to the questions because the information is old, or that they answered the questions correctly but failed to gain access to their credit report.

Other common types of credit reporting complaints address issues related to the three nationwide credit reporting agencies' investigations of consumer disputes. Consumers who submitted documentation that they state proves the information provided by the furnisher of information was inaccurate complain that the three nationwide credit reporting agencies refused to make corrections to their credit reports. Additionally, consumers complain that reporting agencies would not provide consumers with the source of the incorrect information, preventing them from contacting the furnisher of the erroneous information and correcting the error. Consumers also complain that the three nationwide credit reporting agencies would not block information in their credit reports even when they have submitted an Identity Theft Affidavit. Instead, they conducted an unnecessary reinvestigation of the consumer's dispute, an action that may result in the disputed information remaining on the consumer's report for an additional period of time and expose that consumer to greater harm.

The CFPB continues to help consumers bring their concerns to the attention of companies, and through their complaints, consumers continue to inform the Bureau about credit reporting practices that may harm consumers.