

CONSUMER FINANCIAL PROTECTION BUREAU | APRIL 2021

Complaint Bulletin

County-level demographic overview of consumer complaints



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1. Introduction

In July 2011, the Consumer Financial Protection Bureau (CFPB) began accepting consumer complaints. Since then consumers have submitted approximately 2.9 million complaints to the CFPB about a variety of consumer financial products and services, including more than 700,000 complaints since the declaration of the coronavirus (COVID-19) national emergency on March 13, 2020.¹

Consumer complaints are integral to the CFPB’s work. By collecting, investigating, and responding to consumer complaints, the CFPB hears directly from consumers and can better understand the types of challenges they are experiencing in the marketplace.² The CFPB also has insight into how companies are responding to their customers’ concerns. This information supports the CFPB’s work to supervise companies, enforce federal consumer financial laws, propose rules, identify and assess emerging issues, and develop tools that help empower consumers to make informed financial decisions.

In this *Complaint Bulletin*, the CFPB analyzes complaints submitted by consumers by county.³ Using race and ethnicity estimates from the U.S. Census 2019 American Community Survey, each of the more than 3,000 counties in the United States have been grouped based on the white, non-Hispanic percentage of the population.⁴ Counties where the non-white or Hispanic populations make up 61% or more of the total population are referred to as “predominantly minority counties”; whereas, counties where the non-white or Hispanic populations make up

¹ See Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203 (Dodd-Frank Act), Section 1002(4) (“The term ‘consumer’ means an individual or an agent, trustee, or representative acting on behalf of an individual.”).

² *Id.* § 1021(c)(2).

³ This report is based on dynamic data and may differ from other public reports.

⁴ See U.S. Census 2019 American Community Survey (“2019 American Community Survey”), available at <https://www.census.gov/programs-surveys/acs> (The American Community Survey provides a wide range of important statistics (e.g., race, ethnicity, education, language, employment, etc.) for every community in the nation.).

40% or less of the total population are referred to as “predominantly white, non-Hispanic counties” for the purposes of this *Complaint Bulletin*.⁵

Key findings of this bulletin include:

- In 2020, the CFPB received more complaints per capita from consumers living in predominantly minority counties.
- In 2020, consumers living in predominately minority counties submitted more complaints on a per capita basis in nearly every product category about which the CFPB accepts complaints.
- From 2019 to 2020, complaints increased at a greater rate in predominantly minority counties compared to predominantly white, non-Hispanic counties.

This *Complaint Bulletin* is organized as follows. Section 2 provides an overview of the complaint data used in this report, as well as important considerations for this analysis. Section 3 summarizes complaints submitted by consumers at the county level. Section 4 describes the CFPB’s ongoing work to better understand the communities who are submitting complaints to the CFPB and how the problems they experience vary. Finally, Section 5 highlights consumer resources the CFPB published during the pandemic.

⁵ The 2019 American Community Survey reports on the percentage of the population identifying as *Hispanic, Black or African American, Asian Native Hawaiian and Other Pacific Islander, Some other race* and *Two or more races*.

2. Complaint data

This *Complaint Bulletin* relies primarily on data provided during the consumer complaint process (Section 2.1). Information collected during that process provides a rich dataset to study consumer problems in the marketplace; however, these data should be considered in the context in which they are collected and analyzed (Section 2.2).

2.1 Complaint process

Congress directed the CFPB to facilitate the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products or services.⁶ The CFPB's Office of Consumer Response (Consumer Response) performs this statutorily-mandated function, analyzing and sharing complaint data to inform the marketplace and to empower consumers to take more control over their financial lives.

The CFPB receives consumer complaints through its website, by referral from the White House, congressional offices, and other federal and state agencies, and by telephone, mail, email, and fax.⁷ When consumers [submit complaints online](#) or over the phone, the CFPB asks them to identify the consumer financial product or service with which they have a problem, as well as the type of problem they are having with that product or service.⁸

The CFPB routes consumers' complaints about financial products and services—and any documents they provide—directly to financial companies, and works to get consumers a timely response, generally within 15 days. The CFPB expects companies to provide complete, accurate, and timely responses tailored to the issues described in each consumer's complaint. When a company cannot take action on a complaint—because it was submitted by unauthorized third parties; was the result of fraud, scams or business identity theft; or the company cannot confirm

⁶ See Dodd-Frank Act § 1013(b)(3).

⁷ *Id.*

⁸ In 2020, consumers submitted complaints about a variety of consumer financial products and services: credit or consumer reporting; debt collection; mortgages; credit cards; checking or savings accounts; student loans; money transfers, money services, and virtual currencies; vehicle loans or leases; personal loans; payday loans; prepaid cards; credit repair; and, title loans.

a commercial relationship with the consumer—the company can provide an administrative response that includes a statement or other evidence supporting this response.

As part of its commitment to transparency, the CFPB publishes consumer financial product and service complaints that the CFPB sent to companies for response in the [Consumer Complaint Database](#). Complaints are published after the company responds, confirming a commercial relationship with the consumer, or after 15 days, whichever comes first. Complaints referred to other regulators, such as complaints about depository institutions with less than \$10 billion in assets, are not published in the Consumer Complaint Database. Narratives from complaints are published if the consumer opts to share their narrative publicly and after the CFPB takes steps to remove personal information.

For information about complaints and how the complaint process works, visit consumerfinance.gov or read the [2020 Consumer Response Annual Report](#).

2.2 Considerations

This *Complaint Bulletin* provides a high-level overview of the communities from which the CFPB received complaints in 2020, based on county-level demographic information.⁹ There are certain limitations to this analysis, including:

- The CFPB does not collect race and ethnicity information during the complaint process. Consumers provide their mailing address and have the option to provide their age and servicemember status.¹⁰ This information can be used, along with other public information, to approximate which communities are submitting complaints to the CFPB,

⁹ Researchers have used the public Consumer Complaint Database to better understand experiences across different communities. *See e.g.*, Raval, Devesh, Which Communities Complain to Policymakers? Evidence from Consumer Sentinel (Oct. 2020), *Economic Inquiry*, Vol. 58, Issue 4, pp. 1628-1642, *available at* <http://dx.doi.org/10.1111/ecin.12838>; Begley, Taylor A. and Purnanandam, Amiyatosh, Color and Credit: Race, Regulation, and the Quality of Financial Services (Aug. 2020), *available at* <http://dx.doi.org/10.2139/ssrn.2939923>. Some researchers have also attempted to uncover differences in company responses across different communities. *See e.g.*, Haendler, Charlotte and Heimer, Rawley, The Financial Restitution Gap in Consumer Finance: Insights from Complaints Filed with the CFPB (Jan. 2021), *available at* <http://dx.doi.org/10.2139/ssrn.3766485>. This complaint bulletin will not look at outcomes, such as relief provided to consumers; instead, it will focus on complaint submission rates, changes to those rates over time, and the types of products consumers about which consumers complain. Future work will analyze complaint information at a more granular level than what is published in the public Consumer Complaint Database (Section 4).

¹⁰ “Older consumers” and “servicemembers” are both self-identified. Servicemembers refers to servicemembers, veterans, and military families. “Older consumers” refers to consumers who voluntarily reported their age as 62 or older.

and to identify variations or patterns in problems and issues that different communities experience in the consumer financial marketplace.

- For this analysis, the CFPB relies on county-level race and ethnicity information. Ongoing and future work will explore ZIP code- and census tract-level information to analyze complaint demographics at a more granular level. The results of this Complaint Bulletin are consistent with other studies examining communities that submit complaints to policymakers.¹¹
- In Section 3, complaint counts are sometimes expressed on a per capita basis, based on the population of the county, not the number of consumers of the product in the county. True per capita value would consider only the number of participants in a given market. (For example, credit card complaints would be expressed as a count per credit card holders.)

¹¹ See *e.g.*, Raval, Devesh, *supra* note 9 (study examined data from the Consumer Sentinel Network and found higher complaint rates in more heavily Black, more educated, higher income, older, and more urban communities, and higher rates of complaints from Black and college educated communities for complaints submitted to the CFPB compared to the Federal Trade Commission or the Better Business Bureaus).

3. Complaint analysis

This *Complaint Bulletin* relies on demographic estimates from the U.S. Census 2019 American Community Survey to divide counties into one of five groups based on minority percentage.¹² Minority percentage was calculated for each county by dividing the non-white or Hispanic population by the total population.¹³ Counties where the total percentage of these values was 61% or more are considered predominantly minority counties. Counties where the total percentage was less than or equal to 40% are considered predominantly white, non-Hispanic communities.

Each complaint was mapped to a county, using the mailing address provided by the consumer in their complaint submission, which was then assigned to one of five groups: 1-20%, 21-40%, 41-60%, 61-80%, and 81-100% minority. For example, a complaint submitted by a consumer who reported a mailing address in Chicago, Illinois (Cook County) was assigned to the 41%-60% group. Complaints where the address could not be mapped were excluded from this analysis.¹⁴

COUNTIES BY MINORITY PERCENTAGE

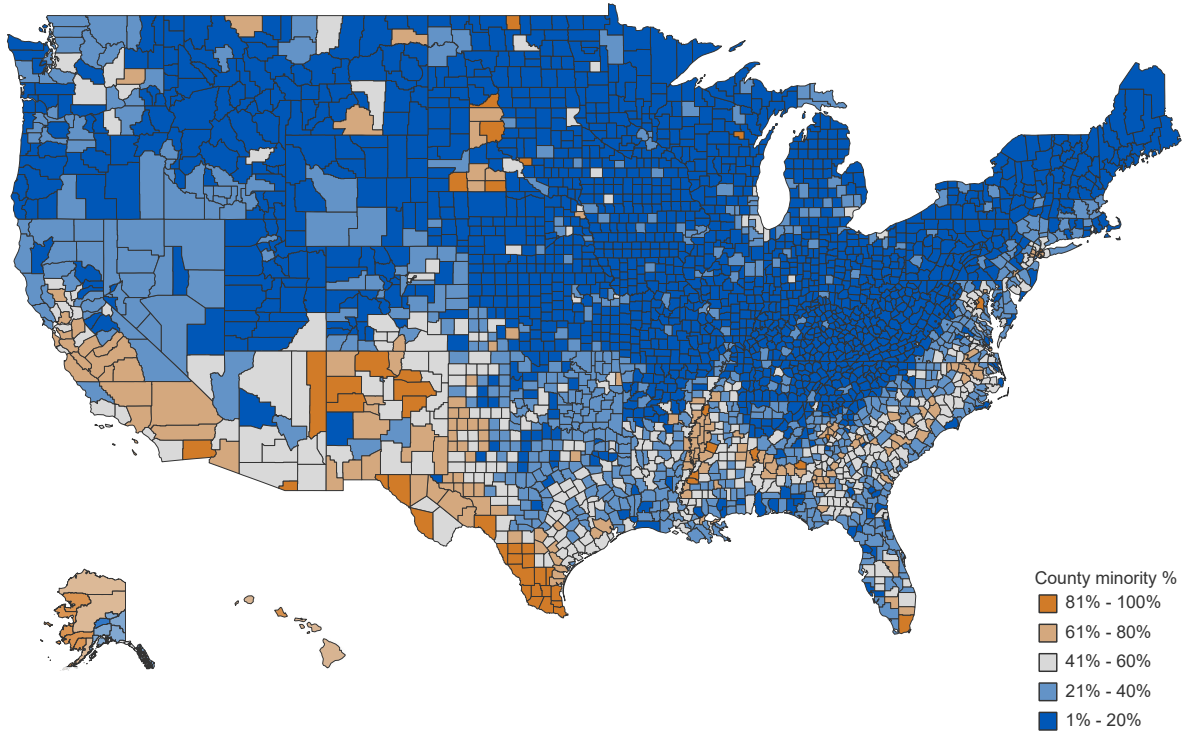
Figure 1 shows the county breakdown based on information provided in the American Community Survey. In this figure, orange denotes predominantly minority counties and blue denotes predominantly white, non-Hispanic counties.

¹² See 2019 American Community Survey, *supra* note 4.

¹³ *Id.*

¹⁴ Approximately 5% of complaints received during 2020 are excluded from this analysis.

FIGURE 1: COUNTIES BY MINORITY PERCENTAGE



The largest group, based on total population, is comprised of counties where 21%-40% of the population is estimated to be a member of a minority group (see Table 1).

COMPLAINTS SUBMITTED BY CONSUMERS BY COUNTY

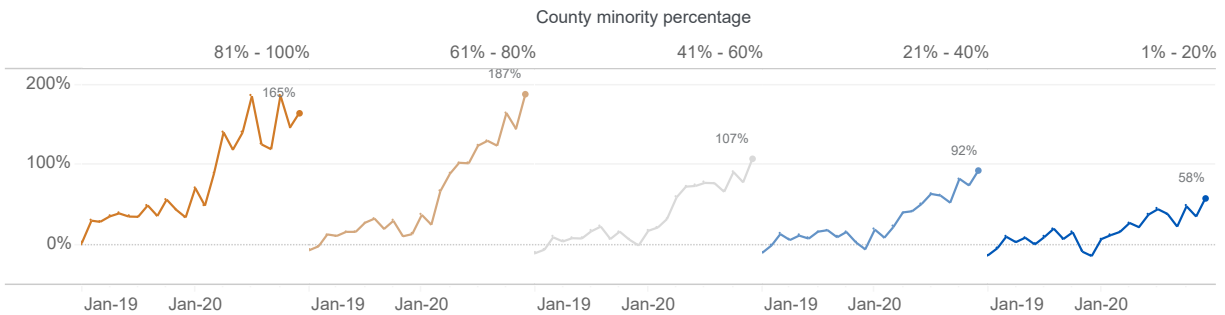
The CFPB received more complaints per capita from consumers living in predominantly minority counties. The largest per capita volume (see Table 1) and rate of increase in complaints from 2019 to 2020 (see Figure 2) were in 61%-80% minority counties. Predominately white counties with a minority population less than 21%, had the fewest complaints per capita and the smallest rate of increase.

TABLE 1: COUNTY GROUPS

County groups (% minority)	Number of counties	2020 complaints	Total Population	Complaints per 100k population
81% - 100%	54	25,502	9,715,906	262.5
61% - 80%	178	153,318	55,617,136	275.7
41% - 60%	401	163,863	84,547,548	193.8
21% - 40%	748	122,826	97,566,911	125.9
1% - 20%	1,761	48,593	77,250,294	62.9
US Total	3,142	514,102	324,697,795	158.3

Figure 2 plots the percentage increase in complaints by share of minority population (indexed to January 2018 complaints).

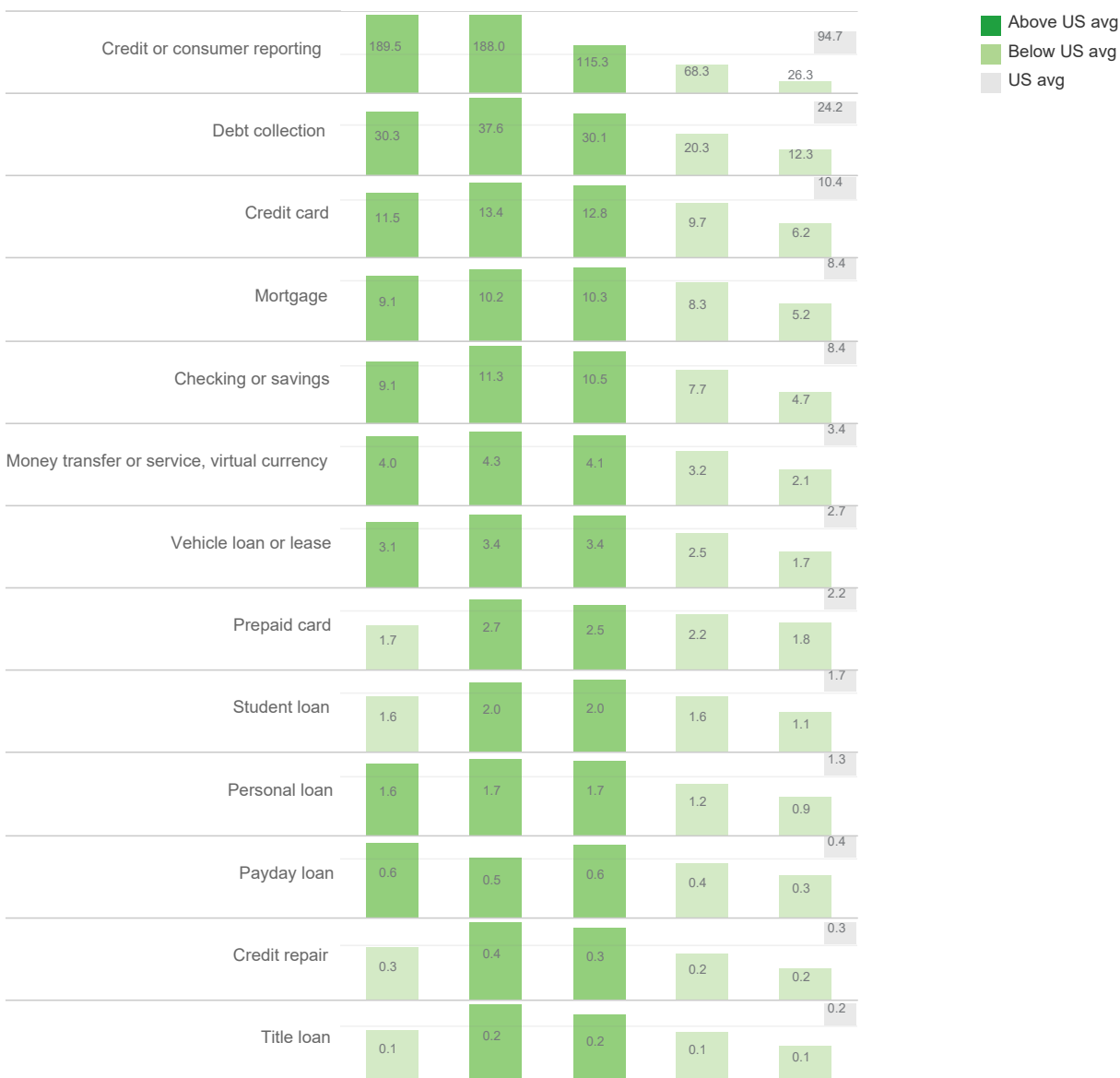
FIGURE 2: COMPLAINT VOLUME PERCENTAGE INCREASE BY MINORITY SHARE, INDEXED TO 2018 COMPLAINT AVERAGE



COMPLAINTS SUBMITTED PER CAPITA BY PRODUCT AND COUNTY

Figure 3 shows the types of products consumers complained about across the five groups. Consumers living in predominantly minority counties submitted more complaints on a per capita basis in nearly every product category. The exceptions were complaints about prepaid cards, student loans, credit repair, and title loans.

FIGURE 3: 2020 COMPLAINT VOLUME PER 100K POPULATION BY PRODUCT AND COUNTY GROUPS



Credit or consumer reporting appears to cause significantly more issues for consumers in predominantly minority counties than in predominately white, non-Hispanic counties. Indeed, credit or consumer reporting complaints are one of only two product categories where the per capita rate of complaints is higher for counties above 81% minority population than counties 61%-80% minority. These consumers complained about credit or consumer reporting at approximately twice the U.S. average. In its 2020 Consumer Response Annual Report, the CFPB noted that a significant portion of credit or consumer reporting complaints are about attempts to address identity theft-related issues. Complaints related to the accuracy and completeness of

information on a consumer's reports, as well as complaints about problems that a consumer encountered in a previous investigation, are also common.¹⁵

Debt collection also appears to cause more issues for consumers in predominantly minority counties than in predominately white communities. The most common debt collection complaint is about attempts to collect a debt that the consumer reports is not owed. In these complaints, consumers described a range of topics, such as being called about debts they do not recognize, attempts to collect a debt that belongs to someone else, and being in collections for services or products they did not receive. Additionally, similar to credit or consumer reporting complaints, consumers often report that a debt in collection was the result of identity theft. Complaints about debt resulting from identity theft have been increasing for several years. In these complaints, consumers often reported that they first learn of the existence of the debt after reviewing their credit reports. Many of these consumers described completing an identity theft report and contacting the collectors listed on their credit report in an attempt to remove the debt.

The CFPB is studying these issues, among others, as it seeks to understand the experiences of diverse communities in the consumer financial marketplace (see Section 4).

¹⁵ See Consumer Fin. Prot. Bureau, Consumer Response Annual Report (Mar. 2021), *available at* https://files.consumerfinance.gov/f/documents/cfpb_2020-consumer-response-annual-report_03-2021.pdf.

4. Future work

Consumer Response is tasked with operating the CFPB’s consumer complaint function and its primary focus is to ensure that the CFPB meets its statutory objective to collect, monitor, and respond to consumer complaints. If current 2021 complaint volume trends continue, Consumer Response expects to handle more than 1 million complaints this year—more than twice the number of complaints handled in 2020, and more than in any previous year.

Consumer Response plans to enhance the complaint form to create a new demographic section that gives consumers the option to provide household size and household income information in addition to age and servicemember information. The CFPB will also explore what additional demographic information may be appropriate to collect via the complaint process, such as race and ethnicity. These enhancements will help the CFPB to better understand who submits complaints today and how that changes over time. Moreover, they may decrease reliance on proxies to understand the range of experiences across different products and across different communities.

Consumer Response is currently exploring how to best understand and highlight the experiences of diverse communities who submit complaints to the CFPB. This work will look at the life cycle of consumer credit—from origination through collections and credit reporting—to understand consumers’ diverse experiences in the marketplace. This work will use census tract-level information to analyze complaint demographics at a more granular level.

5. Consumer resources

In order to ensure consumers have timely and understandable information to make responsible decisions about financial transactions, the CFPB released a variety of resources to help consumers manage their finances during the COVID-19 pandemic. This includes information on new programs aimed at helping struggling consumers during this time. These programs include:

- [Student loan payment suspension](#): Principal and interest payments on federally held student loans are automatically suspended through September 30, 2021
- [Mortgage forbearance](#): Most homeowners can temporarily pause or reduce their mortgage payments if they're struggling financially.
- [Help for renters](#): Federal, state, and local governments are offering help with housing expenses and avoiding eviction.
- [Stimulus payments](#): Congress passed legislation providing financial relief through Economic Impact Payments issued by the Internal Revenue Service.
- [Paycheck Protection Program](#): Congress passed legislation authorizing the Paycheck Protection Program (PPP) designed to provide small businesses with support to continue to keep their workers on the payroll.

The CFPB also has a centralized [webpage](#) with information on how consumers can navigate their finances during the pandemic.