

BUREAU OF CONSUMER FINANCIAL PROTECTION | MARCH 2020

Consumer Response Annual Report

January 1 – December 31, 2019



Message from the Director



I am pleased to present the Bureau of Consumer Financial Protection's (CFPB or Bureau) Consumer Response 2019 Annual Report, as required by Section 1013(b)(3)(C) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

Congress directed us to centralize the collection, monitoring, and response to complaints about consumer financial products and services. During 2019, the Bureau received its 2 millionth complaint and handled approximately 352,400 complaints. Last year alone more than 3,200 bank and nonbank financial companies responded to their customers through the Bureau's complaint process, providing timely responses to 99 percent of the more than 285,400 complaints sent to them for response.

Since being confirmed as the Bureau's Director, I have emphasized how our Office of Consumer Response's monitoring and analysis of complaints inform the Bureau's use of its primary tools – education, regulation, supervision, and enforcement. Complaints play an integral role in how the Bureau uses its tools and provide transparency for the marketplace through the public Consumer Complaint Database. Through the database, the Bureau shares with the public de-identified information about complaints sent to banks and nonbank financial companies for response. Complaints are added to the database after the company responds to the complaint, confirming a commercial relationship with the consumer, or after the company has had the complaint for 15 calendar days, whichever comes first.

To hear directly from stakeholders about how the Bureau might enhance its complaint sharing, the Bureau asked for public comment on our complaint publication policies in 2018. We received nearly 26,000 comments from consumers, government and elected officials, community and consumer groups, financial service companies, academics, researchers, market analysts, specialty population groups and privacy groups.

After careful consideration and evaluation of stakeholder feedback and public comment, in September 2019 I announced that I had directed my team to find ways to address concerns expressed by stakeholders and provide the marketplace with better context and transparency, while continuing to advance the interests of consumers. So, we began work to ensure the

database presents consumers' opinions and other information in a fair and accurate way. That same month we expanded and more prominently displayed disclosures to provide better context to the published data. We took these steps because we recognize that complaints are not necessarily representative of all consumers' experiences with a financial product or company. We also took steps to better inform consumers by integrating consumer financial educational resources into the complaint process to help consumers find answers to financial questions on our website before submitting a complaint. While not a requirement, we also encourage consumers to contact the company before submitting a complaint.

In 2020, we will continue our work to add data visualization and trend analytics tools to the database, so it is easier for consumers, researchers, advocates, and other stakeholders, including financial companies, to explore the data and quickly look at the data in a clearer and more powerful interface. These are the kind of tools the Bureau already uses to support our work to regulate consumer financial products and services under existing federal consumer financial laws, enforce those laws judiciously, and educate and empower consumers to make better-informed financial decisions to reach their own life goals. Making these tools available to the public will greatly improve the functionality of the database.

In keeping with our statutory obligations and commitment to transparency, we are issuing this report to inform the public about the insights we have gleaned from complaints to help maintain a financial system that works for all. This report provides needed information about the Bureau's complaint handling process to understand the complaint analyses in context, describes trends observed this year, and highlights notable deviations from the prior year's trends.

Sincerely,

A handwritten signature in blue ink that reads "Kathleen L. Kraninger". The signature is fluid and cursive, with the first name being the most prominent.

Kathleen L. Kraninger

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1. Introduction

One of the primary functions of the Bureau of Consumer Financial Protection (CFPB or Bureau) is collecting, investigating, and responding to consumer complaints.¹ Created by the Bureau, under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Office of Consumer Response (Consumer Response)² maintains procedures to provide timely responses to consumer complaints.³ Consumer Response also analyzes and shares complaint data to inform the marketplace and to empower consumers to take more control over their financial lives.

In 2019, the Bureau received approximately 352,400 consumer complaints.⁴ The Bureau receives consumer complaints through its website, by referral from the White House, congressional offices, and other federal and state agencies, and by telephone,⁵ mail, email, and fax.⁶ Consumers submitted approximately 83% of complaints by visiting the CFPB's website and 7% by calling the CFPB's toll-free telephone number. The remaining 10% were submitted via postal mail, fax, or referral.

When consumers submit complaints online or over the phone, the Bureau 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. This provides information that the Bureau

¹ See Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203 (Dodd-Frank Act), Section 1021(c)(2). See also § 1002(4) (“The term ‘consumer’ means an individual or an agent, trustee, or representative acting on behalf of an individual.”).

² *Id.* § 1013(b)(3)(A).

³ 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.

⁴ This report covers complaints submitted in calendar year 2019 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.

⁵ In addition to taking consumers' complaints and providing complaint status updates over the telephone via a toll-free number, the Bureau also provides consumers with answers to frequently asked questions about consumer financial products and services over the telephone. Representatives at the Bureau's U.S.-based contact center answer consumers' inquiries, providing clear, unbiased answers and pointing them to CFPB-created tools like [Ask CFPB](#) and [Buying a House](#).⁶ The Bureau provides services to consumers in more than 180 languages and to consumers who are deaf, have hearing loss, or have speech disabilities. In 2019, the Bureau received an average of more than 18,500 telephone calls per month.

⁶ See Dodd-Frank Act § 1013(b)(3).

can use to analyze complaints. The Bureau’s complaint form also requires consumers to affirm that the information provided in their complaint is true to the best of their knowledge and belief.

The Bureau encourages consumers to submit complaints through its website whenever possible. The online complaint form helps to ensure completeness of information and enables the Bureau to send the complaint to the named company quickly—on average, in one day or less. The online complaint form allows consumers to attach supporting documentation to their complaint, which often helps companies assess issues raised by consumers. Consumers can also check on the status of their complaint and access relevant educational resources in the web-based Consumer Portal.

The Bureau 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. Secure, web-based Company and Consumer Portals protect consumer privacy and company confidentiality. Where appropriate, the Bureau routes complaint referrals to other federal agencies through the secure, web-based Government Portal.⁷

After a consumer receives the company’s response to their complaint, the consumer can provide feedback on the company’s response by completing an optional survey. Consumers have 60 days from the date the company responded to complete the survey.

Consumers’ complaints and companies’ responses provide the Bureau with near real-time information about the types of challenges consumers are experiencing with financial products and services and how companies are responding to their customers’ concerns. The Bureau used a variety of approaches to identify trends and possible consumer harm in the more than 350,000 complaints received in 2019. Examples include:

- Reviewing cohorts of complaints and company responses to assess the accuracy, timeliness, and completeness of an individual company’s responses to complaints sent to them for response
- Conducting text analytics to identify emerging trends and statistical anomalies
- Visualizing data to highlight geographic and temporal patterns

⁷ Dodd-Frank Act § 1013(b)(3)(A) (“The Director shall coordinate with the Federal Trade Commission or other Federal agencies to route complaints to such agencies, where appropriate.”).

These analyses support the Bureau’s work to supervise companies, enforce federal consumer financial laws, propose rules, and develop tools that help empower consumers to make informed financial decisions. The Bureau also shares consumer complaint information with prudential regulators, the Federal Trade Commission, other federal agencies, and state agencies using the Government Portal.⁸

In keeping with the Bureau’s statutory responsibilities and its commitment to accountability, this report provides information and analysis about complaints received by the Bureau from January 1 through December 31, 2019, including information and analysis about complaint numbers, complaint types, and, where applicable, information about the resolution of complaints.⁹

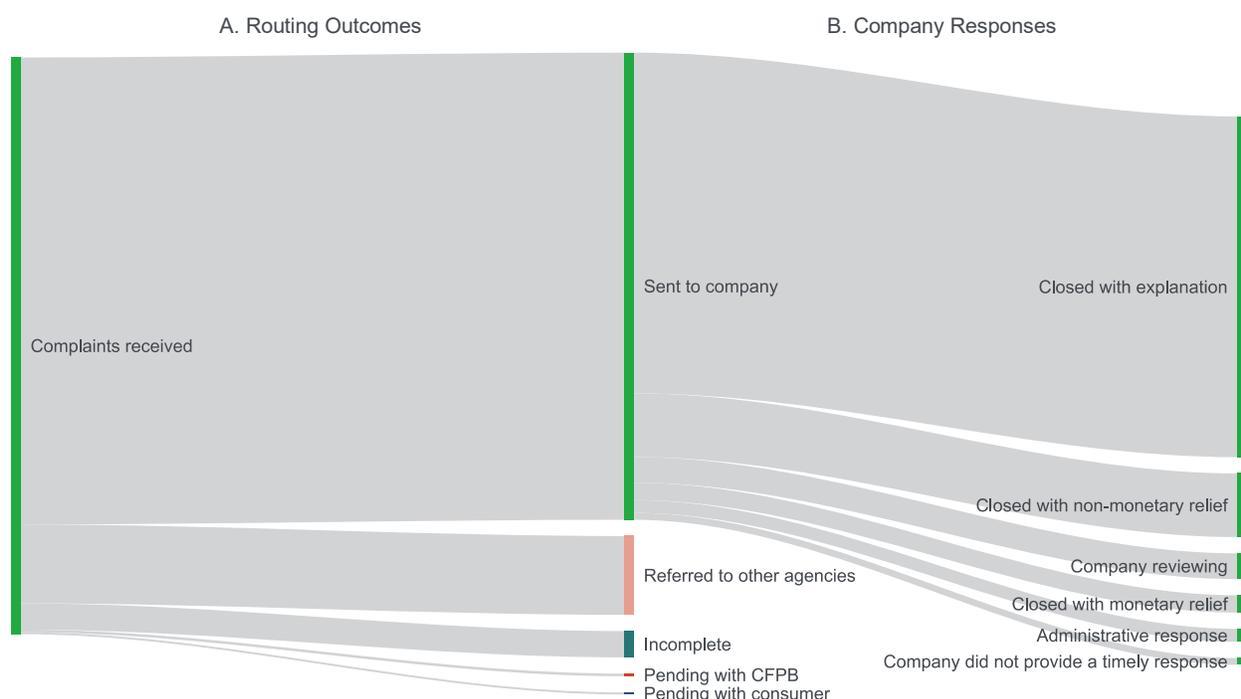
⁸ *Id.* § 1013(b)(3)(D).

⁹ This report fulfills the reporting requirements of Dodd-Frank Act Section 1013(b)(3)(C), which instructs the Bureau to report on the complaints received by the Bureau in the prior year regarding consumer financial products and services. “Complaints received” include those sent to companies for a response and those routed to other federal agencies as required by Section 1013(b)(3)(A). This report also fulfills the reporting requirements of Fair Credit Reporting Act Section 611(e), 15 U.S.C. § 1681i(e).

2. Complaint Numbers

The Bureau received approximately 352,400 consumer complaints in 2019.¹⁰ The Bureau sent approximately 285,400 (or 81%) of these complaints to companies for review and response, referred 14% of complaints received to other regulatory agencies, and found 5% to be incomplete. At the end of 2019, 0.3% of complaints were pending with the consumer and 0.4% were pending with Bureau (see Figure 1A, Routing Outcomes).

FIGURE 1: COMPLAINT OUTCOMES IN 2019



More than 3,200 companies responded to complaints sent to them for review and response by the Bureau in 2019. Companies confirmed a commercial relationship with the named consumer and provided a substantive response to the consumer and the CFPB (i.e., closed with explanation, closed with non-monetary relief, closed with monetary relief) to approximately

¹⁰ This report excludes some complaints that the Bureau received, including multiple complaints submitted by a given consumer on the same issue (i.e., duplicates), whistleblower tips, and complaints the Bureau found were submitted without the consumer’s authorization. Complaint data in this report is current as of January 1, 2020. Complaint numbers are rounded throughout the report; therefore, numbers and percentages may not sum to sub-totals or 100%.

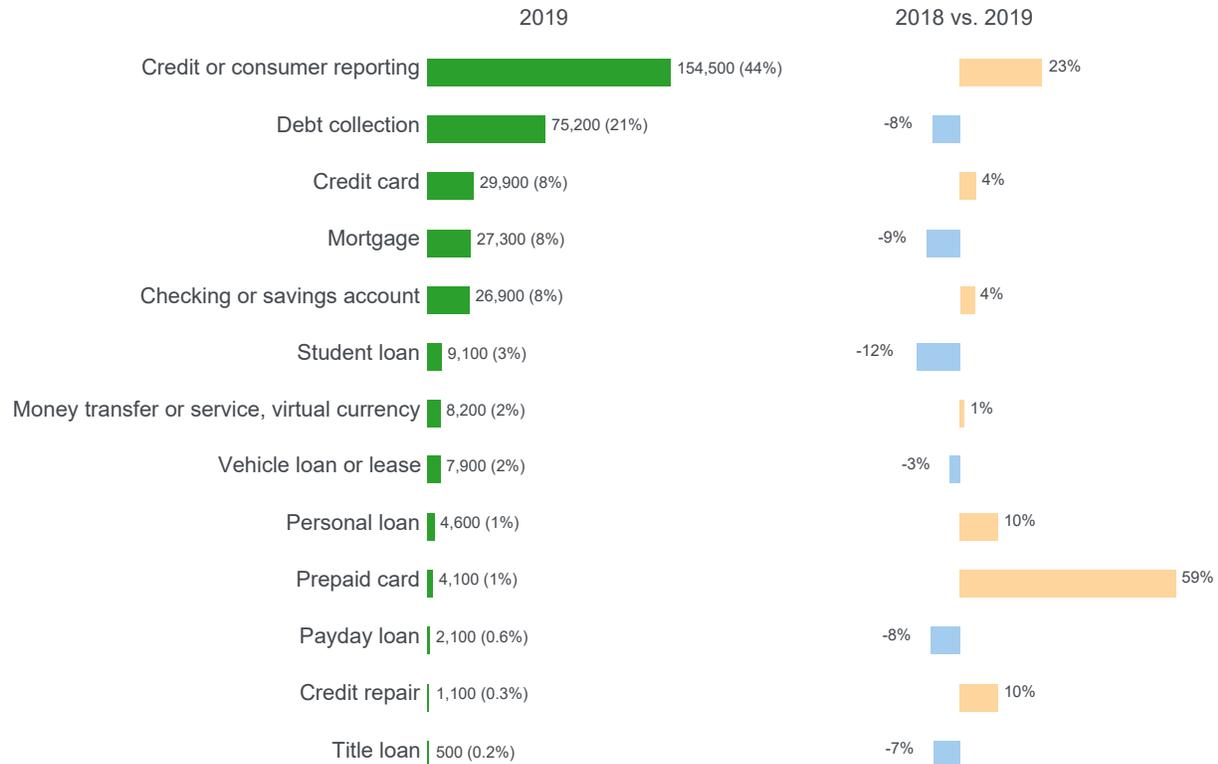
257,700 complaints (see Figure 1B, Company Responses). Companies provided an administrative response to approximately 7,800 complaints. At the end of 2019, approximately 15,700 complaints were being reviewed by companies. In 2019, approximately 4,200 complaints did not receive a timely response. Section 3, Complaint Resolution, provides more details about types of company responses. The remainder of Section 2 analyzes all complaints received by the Bureau by product and issue, and geographic region. It also compares submissions by servicemembers and older consumers to consumer submissions overall.¹¹

¹¹ “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.

Products and Services

As shown in Figure 2, credit or consumer reporting, debt collection, credit card, mortgage, and checking or savings accounts were the most complained about consumer financial product and service categories in 2019. Collectively, these products comprised approximately 89% of all complaints the Bureau received.

FIGURE 2: COMPLAINT VOLUME BY FINANCIAL PRODUCT OR SERVICE¹²

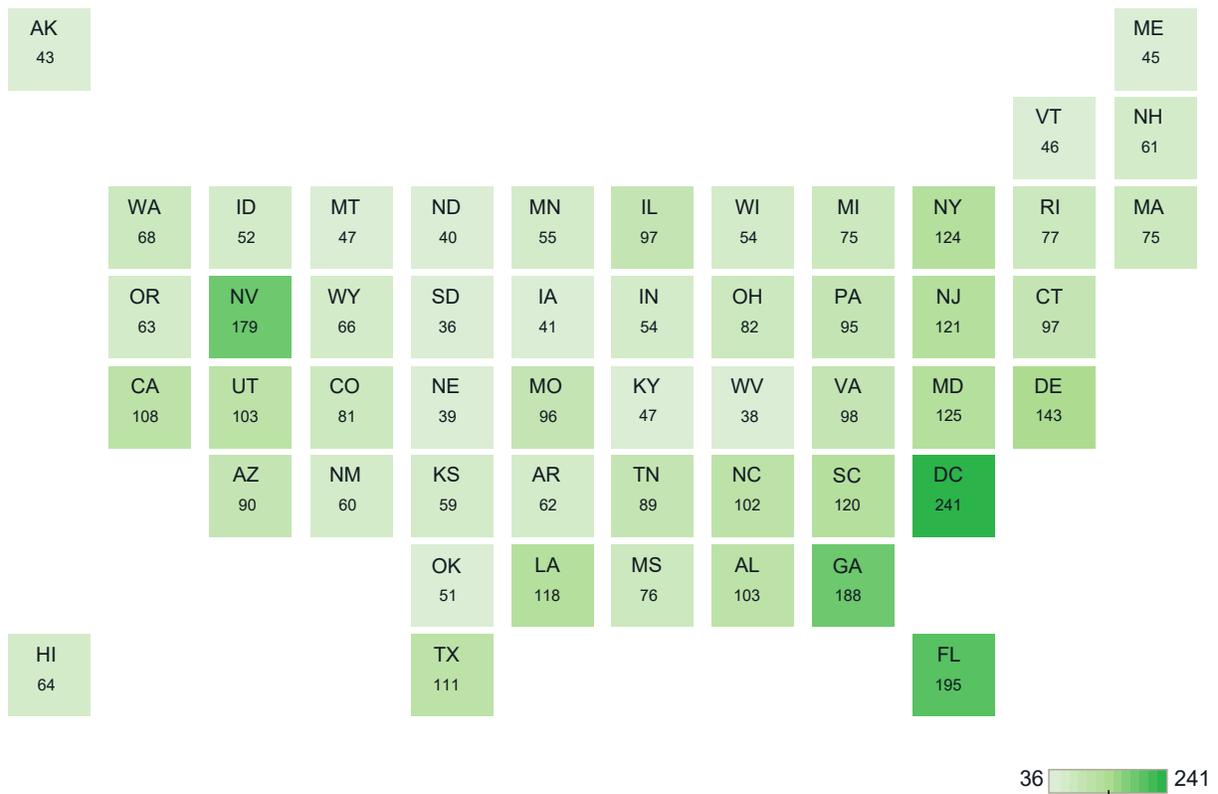


¹² This figure excludes approximately 700 complaints where the consumer did not select a specific consumer financial product or service.

Geographic Region

Consumers from all 50 states and the District of Columbia submitted complaints to the Bureau. To understand state and regional trends, the Bureau analyzes the geographic distribution of complaints after accounting for population differences. Figure 3 shows that, on a per capita basis, the Bureau received more complaints from consumers in Washington, D.C. than anywhere else in the United States, followed by consumers in Florida, Georgia, Nevada, and Delaware. Consumers in South Dakota submitted the fewest complaints of any state per capita.

FIGURE 3: U.S. COMPLAINT SUBMISSIONS PER 100K POPULATION¹³

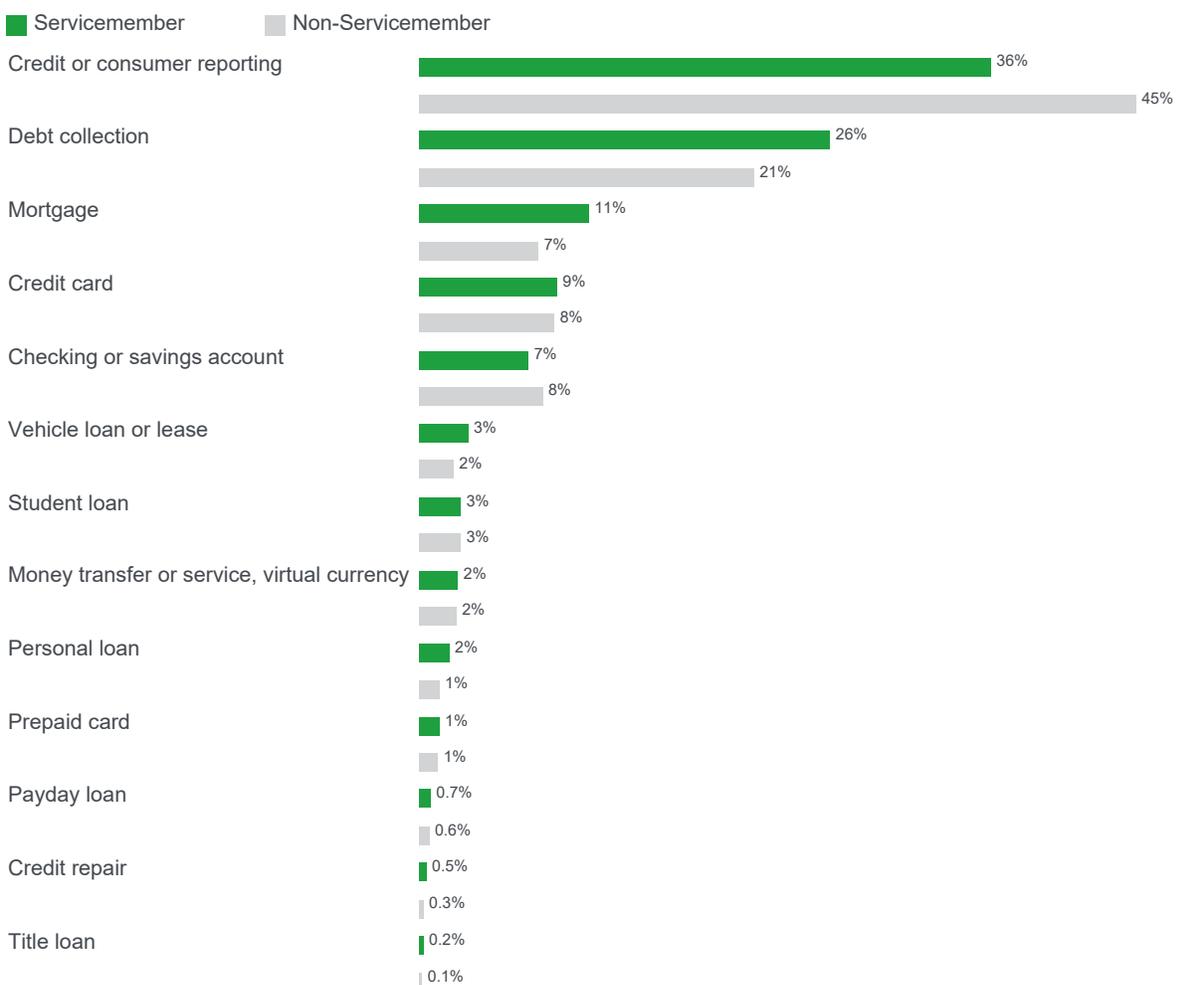


¹³ Population data is from 2019 U.S. Census data as of July 1, 2019, available at <https://www2.census.gov/programssurveys/popest/tables/2010-2019/state/totals/nst-est2019-01.xlsx>.

Servicemembers

Consumer Response and the Bureau’s Office of Servicemember Affairs monitor and analyze complaints from servicemembers, veterans, and military families (collectively referred to as “servicemembers” in this report). As shown in Figure 4, servicemembers submitted complaints about debt collection, mortgages, credit cards and vehicle loans or leases at slightly higher rates than non-servicemembers¹⁴ and about credit or consumer reporting and checking or savings accounts at slightly lower rates. Section 4 of this report (Complaint Types) analyzes some of these differences.

FIGURE 4: COMPLAINTS SUBMITTED BY SERVICEMEMBERS AND NON-SERVICEMEMBERS

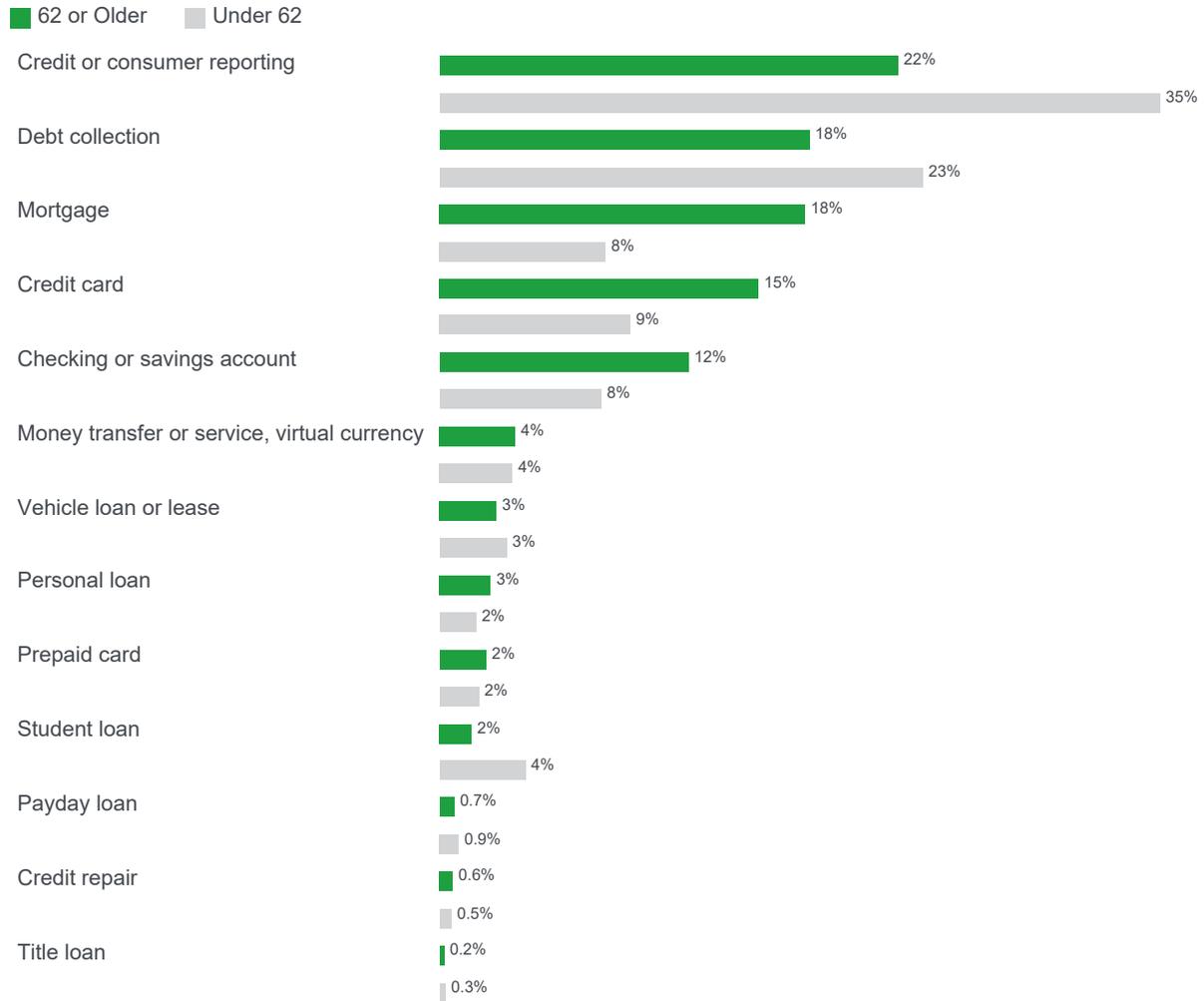


¹⁴ Non-servicemembers are defined as those who did not self-identify as a “servicemember.”

Older Consumers

Consumer Response and the Bureau's Office of Financial Protection for Older Americans monitor and analyze complaints from consumers who indicated they were 62 years of age or older at the time of submission. As shown in Figure 5, complaints submitted by older consumers were less often about credit or consumer reporting, debt collection, and student loans, and more often about mortgages, credit cards, and checking or savings accounts than complaints submitted by consumers not self-identifying as 62 years of age or older. Section 4 of this report (Complaint Types) analyzes some of these differences.

FIGURE 5: PERCENTAGE OF COMPLAINTS BY PRODUCT AND AGE GROUP¹⁵



¹⁵ Consumers who did not provide their age are excluded from this chart. “Under 62” refers to consumers who self-identified as under the age of 62. When comparing older consumers to their younger counterparts, the Bureau limits its analysis to consumers who provided their age when submitting a complaint. Therefore, in these analyses, the Bureau excludes complaints where the consumer opted not to disclose their age.

3. Complaint Resolution

Companies provided a timely response to approximately 99% of the approximately 285,400 complaints that the Bureau sent to them for response in 2019. Table 1 shows how companies responded.

Company responses generally include descriptions of steps that have or 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,” “In progress,” and administrative options.

The Bureau defines “monetary relief” as objective, measurable, and verifiable monetary relief to the consumer as a direct result of the steps that have or will be taken in response to the complaint. The Bureau defines “non-monetary relief” as other objective and verifiable relief to the consumer as a direct result of the steps that have or will be taken in response to the complaint. Examples of non-monetary relief to consumers include: correcting inaccurate data provided or reported in consumers’ credit reports; stopping unwanted calls from debt collectors; correcting account information; issuing corrected documents; restoring account access; and, addressing formerly unmet customer service issues.

“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 is used if the explanation substantively meets the consumer’s desired resolution or explains why no further action will be taken. Companies should select “Closed with explanation” category when specific, verifiable monetary or non-monetary relief was not provided to the consumer in response to issues raised in the complaint.

Companies provide an “Administrative Response” when further review by the Bureau may be needed. This includes complaints submitted by unauthorized third parties, complaints that are the result of fraud, scams or business identity theft, and complaints where a company cannot confirm a commercial relationship with the consumer.

Section 4 of this report (Complaint Types) provides an analysis of patterns and trends of company responses for each product and service.

TABLE 1: HOW COMPANIES HAVE RESPONDED TO CONSUMER COMPLAINTS¹⁶

Financial Product or Service	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Administrative response	Company reviewing	Company did not provide a timely response
All	4%	14%	73%	3%	5%	1%
Credit or consumer reporting	<1%	20%	69%	3%	7%	<1%
Debt collection	<1%	10%	81%	1%	3%	4%
Credit card	16%	10%	68%	2%	4%	<1%
Mortgage	3%	3%	86%	3%	4%	1%
Checking or savings account	18%	3%	68%	3%	5%	2%
Student loan	2%	7%	85%	1%	2%	3%
Money transfer or service, virtual currency	9%	6%	76%	2%	4%	2%
Vehicle loan or lease	4%	6%	83%	<1%	4%	2%
Personal loan	5%	5%	75%	4%	4%	6%
Prepaid card	17%	3%	68%	1%	8%	2%
Payday loan	1%	1%	83%	5%	3%	7%
Credit repair	11%	6%	68%	2%	6%	8%
Title loan	3%	11%	74%	1%	4%	7%

¹⁶ Percentages throughout this report may not sum to 100% due to rounding. The Bureau requests that companies provide a response to each complaint within 15 calendar days of the complaint being sent to the company. When a complaint cannot be closed by the company within 15 calendar days, the company may indicate that work to respond to the complaint is “In progress” and provide a final closure response within 60 calendar days of the complaint being sent to the company. Responses provided outside the 15- or 60-day timeframe are considered “untimely.”

4. Complaint Types

Monitoring consumer complaints is one of the Bureau's primary functions. Complaints provide insights into problems consumers experience and can serve as an early indicator of issues in the financial marketplace. Complaint analyses support the Bureau's work to supervise companies, enforce federal consumer financial laws, propose rules, and develop tools to empower consumers to make informed financial decisions.

The Bureau analyzes complaints in several ways to identify trends and possible consumer harm. For example, the Bureau monitors complaint volume across multiple categories, such as product, issue, sub-product, sub-issue, company, and company response, among others. The Bureau analyzes complaint volume across time and geography, as well as by self-identified characteristics, such as servicemember status and age.

While complaint volume provides important information to the Bureau, it has some limitations. The Bureau recognizes that complaint data can often be better understood in the context of other data, such as product or service market size and company share. But providing additional market context to complaint information requires the Bureau to balance several, sometimes competing, considerations. For example, a variety of measures may provide useful context (e.g., company size, number of accounts, number of transactions, and company market share), but the availability of this market information varies by financial product and service.

Given these and other considerations, the Bureau has not yet identified a universal approach to contextualize complaint volume across multiple products, services, and markets for the public without imposing a significant burden on companies to provide data. From its engagements with stakeholders, the Bureau is aware that the determination about what data are paired with complaint information often depends on the question being asked. Nevertheless, because context is informative, throughout this section the Bureau references market research when it provides some useful context for complaint information.

While complaint volume and context are important, some of the most valuable information is found in the narrative text that both consumers and companies provide during the complaint process. The Bureau analyzes the narrative text consumers provide in their complaints, frequently augmenting traditional qualitative analysis with automated methods.¹⁷ Similarly, the Bureau analyzes the text companies provide in their responses to consumers and in the

¹⁷ The Bureau uses a variety of tools and approaches to assist staff when reviewing complaints. This includes statistical approaches to understanding large volumes of complaints (e.g., topic modeling) and tools to make complaint data easier to filter, sort, and search (e.g., elastic search-based search application).

documents provided to support their responses. Analyzing text from consumers and companies provides a more complete understanding of issues and a clearer idea of how companies respond to those issues.

The following sub-sections provide information and analyses of the types of complaints consumers submitted to the Bureau in 2019.¹⁸ Each sub-section includes an analysis of complaints the Bureau received, products consumers complained about, problems they experienced, and how companies responded.¹⁹

Where appropriate, sub-sections include a discussion of how product type and issue selections differ for older consumers and servicemembers.²⁰ Figures in this section plot product and issue selections made by these specialty populations based on a level of confidence.²¹

4.1 Credit or consumer reporting

The Bureau received approximately 154,500 credit or consumer reporting complaints in 2019—a 23% increase from 2018 (see Section 2, Figure 2). The Bureau sent approximately 143,100 (or 93%) of these complaints to companies for review and response, referred 4% to other regulatory agencies, and found 3% to be incomplete. At the end of 2019, 0.2% of credit or consumer reporting complaints were pending with the consumer and 0.1% were pending with the Bureau (see Figure 6A, Routing Outcomes).

Companies responded to approximately 97% of credit or consumer reporting complaints sent to them for review and response. Companies closed 69% of complaints with an explanation, 20% with non-monetary relief, and 0.2% with monetary relief. Companies used an administrative response for 3% of complaints. At the end of 2019, 7% of complaints were pending review by the

¹⁸ Complaint numbers are rounded throughout the report; therefore, numbers and percentages may not sum to sub-totals or 100%.

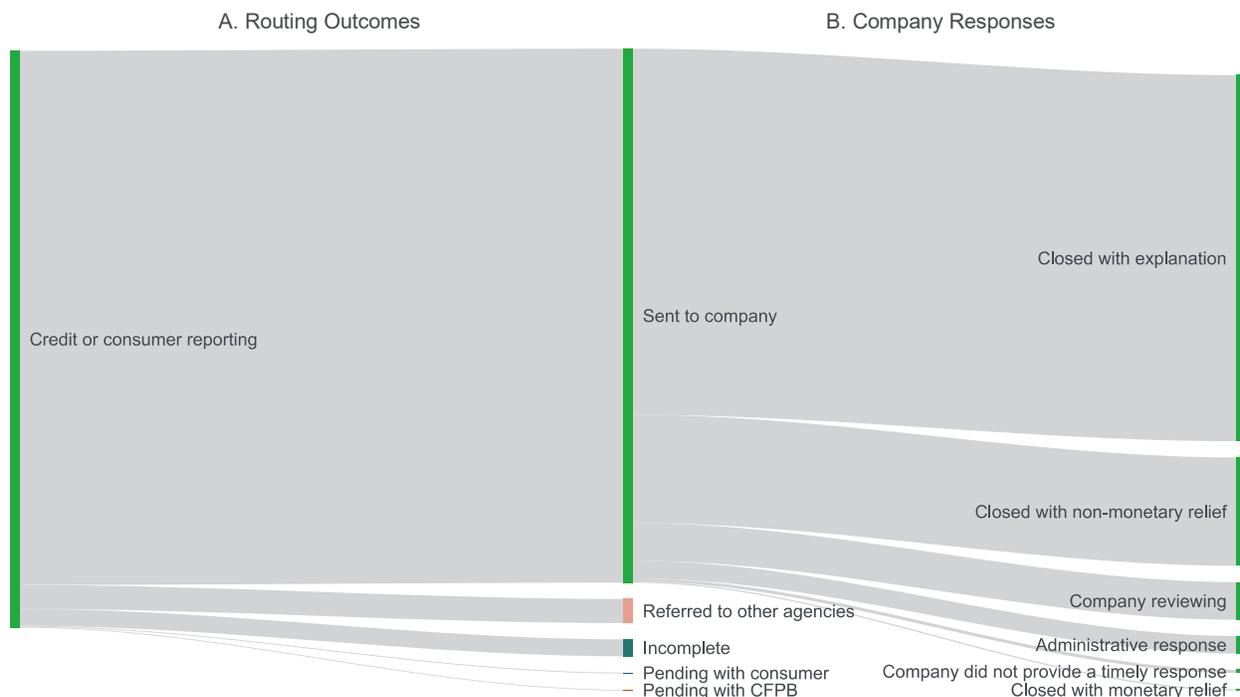
¹⁹ The Bureau's online complaint form is dynamic and, therefore, adjusts based on consumer selections. Some issues are not available for certain sub-products (*e.g.*, the issue *unable to get your credit report or credit score* is not available for complaints about other personal consumer reports). A full list of complaint form products, sub-products, issues, and sub-issues is available at https://files.consumerfinance.gov/f/documents/201704_cfpb_Consumer_Complaint_Form_Product_and_Issue_Options.pdf.

²⁰ *Supra* note 11.

²¹ Figures in this section display 95% confidence intervals, which estimate the true value for the statistic within the specialty population. A blue mark indicates that the specialty population submitted that type of complaint at a higher rate than the specialty population's product rate overall. A gold mark indicates that the specialty population submitted that type of complaint at a lower rate than the specialty population's product rate overall. The lines with each mark show the confidence interval, with a shorter line reflecting a narrower range of likely values and a longer line reflecting a wider range of likely values.

company. Companies did not provide a timely response for 0.6% of complaints (see Figure 6B, Company Responses).

FIGURE 6: CREDIT OR CONSUMER REPORTING COMPLAINTS BY OUTCOMES



The remainder of this analysis focuses only on those credit or consumer reporting complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 85% of this subset of credit or consumer reporting complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting credit or consumer reporting complaints, consumers specify whether they are complaining about a credit report or some other personal consumer report (e.g., background checks, employment screening).²² In 2019, consumers complained about credit reports more frequently than other personal consumer reports by a wide margin (see Figure 7).

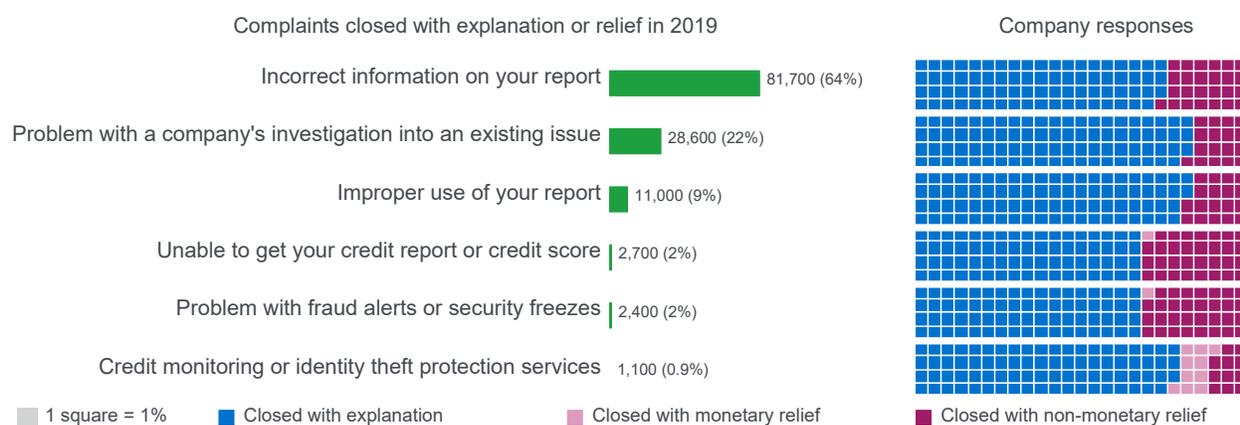
²² The Bureau publishes an annual list of consumer reporting companies. This list includes the three nationwide credit reporting companies as well as other companies that focus on certain market areas and consumer segments. See Consumer Fin. Prot. Bureau, List of Consumer Reporting Companies (Jan. 2020), available at https://files.consumerfinance.gov/f/documents/cfpb_consumer-reporting-companies-list.pdf.

FIGURE 7: CREDIT OR CONSUMER REPORTING COMPLAINTS BY TYPE OF REPORT AND OUTCOMES



Consumers also identify the issue that best describes the problem they experienced. For credit or consumer reporting complaints, options include: credit monitoring or identity theft protection services; improper use of report; incorrect information on report; problem with a credit reporting company’s investigation into an existing problem; problem with fraud alerts or security freezes; and, unable to get credit report or credit score. The most common issue was “incorrect information on your report” (see Figure 8).

FIGURE 8: CREDIT OR CONSUMER REPORTING COMPLAINTS BY ISSUES AND OUTCOMES



The composition of issues in credit or consumer reporting complaints in 2019 changed somewhat as compared with 2018.²³ “Incorrect information on your report” made up 64% of credit reporting complaints—a 3% increase from 2018—and the total volume increased by more than 18,000 complaints. Of the consumers who identified incorrect information on a report as their primary issue, most indicated they did not recognize an account on their report. In their complaints, consumers frequently indicated they were victims of identity theft. These consumers often provided copies of an identity theft affidavit or other documentation. In response,

²³ The 2018 Consumer Response Annual Report includes a breakdown and analysis of complaint numbers, resolution, and types received by the Bureau in 2018. See Consumer Fin. Prot. Bureau, *2018 Consumer Response Annual Report* (Mar. 2019), available at https://www.consumerfinance.gov/documents/7331/cfpb_consumer-response-annual-report_2018.pdf.

companies often stated that they would block information that resulted from identity theft and contact the companies that provided the blocked information.

Other consumers who complained about incorrect information on a report acknowledged the accounts were theirs but disputed specific details, such as the account status or other information (e.g., open date, outstanding balance). Consumer reporting companies generally responded to these complaints by forwarding the substance of the consumer’s dispute to the furnisher of the information for verification.

Although relatively small in total volume, complaints about fraud alerts and security freezes increased about 50%, from 1,600 in 2018 to 2,400 in 2019. This increase may, in part, be related to actions consumers took in response to the Economic Growth, Regulatory Relief, and Consumer Protection Act, which – late in 2018 – provided free security freezes to consumers if a consumer directly requested the freeze and provided proper identification. These complaints were frequently about difficulties consumers experience when attempting to temporarily lift freezes. Other consumers described technical difficulties in adding a freeze or alert to their account.

As required by the Fair Credit Reporting Act, this report includes information about complaints submitted by consumers about nationwide consumer reporting agencies (NCRAs)²⁴ and related to incomplete or inaccurate information on their credit report.²⁵ Of the approximately 154,500 credit or consumer reporting complaints the Bureau received in 2019, consumers submitted approximately 110,500 complaints (or 71% of credit or consumer reporting complaints) about the three NCRAs: Equifax, Experian, and TransUnion.

Nearly 89% of complaints submitted about the NCRAs relate to one of two accuracy issues (i.e., incorrect information on report and problem with a company’s investigation into an existing issue). For these issues, the Bureau asks the NCRAs whether the consumer submitted a previous dispute. The NCRAs responded “yes” 54% of the time.

Tables 2, 3, and 4 provide information about the problems consumers identified when submitting credit or consumer reporting complaints. These tables show that consumers

²⁴ 15 U.S.C. § 1681a(p) (“The term ‘consumer reporting agency that compiles and maintains files on consumers on a nationwide basis’ means a consumer reporting agency that regularly engages in the practice of assembling or evaluating, and maintaining, for the purpose of furnishing consumer reports to third parties bearing on a consumer’s credit worthiness, credit standing, or credit capacity, each of the following regarding consumers residing nationwide: (1) Public record information; (2) Credit account information from persons who furnish that information regularly and in the ordinary course of business.”)

²⁵ *Id.* § 1681i(e).

generally complained about the same types of problems, and at similar rates, across all three NCRAs.

TABLE 2: COMPLAINTS SUBMITTED ABOUT NATIONWIDE CONSUMER REPORTING AGENCIES WITH A CLOSURE RESPONSE AND ISSUES RELATED TO ACCURACY

Issue	Equifax	Experian	TransUnion
Incorrect information on your report	21,700	21,800	24,800
Problem with a credit reporting company's investigation into an existing issue	7,900	7,600	8,300

The majority of complaints submitted about NCRAs related to (1) accuracy issues, or (2) problems with the process of investigating disputes of accuracy by consumers. The breakdown of accuracy-related complaints is similar among the NCRAs (see Table 3).

TABLE 3: SUB-ISSUE PERCENTAGES FOR "INCORRECT INFORMATION ON YOUR REPORT"

Sub-issue	Equifax	Experian	TransUnion
Information belongs to someone else	70%	67%	69%
Account information incorrect	10%	11%	10%
Account status incorrect	9%	10%	9%
Personal information incorrect	5%	6%	5%
Public record information inaccurate	3%	3%	3%
Old information reappears or never goes away	2%	2%	2%
Information is missing that should be on the report	2%	2%	1%
Information is incorrect	0.1%	0.1%	0.1%
Total	100%	100%	100%

The breakdown of investigation-related complaints issues is also similar among the NCRAs (see Table 4).

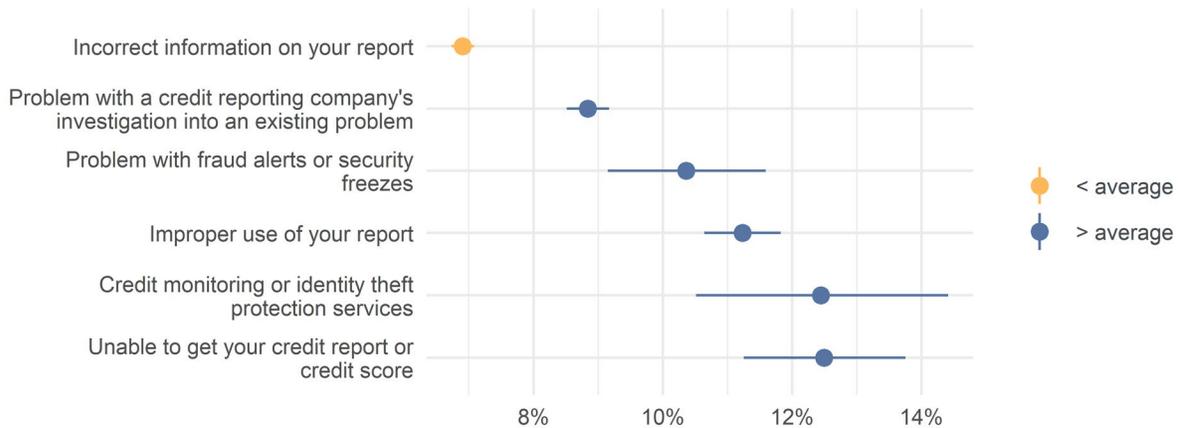
TABLE 4: SUB-ISSUE PERCENTAGES FOR “PROBLEM WITH A CREDIT REPORTING COMPANY’S INVESTIGATION INTO AN EXISTING ISSUE”

Sub-issue	Equifax	Experian	TransUnion
Their investigation did not fix an error on your report	77%	77%	77%
Investigation took more than 30 days	8%	6%	7%
Was not notified of investigation status or results	7%	7%	7%
Difficulty submitting a dispute or getting information about a dispute over the phone	6%	6%	5%
Problem with personal statement of dispute	3%	4%	3%
Total	100%	100%	100%

Credit or consumer reporting complaints were the most complained about product by servicemembers (see Section 2, Figure 4). Servicemembers rely on accurate credit reporting to maintain security clearances, which can be adversely impacted by a history of failing to meet their financial obligations, being in excessive debt, or having a high debt-to-income ratio.²⁶

²⁶ See e.g., Consumer Fin. Prot. Bureau, WARNO: New security clearance guidelines make it more important than ever for servicemembers to monitor their credit (Aug. 20, 2018), available at <https://www.consumerfinance.gov/about-us/blog/warno-new-security-clearance-guidelines-make-it-more-important-ever-servicemembers-monitor-their-credit/>. In 2018, Congress enhanced protections for veterans and, specifically, veterans’ credit. See EGRRCPA, *supra* note 24.

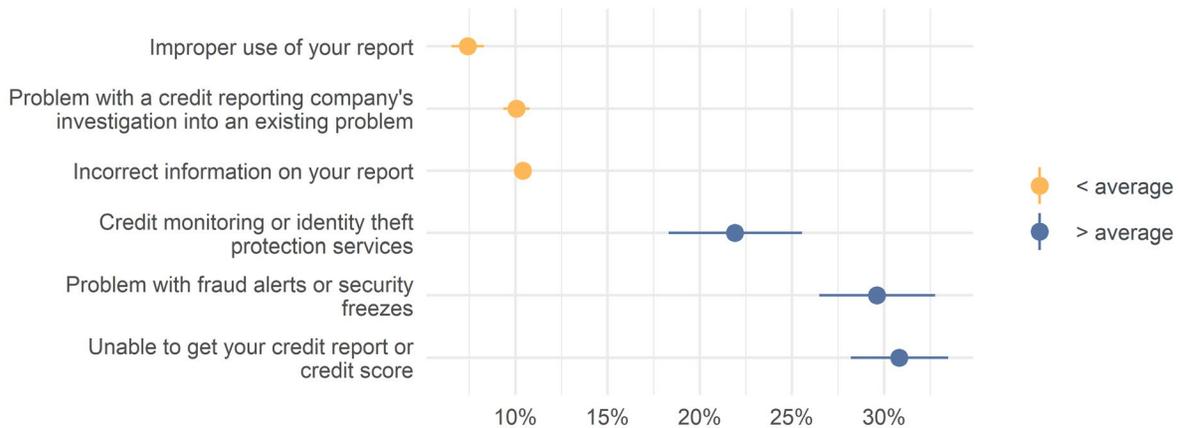
FIGURE 9: RATE OF SERVICEMEMBER COMPLAINTS FOR ISSUES WITH CREDIT OR CONSUMER REPORTING



On average, servicemembers submitted approximately 8% of credit or consumer reporting complaints, with a greater percentage complaining about issues relating to active credit monitoring, such as issues with prior investigations, access to their reports, or problems with credit monitoring services (see Figure 9).

Complaints submitted by older consumers were less likely to be about credit or consumer reporting when compared to consumers under 62 years old. Approximately 22% of complaints submitted by older consumers were credit or consumer reporting complaints, compared to 35% submitted by consumers under 62 years old (see Section 2, Figure 5).

FIGURE 10: RATE OF OLDER AMERICAN COMPLAINTS FOR ISSUES WITH CREDIT OR CONSUMER REPORTING



Older consumers also complained about different consumer reporting issues than consumers under 62 years old. Older consumers comprised approximately 11% of credit or consumer reporting complaints and tended to raise issues about monitoring their credit (see Figure 10). For example, older consumers submitted more than 31% of complaints about being unable to get their credit report or score and 22% of complaints about credit monitoring and identity theft protection services. By contrast, older consumers submitted approximately 10% of complaints about incorrect information.

4.2 Debt collection

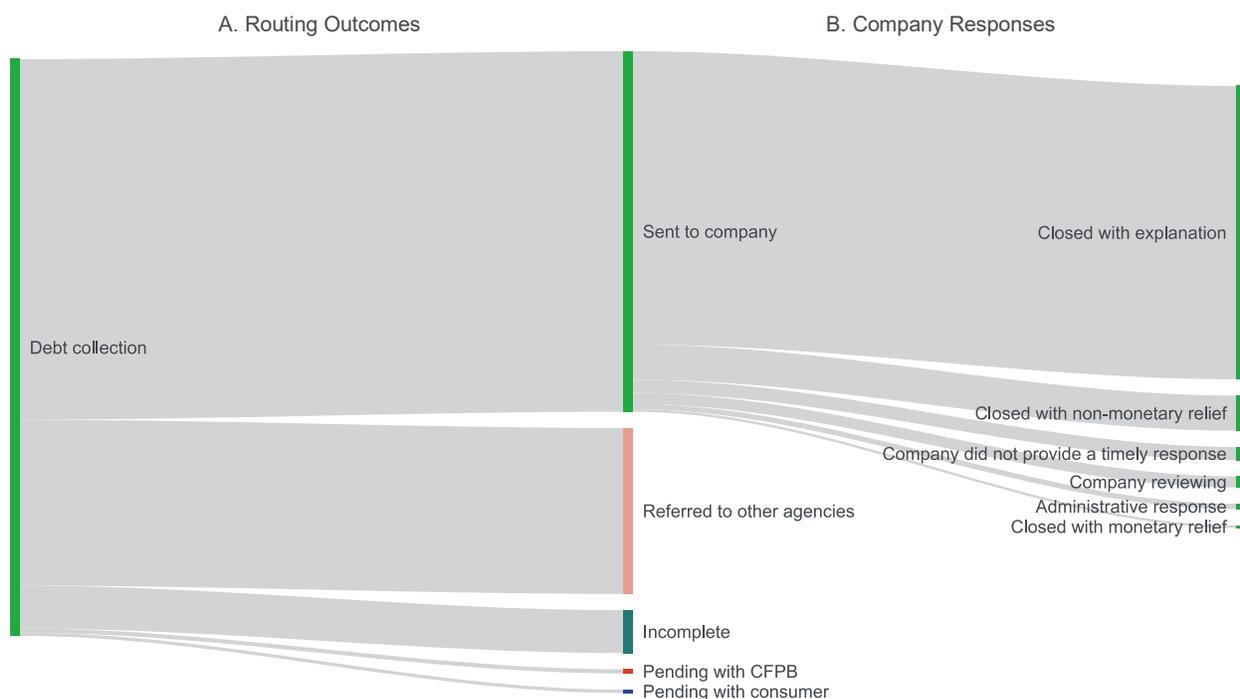
The Bureau received approximately 75,200 debt collection complaints in 2019—an 8% decrease from 2018 (see Section 2, Figure 2). The Bureau sent approximately 47,000 (or 63%) of these complaints to companies for review and response, referred 29% to other regulatory agencies, and found 7% to be incomplete. At the end of 2019, 1% of debt collection complaints were pending with the consumer and 1% were pending with the Bureau (see Figure 11A, Routing Outcomes).

Consumers can submit complaints about creditors collecting their own debts (i.e., first-party collectors) or companies collecting debt on behalf of others, such as creditors or businesses (i.e., third-party collectors).²⁷ When the Bureau received debt collection complaints about companies where it was not the primary federal regulator (e.g., a mobile phone or Internet service provider), it referred the complaints to other regulatory agencies—most often, the Federal Trade Commission.

Companies responded to approximately 94% of debt collection complaints sent to them for review and response. Companies closed 81% of complaints with an explanation, 10% with non-monetary relief, and 0.7% with monetary relief. Companies used an administrative response for 1% of complaints. At the end of 2019, 3% of complaints were pending review by the company. Companies did not provide a timely response for 4% of complaints (see Figure 11B, Company Responses).

²⁷ See Consumer Fin. Prot. Bureau, Fair Debt Collection Practices Act (Mar. 2020) (“The third-party debt collection market is a \$12.7 billion industry that employs nearly 123,000 people across approximately 7,800 collection agencies in the United States. The debt collection industry affects millions of Americans. According to the Bureau’s Consumer Credit Panel, about 28 percent of consumers with a credit file have a third-party collection trade line listed.”) (citations omitted).

FIGURE 11: DEBT COLLECTION COMPLAINTS BY OUTCOMES

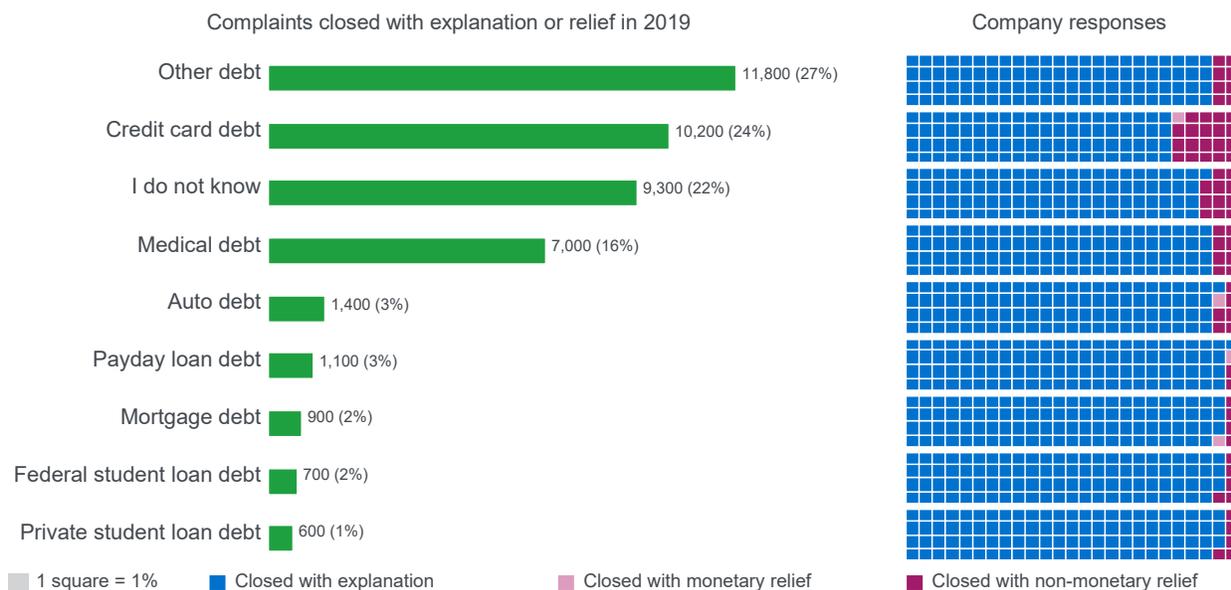


The remainder of this analysis focuses only on those debt collection complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 85% of this subset of debt collection complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting debt collection complaints, consumers specify the type of debt. Options include: auto debt, credit card debt, federal student loan debt, medical debt, mortgage debt, payday loan debt, private student loan debt, “other” debt (e.g., phone bill, health club membership, utilities), and debt that is not known.²⁸ In 2019, “other” debt and credit card debt were the most complained about debt types (see Figure 12).

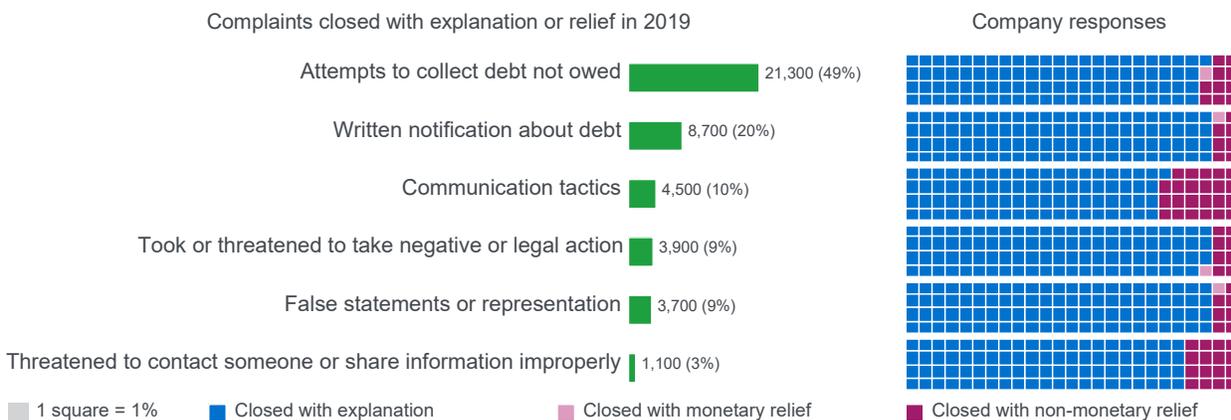
²⁸ The Bureau’s complaint form requires consumers to select the type of debt from a list of options, including “I don’t know.” See *supra* note 19.

FIGURE 12: DEBT COLLECTION COMPLAINTS BY TYPE OF DEBT AND OUTCOMES



Consumers also identify the issue that best describes the problem they experienced. For debt collection complaints, options include: attempts to collect debt not owed; communication tactics; false statements or representation; threatened to contact someone or share information improperly; took or threatened to take negative or legal action; and, written notification about debt. The most common issue was “attempts to collect debt not owed” (see Figure 13).

FIGURE 13: DEBT COLLECTION COMPLAINTS BY ISSUES AND OUTCOMES



The composition of issues in debt collection complaints in 2019 changed somewhat from 2018. In particular, “attempts to collect debt not owed” increased its share of complaints by approximately 5%. This increase in share was partly due to a small increase in complaint volume about debts not owed and larger decreases in other issues. Consumers who complained that they

do not owe the debt in question frequently report that the debt is not theirs, resulted from identity theft, was paid, or was discharged in bankruptcy and is no longer owed. Complaints about attempts to collect debt resulting from identity theft saw the greatest year-over-year increase and has been increasing in prevalence for several years. These complaints often involve consumers reporting that they have negative marks on their credit reports and requesting companies remove the negative marks. In response to these complaints, third-party collectors often state that they will initiate an investigation into the purported fraud, detail the documents needed to process a dispute, return the account to the first party, or discontinue collection attempts entirely.

Complaints involving written notifications about debt are the second-most common issue identified by consumers; however, this issue had the greatest decrease in the number of complaints from 2018 to 2019. The Fair Debt Collection Practices Act requires collectors, within five days after the initial communication with a consumer in connection with the collection of the debt, to provide the consumer with a written notice informing them, among other things, of their right to dispute, unless this information is contained in the initial communication or the consumer has paid the debt.²⁹ Most consumers who complain about written notifications report they have not received enough information to verify the debt. Some consumers complain that they did not receive a notice of their right to dispute, while others report that the notification did not disclose it was an attempt to collect a debt. Collectors often responded by providing copies of documents and providing information about their collection efforts.

Consumers often simultaneously raise credit reporting concerns in their debt collection complaints to the Bureau. These consumers frequently express concerns about negative information being reported to credit reporting companies and, consequently, the effect the negative information has on their credit score. Consumers often describe having a debt on their credit report, and some state that they first learned of a debt when reviewing their report. In a recent report, the Bureau found that over one in four consumers had a third-party collections tradeline on their file.³⁰

Approximately 10% of debt collection complaints were about communication tactics. In these complaints, frequent or repeated calls—be it several calls placed in short succession or repeated calls over a longer time period—was the most common issue identified by consumers. Some consumers reported having previously requested that the collector stop calling, which was later

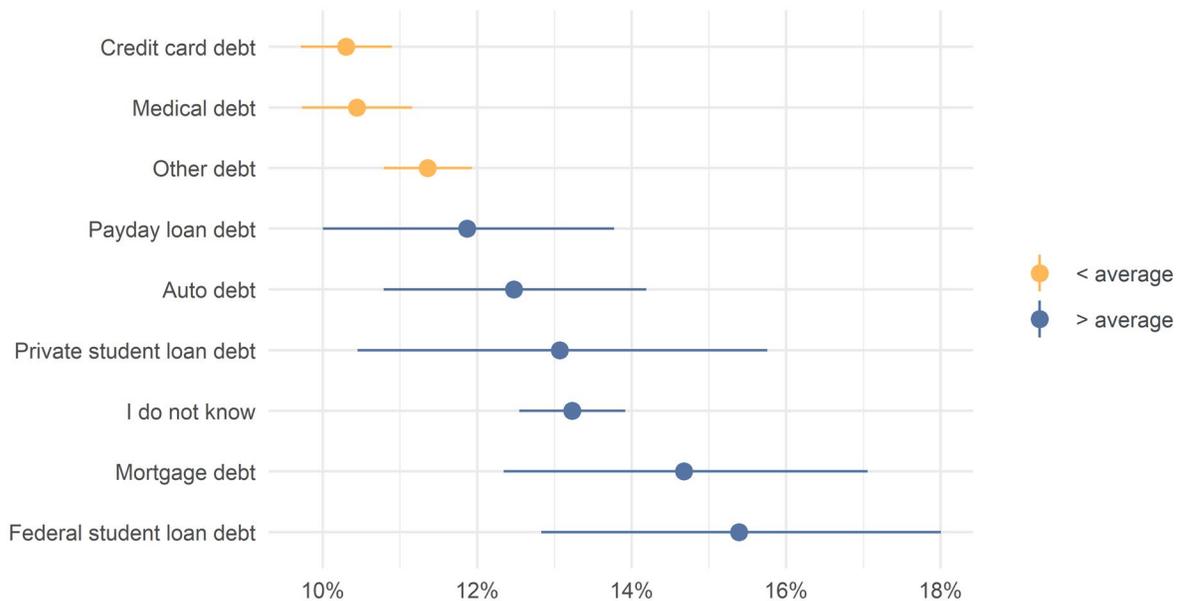
²⁹ 15 U.S.C. §1692g(a).

³⁰ Consumer Fin. Prot. Bureau, *Market Snapshot: Third Party Debt Collections Tradeline Reporting* (Jul. 2019) at 5, available at https://files.consumerfinance.gov/f/documents/201907_cfpb_third-party-debt-collections_report.pdf (“As of Q2 2018, over one in four consumers in the sample had a third-party collections tradeline on their file. Between Q2 2004 and Q2 2018, the percentage of consumers in the sample with a third-party collections tradeline on their file never went below 27% or above 34%.”).

ignored. In addition to the frequency of calls, consumers complained about the quality of interactions once they were on the phone with a debt collector. For example, consumers described collectors who were rude or aggressive. In these situations, consumers often escalated the issue and requested that the debt collector connect them with a supervisor.

Debt collection was the second-most complained about product by servicemembers and made up a greater share of complaints for servicemembers than for non-servicemembers (see Section 2, Figure 4).³¹ On average, servicemembers submitted approximately 12% of debt collection complaints with a greater percentage complaining about debts relating to student loans and mortgages (see Figure 14).

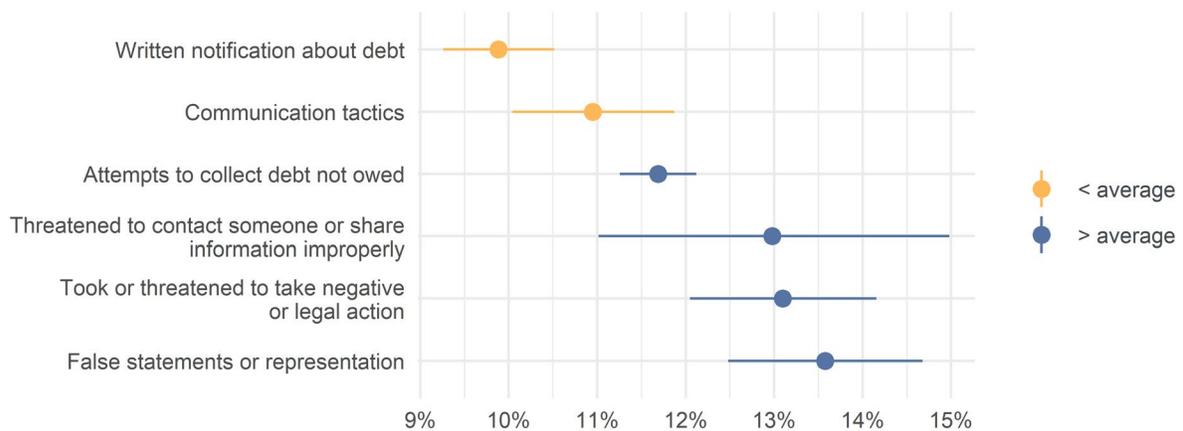
FIGURE 14: RATE OF SERVICEMEMBER COMPLAINTS FOR SUBPRODUCTS OF DEBT COLLECTION



A greater share of complaints about debt collectors taking or threatening to take legal action and making false statements or representations were submitted by servicemembers (see Figure 15).

³¹ This is consistent with other Bureau findings. See Consumer Fin. Prot. Bureau, *Financial Well-Being of Veterans* (Apr. 2019) at 2, available at https://files.consumerfinance.gov/f/documents/cfpb_osa_financial-well-being-americans_report.pdf (“veterans, like other U.S. adults, have financial experiences that are negatively associated with financial well-being, like ... being contacted by a debt collector.”).

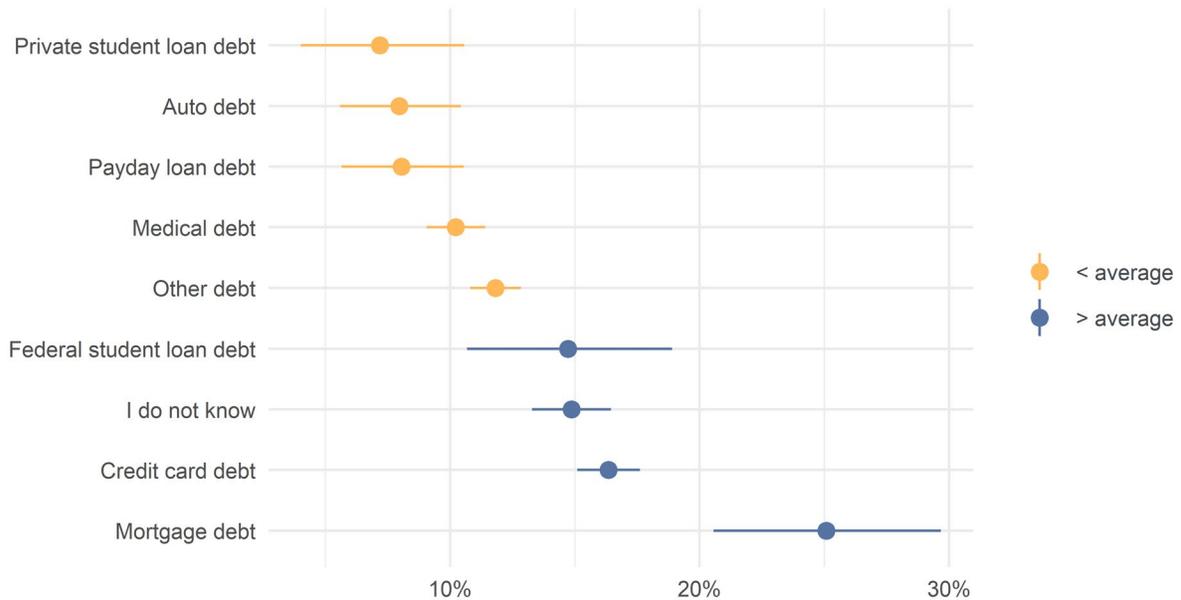
FIGURE 15: RATE OF SERVICEMEMBER COMPLAINTS FOR ISSUES OF DEBT COLLECTION



In contrast, debt collection comprised a smaller percentage of complaints for older consumers than for consumers under 62 years old. Older consumers complained about debt collection at the same rate as mortgage—18% in both product categories (see Section 2, Figure 5). Within debt collection complaints, a greater percentage of older consumers complained about debts related to mortgage (see Figure 16), which is consistent with higher homeownership rates among older consumers.³²

³² See U.S. Census Bureau, *Quarterly Residential Vacancies And Homeownership, Fourth Quarter 2019*, available at <https://www.census.gov/housing/hvs/files/currenthvspress.pdf> (“The fourth quarter 2019 homeownership rate was highest for those householders ages 65 years and over (79.0 percent) and lowest for those householders under 35 years of age (37.6 percent).”).

FIGURE 16: OLDER CONSUMER RATE OF DEBT TYPES COMPARED TO PERCENTAGE OF DEBT COLLECTION COMPLAINTS SUBMITTED BY OLDER CONSUMERS

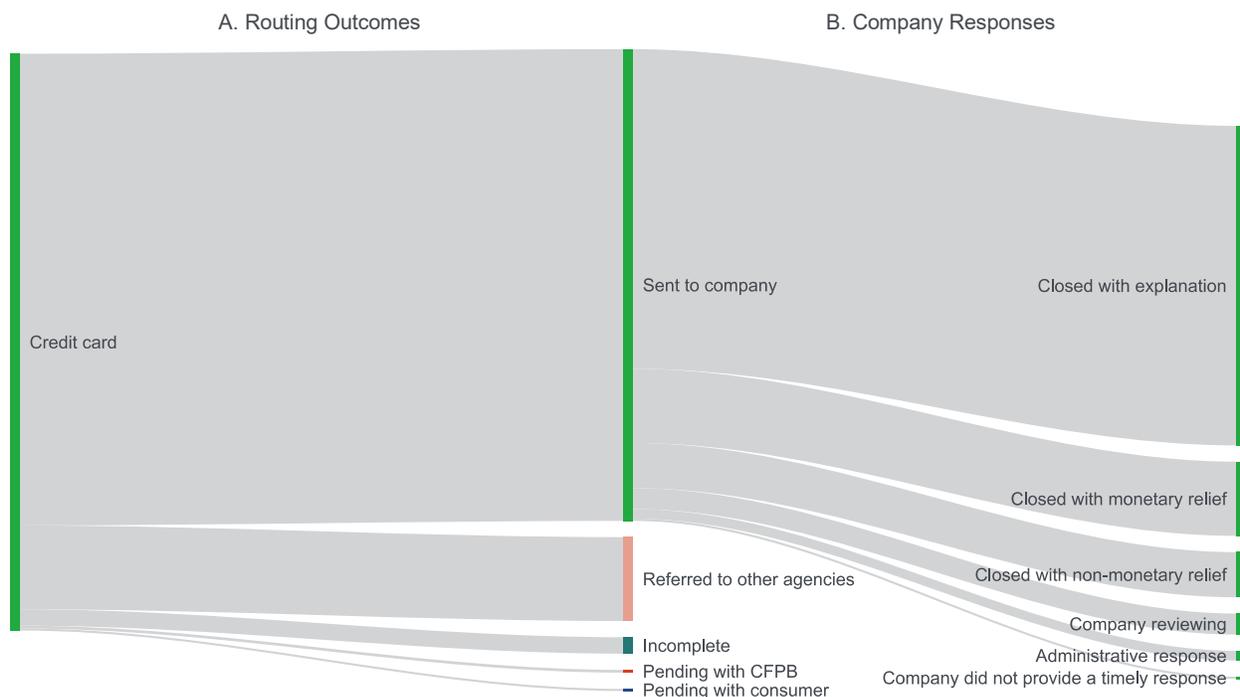


4.3 Credit cards

The Bureau received approximately 29,900 credit card complaints in 2019—a 4% increase from 2018 (see Section 2, Figure 2). The Bureau sent approximately 24,400 (or 82%) of these complaints to companies for review and response, referred 15% to other regulatory agencies, and found 3% to be incomplete. At the end of 2019, 0.4% of credit card complaints were pending with the consumer and 0.5% were pending with the Bureau (see Figure 17A, Routing Outcomes).

Companies responded to approximately 97% of credit card complaints sent to them for review and response. Companies closed 68% of complaints with an explanation, 16% with monetary relief, and 10% with non-monetary relief. Companies used an administrative response for 2% of complaints. At the end of 2019, 4% of complaints were pending review by the company. Companies did not provide a timely response for 0.5% of complaints (see Figure 17B, Company Responses).

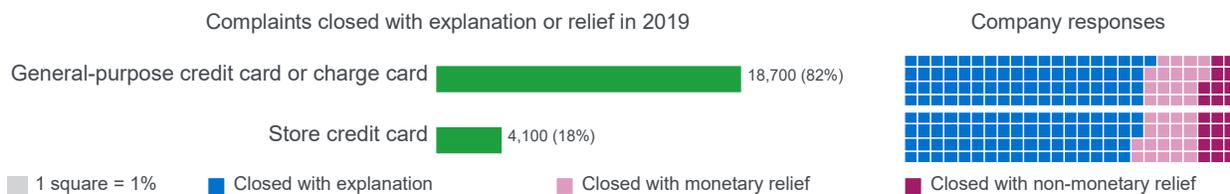
FIGURE 17: CREDIT CARD COMPLAINTS BY OUTCOMES



The remainder of this analysis focuses only on those credit card complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 94% of this subset of credit card complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting credit card complaints, consumers specify whether they are complaining about a general-purpose credit card (or charge card) or a store credit card. In 2019, consumers complained about general-purpose credit cards more frequently than store credit cards (see Figure 18).

FIGURE 18: CREDIT CARD COMPLAINTS BY TYPE AND OUTCOMES



Consumers also identify the issue that best describes the problem they experienced. For credit card complaints, options include: advertising and marketing, including promotional offers; closing credit card account; fees or interest; getting a credit card; other features, terms, or problems; problem when making payments; problem with a credit report or credit score; problem with a purchase shown on a statement; trouble using card; and, struggling to pay bill. The most common issue was “problem with a purchase shown on your statement” (see Figure 19).

FIGURE 19: CREDIT CARD COMPLAINTS BY ISSUES AND OUTCOMES



The process for disputing transactions—sometimes resulting in a “chargeback”—continued to be a frequent problem for consumers who selected “problem with a purchase shown on your statement.” These complaints involved issues related to transactions initiated by the consumer and to unauthorized transactions such as those resulting from fraud or identity theft. In these complaints, consumers frequently stated that the disputed transactions were not refunded, despite providing proof that the transactions were not authorized, or that there was a problem with the purchased goods or services. In response to these complaints, some consumers received refunds of these transactions, but companies most often reaffirmed their original decision not to refund the transaction.

Consumers also identified issues related to rewards programs. Consumers complained they were unable to redeem advertised benefits, such as statement credits, after meeting program terms. Some consumers mentioned receiving contradictory information from customer service representatives about card rewards and other benefits. Companies frequently stated that the consumer did not meet the program terms and requirements but sometimes did credit consumers for rewards benefits.

Consumers submitted approximately 14% more complaints in the “getting a credit card” issue category in 2019 than 2018. Many of these consumers expressed frustration with their denial because they believed their applications should have been approved based on their credit history.³³ Although some of these consumers expressed an awareness of a credit score, they did not usually express a clear understanding of the variety of scores and scoring models available.³⁴ In their responses, companies generally indicated that consumers were denied based on information on their credit report.

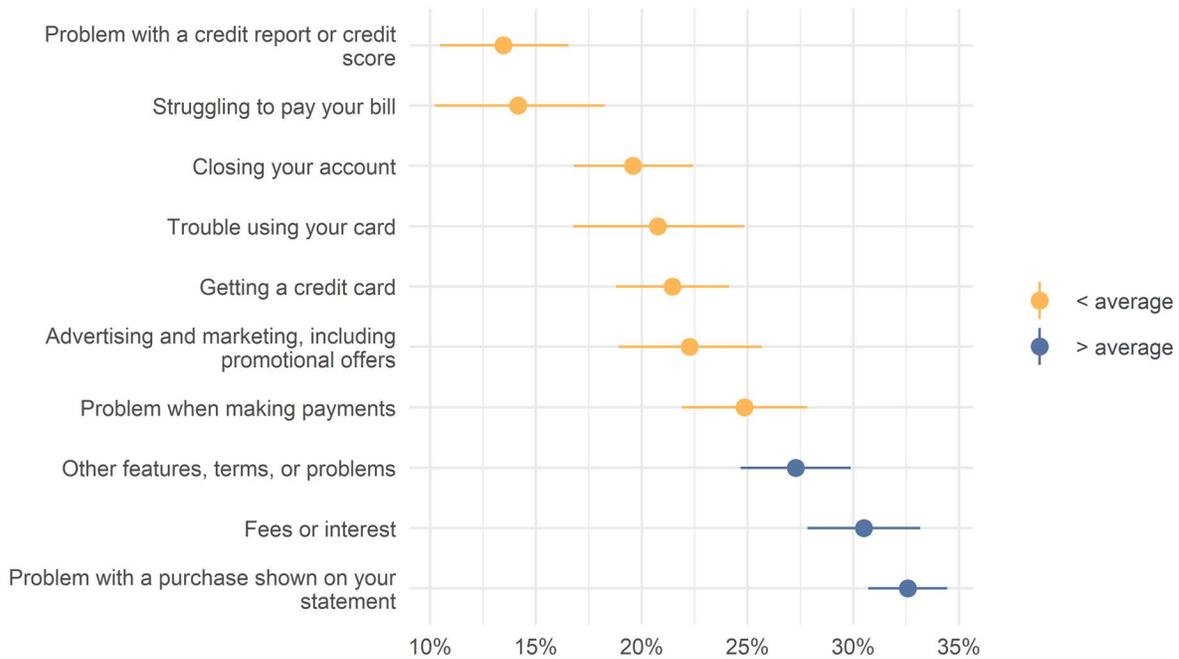
Approximately, 15% of complaints submitted by older consumers were credit card complaints, compared to 8% submitted by consumers under 62 years old (see Section 2 Figure 5). Older consumers comprised approximately 26% of credit card complaints. On average, older consumers were much less likely to submit complaints related to struggling to pay their bill and were more likely to submit complaints about transactions and fees (see Figure 20).³⁵

³³ Many financial institutions now offer free credit score access to their customers. This increased access to credit reports and scores may partially explain why consumers experience frustration when they are denied credit. The Bureau published a list of institutions and other sources for free credit reports and scores. See Consumer Fin. Prot. Bureau, *Where to find access to one of your credit scores*, available at https://files.consumerfinance.gov/f/documents/bcftp_find-free-access-to-credit-score_05-2018.pdf.

³⁴ See e.g., Consumer Federation of America, *Consumer Knowledge about Credit Scores has Steadily Declined over the Past Eight Years* (Jun. 2019), available at https://consumerfed.org/press_release/consumer-knowledge-about-credit-scores-has-steadily-declined-over-the-past-eight-years/ (suggesting knowledge of credit scores declined even as access remained relatively constant).

³⁵ See Federal Reserve Bank of N.Y., *Quarterly Report on Household Debt and Credit (Q4 2019)* (Feb. 2020), available at https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/HHD_C_Report_2019Q4.xlsx (credit card users aged 60-69 had the lowest rates of balances transitioning to 90 days delinquency in all 4 quarters of 2019).

FIGURE 20: OLDER CONSUMER ISSUE RATE COMPARED TO PERCENTAGE OF CREDIT CARD COMPLAINTS SUBMITTED BY OLDER AMERICANS

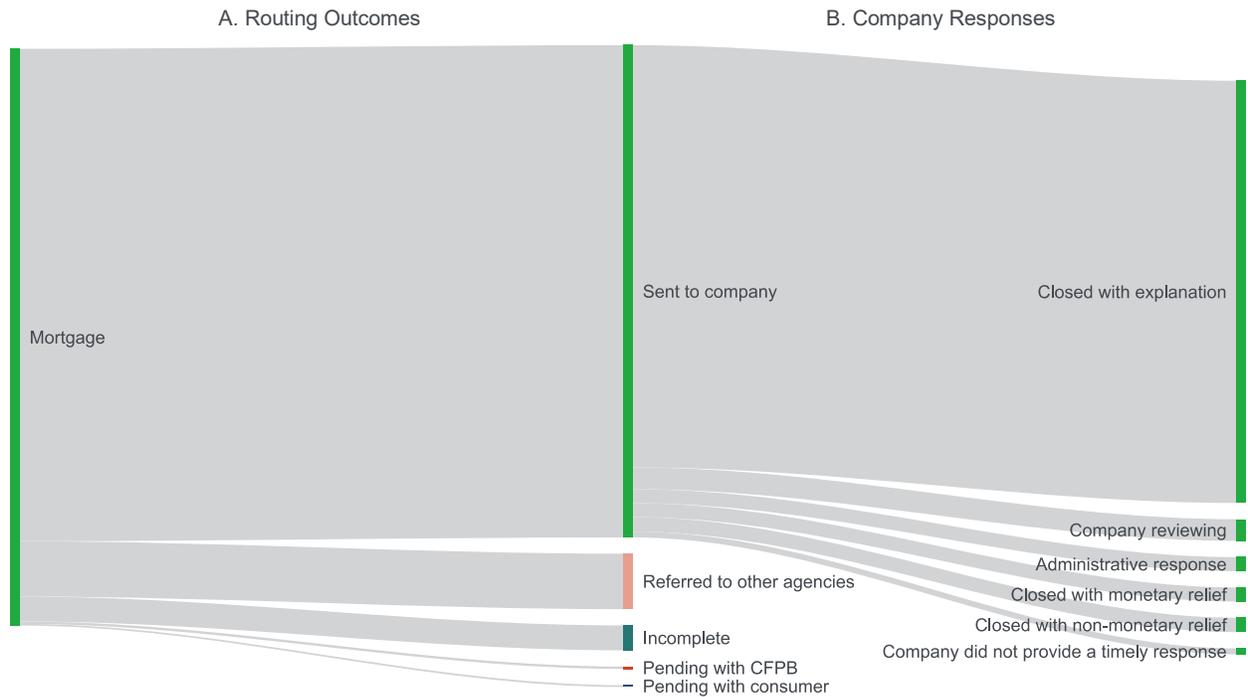


4.4 Mortgages

The Bureau received approximately 27,300 mortgage complaints in 2019—a 9% decrease from 2018 (see Section 2, Figure 2). The Bureau sent approximately 23,300 (or 85%) of these complaints to companies for review and response, referred 10% to other regulatory agencies, and found 4% to be incomplete. At the end of 2019, 0.3% of mortgage complaints were pending with the consumer and 0.4% were pending with the Bureau (see Figure 21A, Routing Outcomes).

Companies responded to approximately 97% of mortgage complaints sent to them for review and response. Companies closed 86% of complaints with an explanation, 3% with non-monetary relief, and 3% with monetary relief. Companies used an administrative response for 3% of complaints. At the end of 2019, 4% of complaints were pending review by the company. Companies did not provide a timely response for 1% of complaints (see Figure 21B, Company Responses).

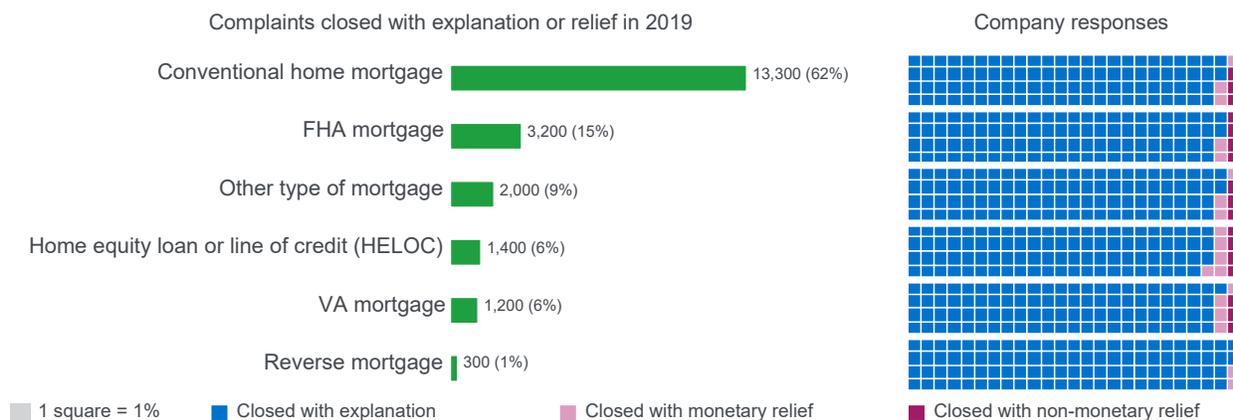
FIGURE 21: MORTGAGE COMPLAINTS BY OUTCOMES



The remainder of this analysis focuses only on those mortgage complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 95% of this subset of mortgage complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting mortgage complaints, consumers specify the type of mortgage. Options include: conventional home mortgage, Federal Housing Administration (FHA) mortgage, home equity loan or line of credit (HELOC), reverse mortgage, Veterans Administration (VA) mortgage, and other types of mortgages. In 2019, conventional home mortgages were the most complained about mortgage type (see Figure 22).

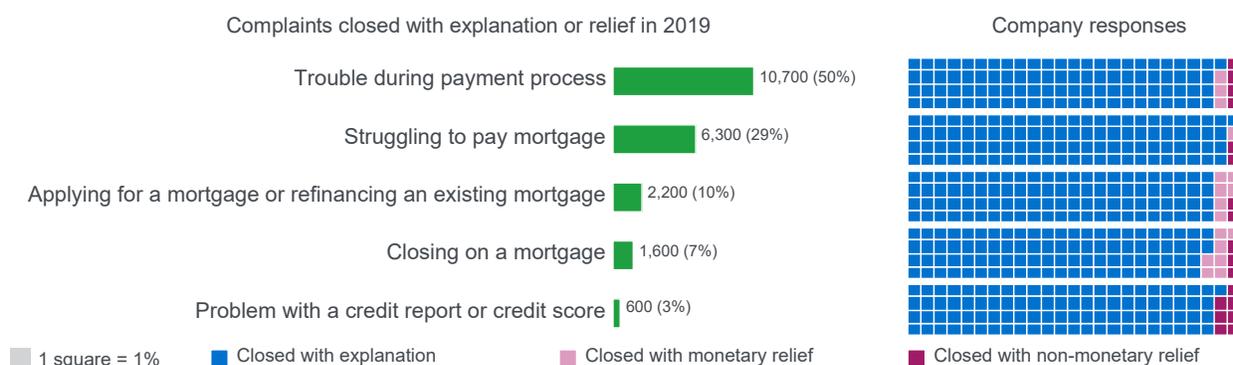
FIGURE 22: MORTGAGE COMPLAINTS BY TYPE AND OUTCOMES



Consumers also identify the issue that best describes the problem they experienced. For mortgage complaints, options include: applying for a mortgage or refinancing an existing mortgage; closing on a mortgage; problem with a credit or consumer report; struggling to pay mortgage; and, trouble during payment process. The most common issue was “trouble during payment process” (see Figure 23).

Americans owe more than \$9.9 trillion in mortgage and HELOC debt, making mortgage the largest consumer debt market in the United States. Through the third quarter of 2019, more than \$1.3 trillion in new mortgage debt was originated, including both new originations and refinancing of existing debt.³⁶

FIGURE 23: MORTGAGE COMPLAINTS BY ISSUES AND OUTCOMES



³⁶ See *id.*

The composition of issues in mortgage changed somewhat in 2019 compared to 2018. Although “trouble during the payment process” and “struggling to pay mortgage” continue to be the most common issues, mortgage complaint volume overall decreased 9% in 2019—driven largely by a 23% decrease in the “struggling to pay mortgage” category.

Consumers raised a variety of payment-related issues in the approximately 50% of complaints about trouble during the payment process. These issues included improper application of funds, failure to credit funds to the account, and excessive fees charged to the loan, among others. For example, consumers reported late fees being assessed to their accounts despite payments having been made on or before the loan’s monthly grace period. Some consumers reported that additional monies paid above the monthly payment amount due were not applied as intended and that they encountered difficulty when contacting their servicer to address their concerns. Typically, in their responses to consumers, servicers included a payment history and responded to concerns about potential negative reporting to credit reporting companies.

As in 2018, consumers continued to raise issues involving their escrow accounts. Some issues reported by consumers include servicers denying consumer requests to close an escrow account; discrepancies with escrow analysis statements reflecting shortages; and discrepancies in accounting of escrow contributions. For example, consumers continued to raise concerns with increased monthly mortgage payments as a result of an escrow shortage. Some consumers challenged the amount identified by the servicer as deficient because they reported not having an increase to their homeowner’s insurance or property taxes. In response, servicers often included a payment history detailing payments to, and disbursements, from the escrow account.

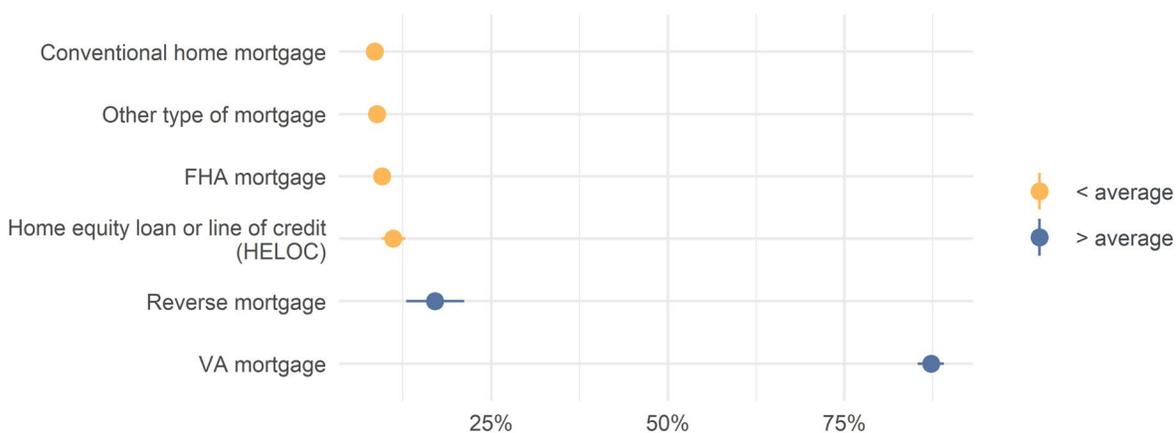
Consumers who submitted complaints about struggling to pay their mortgage often reported issues related to the loss mitigation process. Some consumers reported that, although they met all the requirements in applying for a loan modification, they were still denied for reasons that appeared unreasonable. Other consumers complained about extended delays in receiving a decision on their loss mitigation application. Servicers responded including a reason for the denial of loss mitigation or providing the consumer with requirements and documents needed to proceed with processing the application.

In complaints submitted about applying for a mortgage or refinancing an existing mortgage, consumers identified several issues, including lengthy application and approval processes and unauthorized credit inquiries. Other consumers reported changes in terms that were not disclosed timely—some that involved the lender refusing to honor rate lock agreements after delays in the application process. In response to these types of complaints, servicers typically provided the consumer with a timeline of the consumer’s loan application process and denied changing terms without disclosure to, and acknowledgement by, the consumer.

In 2019, consumers submitted complaints about Property Assessed Clean Energy (PACE) financing in both the mortgage and consumer loan product categories.³⁷ The volume of PACE-related complaints was low. In the limited number of complaints received and sent to a company for a response, consumers raised concerns about unclear terms that resulted in costlier loans or difficulties related to the transfer of properties encumbered by PACE loans.

Similar to 2018, mortgage product differences among servicemembers and older consumers mirror the availability of these products in their respective communities. Servicemembers submitted approximately 14% of mortgage complaints. VA mortgages, which make up 6% of the mortgage complaint volume, were submitted overwhelmingly by consumers who self-identified as a servicemember (see Figure 24).³⁸

FIGURE 24: RATE OF SERVICEMEMBER COMPLAINTS FOR SUBPRODUCTS OF MORTGAGE



In 2019, the issues servicemembers identified in their mortgage complaints were associated with financial well-being, which is consistent with other analyses and findings published by the Bureau.³⁹ For example, although servicemembers submitted 14% of mortgage complaints,

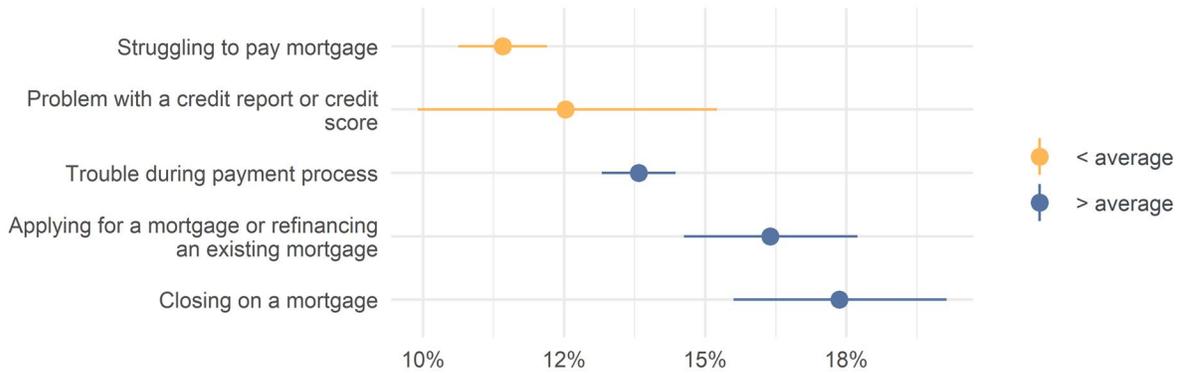
³⁷ PACE, also known in some states as “HERO loans,” is a mechanism that provides consumers funding for energy efficiency, renewable energy and water conservation projects. Unlike typical consumer products, PACE financing is repaid as an assessment on consumers’ property tax bill. In 2018, Congress instructed the Bureau to prescribe certain regulations related to PACE financing. See EGRRCPA, *supra* note 24.

³⁸ VA mortgage eligibility is limited to servicemembers. Servicemember status is an optional field. For some intake channels, this field is not available (e.g., a consumer who mails a complaint may not reference their servicemembers status). The 13% of VA loan complaints that come from non-servicemembers may include some servicemembers who did not provide their servicemember status.

³⁹ See e.g., Consumer Fin. Prot. Bureau, *supra* note 32 at 2 (“The analysis found that a number of socioeconomic characteristics are associated with positive financial well-being. The strongest associations were with higher education, age, physical health, and homeownership.”).

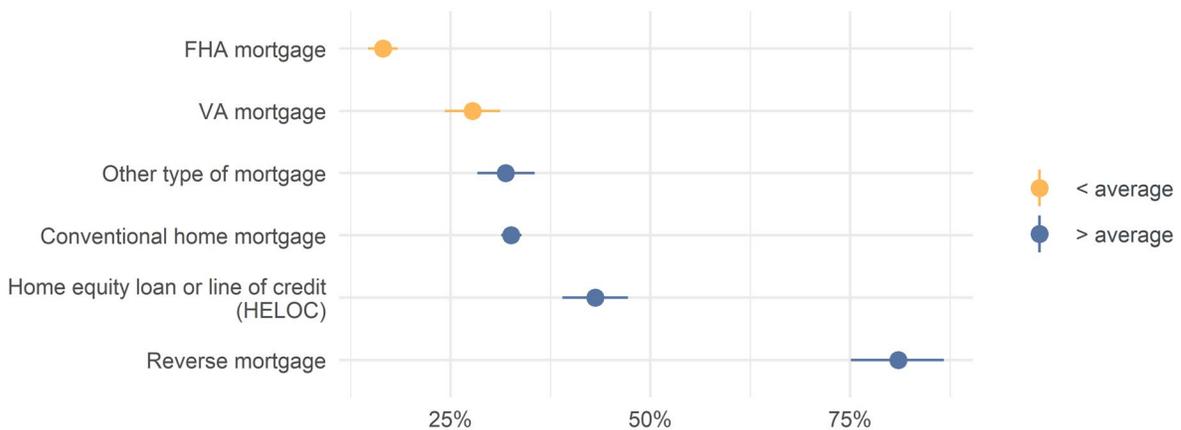
servicemembers submitted 17% of complaints related to closing on a home and only 11% of complaints related to struggling to pay (see Figure 25).

FIGURE 25: RATE OF SERVICEMEMBER COMPLAINTS FOR ISSUES OF MORTGAGE



Older consumers submitted 31% of mortgage complaints. Reverse mortgages, which make up 1% of the mortgage complaint volume, were submitted overwhelmingly by consumers who self-identified being 62 years old or older (see Figure 26).⁴⁰

FIGURE 26: RATE OF OLDER CONSUMER COMPLAINTS FOR SUBPRODUCTS OF MORTGAGE



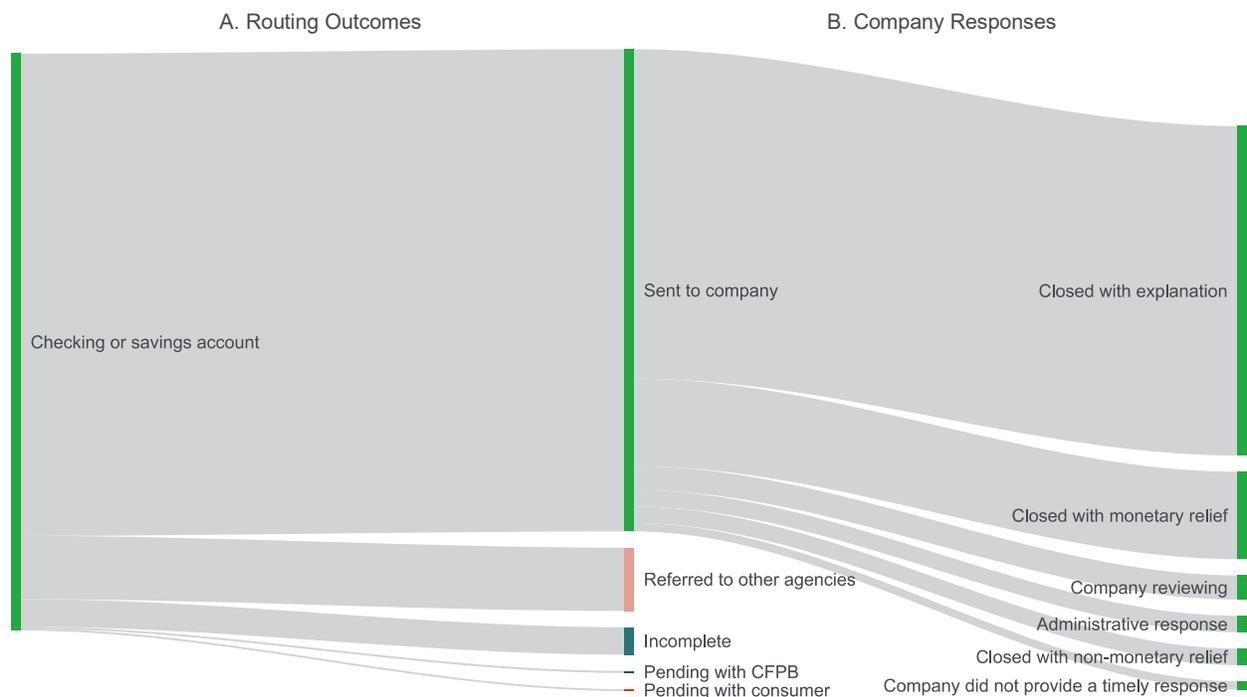
⁴⁰ Similar to VA mortgages for servicemembers, reverse mortgages have eligibility requirements that limit the product to homeowners who are at least 62 years old. See 24 CFR § 206.33. As with servicemember status, providing age information is optional.

4.5 Checking or savings account

The Bureau received approximately 26,900 checking or savings account complaints in 2019—a 4% increase from 2018 (see Section 2, Figure 2). The Bureau sent approximately 22,500 (or 84%) of these complaints to companies for review and response, referred 11% to other regulatory agencies, and found 5% to be incomplete. Of the 11% of checking or savings account complaints referred to other agencies, most were complaints submitted about credit unions and other depository institutions with less than \$10 billion in assets. At the end of 2019, 0.3% of checking or savings account complaints were pending with the consumer and 0.3% were pending with the Bureau (see Figure 27A, Routing Outcomes).

Companies responded to approximately 96% of checking or savings account complaints sent to them for review and response. Companies closed 68% of complaints with an explanation, 18% with monetary relief, and 3% with non-monetary relief. Companies used an administrative response for 3% of complaints. At the end of 2019, 5% of complaints were pending review by the company. Companies did not provide a timely response for 2% of complaints (see Figure 27B, Company Responses).

FIGURE 27: CHECKING OR SAVINGS ACCOUNT COMPLAINTS BY OUTCOMES

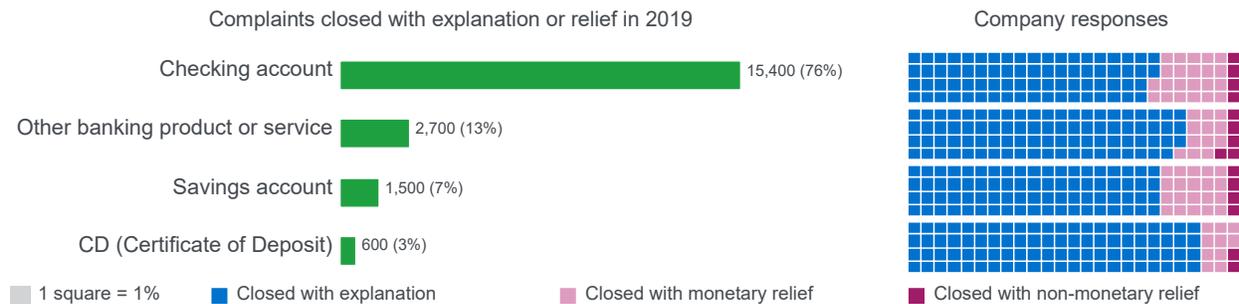


The remainder of this analysis focuses only on those checking or savings account complaints for which the company confirmed a commercial relationship with the consumer and responded

with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 96% of this subset of checking or savings account complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

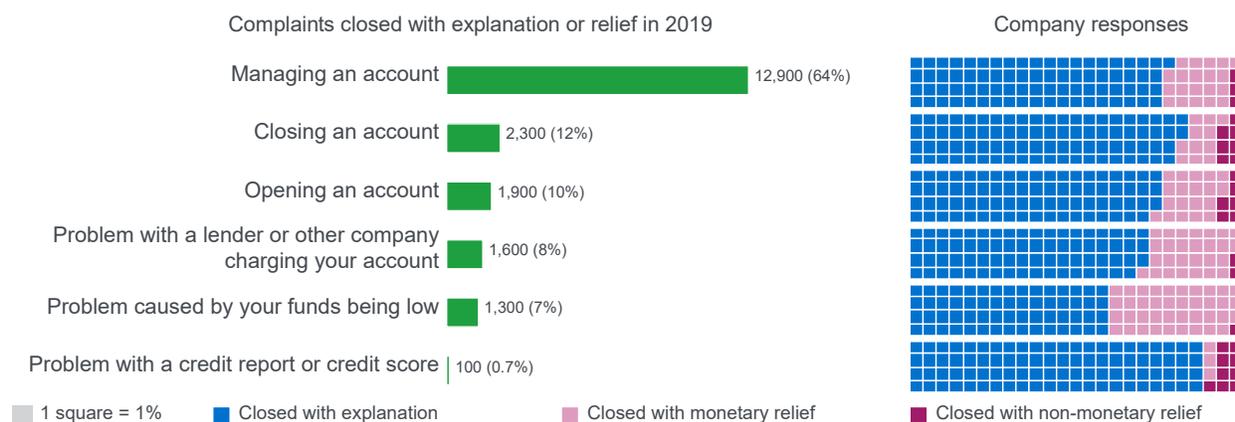
When submitting checking or savings account complaints, consumers specify the type of product. Options include: checking account, savings account, certificate of deposit (CD), and other banking product or service. In 2019, checking account was the most complained about product type (see Figure 28). Although ownership rates of checking and savings accounts are similar, it is not surprising that checking accounts are the subject of more complaints as they are used for everyday transacting—a frequent issue raised by consumers in complaints.

FIGURE 28: CHECKING OR SAVINGS ACCOUNT COMPLAINTS BY TYPE OF PRODUCT OR SERVICE AND OUTCOMES



Consumers also identify the issue that best describes the problem they experienced. For checking or savings account complaints, options include: closing an account; opening an account; managing an account; problem caused by funds being low; problem with a lender or other company charging your account; and, problem with credit report or credit score. The most common issue was “managing an account” (see Figure 29).

FIGURE 29: CHECKING OR SAVINGS ACCOUNT COMPLAINTS BY ISSUES AND OUTCOMES



The composition of issues in checking or savings account complaints in 2019 was similar to the composition in 2018. Of the consumers who identified managing an account as their primary issue, many reported issues with depositing and withdrawing funds. Consumers complained of an inability to access their funds, financial institutions placing holds on deposits, and discrepancies between when institutions told them funds would be released and when the funds were actually made available.

Consumers who submitted complaints about problems caused by funds being low received monetary relief at a greater rate than consumers who submitted complaints about other issues. Complaints in this category often involved the assessment of overdraft fees. Consumers identified several different situations for which they believed that the overdraft fees should not have been assessed. For example, some consumers claimed that the institution paid transactions on their behalf when they were not enrolled in an overdraft protection program, and others claimed that multiple overdraft fees were charged because of the transaction posting order. Companies frequently refunded these fees, but generally stated they were providing the refund as a courtesy, not because of errors in how the fees were assessed.

Some consumers complained about issues encountered when utilizing their financial institution’s mobile banking app, especially when making deposits. Consumers reported missing funds, miscalculation of deposits, and large holds placed on deposited checks—including routinely deposited payroll checks. In response to these complaints, some financial institutions refer consumers to deposit agreements, accounts disclosures, and Regulation CC guidelines or noted that holds are placed on certain deposited items to reduce the risk of loss to the bank and its customers.

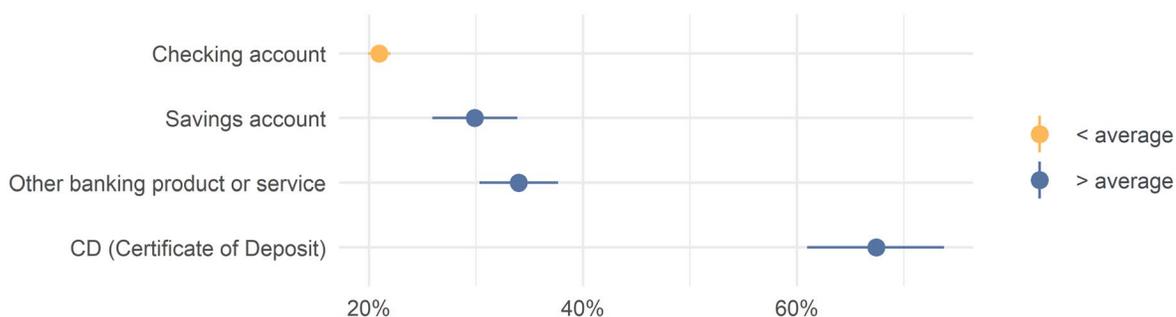
Unauthorized transactions, including transactions that may be related to fraudulent activity, continue to be a common cause of complaints. These complaints frequently concerned difficulties encountered during the claims process. Some consumers complained about

duplicative documentation requests and the issuance—and subsequent reversal—of provisional credits. In response to these complaints, companies frequently notified consumers that the original investigation was correct and that no error had occurred. In some instances, companies reconsidered earlier decisions and returned funds to the consumer.

An increasing number of complaints also involved claims by consumers that companies did not credit consumers with promotions (e.g., cash bonuses) related to opening an account. In response to these complaints, many companies indicated that consumers failed to meet one or more of the promotional requirements.

Approximately 12% of complaints submitted by older consumers were checking or savings complaints, compared to 9% submitted by consumers under 62 years old (see Section 2, Figure 5). Although older consumers comprised approximately 24% of checking or savings complaints, they made up a greater share of complaints about savings accounts and other banking products (see Figure 30). The concentration of older consumers in complaints about CDs was particularly pronounced at more than 67%. These differences likely reflect the differences in overall rate of ownership of these products by age.

FIGURE 30: OLDER CONSUMER RATE OF PRODUCT TYPES COMPARED TO PERCENTAGE OF CHECKING OR SAVINGS ACCOUNT COMPLAINTS SUBMITTED BY OLDER CONSUMERS



4.6 Student loans

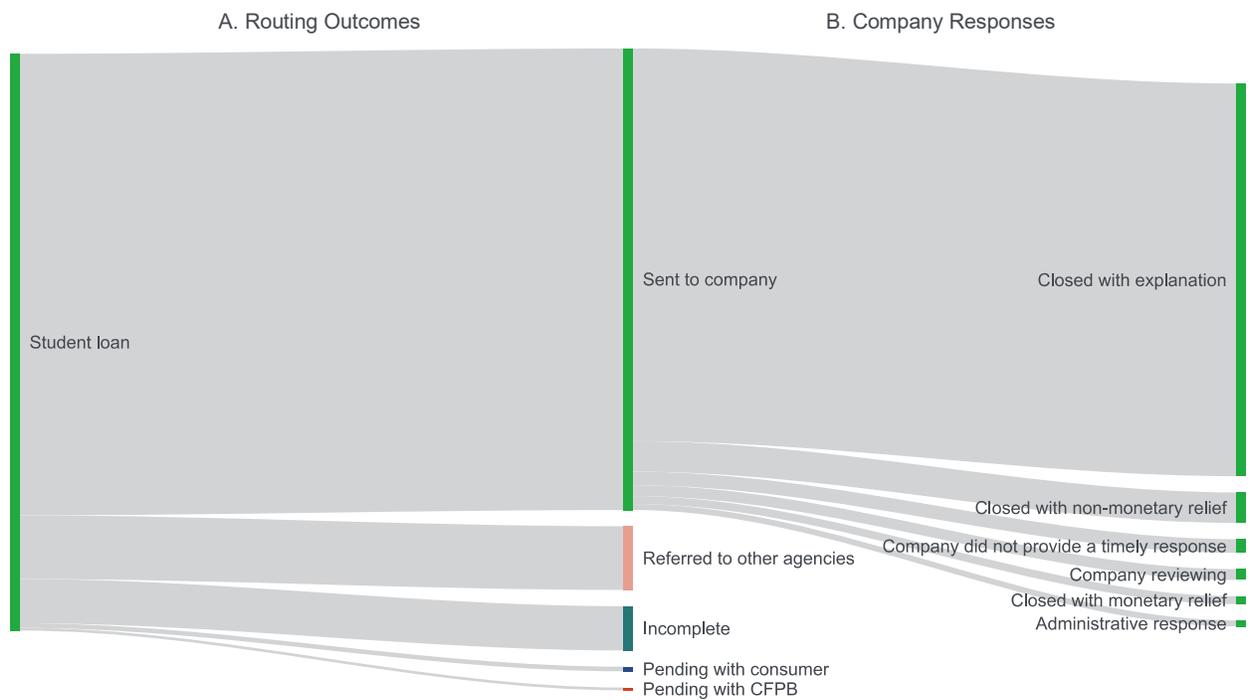
The Bureau received approximately 9,100 student loan complaints in 2019—a 12% decrease from 2018 (see Section 2, Figure 2).⁴¹ The Bureau sent approximately 7,300 (or 80%) of these

⁴¹ Before consumers can submit student loan complaints to the Bureau, the Bureau’s complaint form requires them to select the type of student loan. When consumers select *federal student loan* and an issue related to financial aid eligibility or related to receiving money from a federal student loan, the Bureau directs consumers to the Department of Education.

complaints to companies for review and response, referred 11% to other regulatory agencies, and found 8% to be incomplete. At the end of 2019, 0.8% of student loan complaints were pending with the consumer and 0.5% were pending with the Bureau (see Figure 31A, Routing Outcomes).

Companies responded to approximately 96% of student loan complaints sent to them for review and response. Companies closed 85% of complaints with an explanation, 7% with non-monetary relief, and 2% with monetary relief. Companies used an administrative response for 1% of complaints. At the end of 2019, 2% of complaints were pending review by the company. Companies did not provide a timely response for 3% of complaints (see Figure 31B, Company Responses).

FIGURE 31: STUDENT LOAN COMPLAINTS BY OUTCOMES

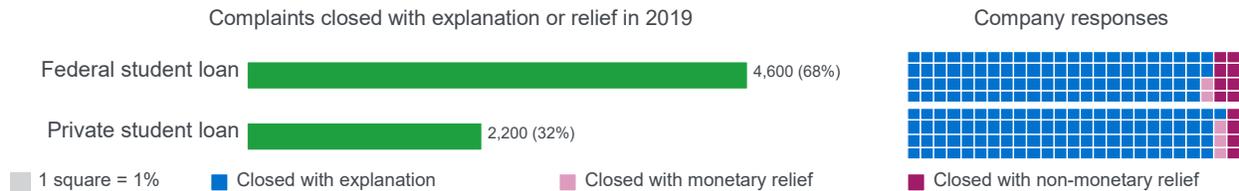


The remainder of this analysis focuses only on those student loan complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 91% of this subset of student loan complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting student loan complaints, consumers specify whether they are complaining about a federal student loan or a private student loan. In 2019, consumers complained about federal student loans more frequently than private student loans (see Figure 32).

Americans owe more than \$1.6 trillion in student loan debt, making student loans the second largest debt market in the United States behind mortgage.⁴² This market is predominantly comprised of federal student loans issued or guaranteed by the U.S. Department of Education, which has \$1.5 trillion in outstanding loans.⁴³

FIGURE 32: STUDENT LOAN COMPLAINTS BY TYPE OF LOAN AND OUTCOMES



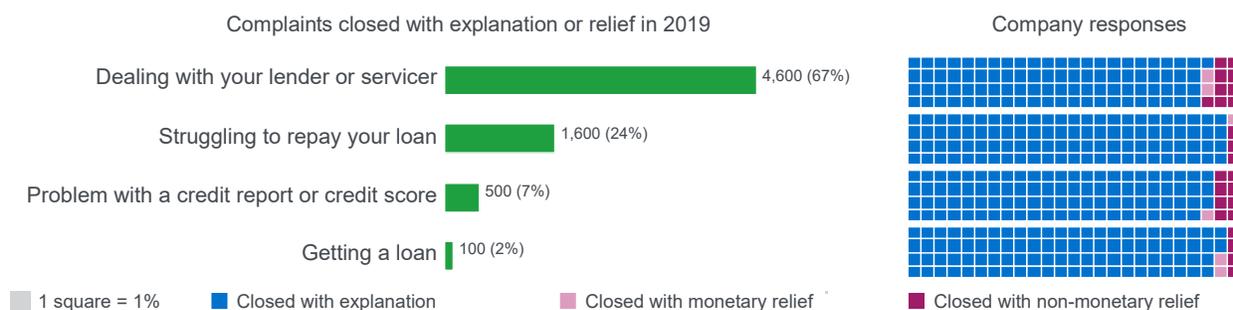
Consumers also identify the issue that best describes the problem they experienced. For student loans, options include: dealing with a lender or servicer; getting a loan; problem with a credit or consumer report; and, struggling to repay a loan.⁴⁴ The most common issue was “dealing with your lender or servicer” (see Figure 33).

⁴² See Board of Governors of the Federal Reserve System (FRB), Consumer Credit – G.19, Nov. 2019 (updated Jan. 8, 2020), available at <https://www.federalreserve.gov/releases/g19/current/>.

⁴³ See also Federal Student Aid Portfolio Summary (2019-Q4), available at <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/PortfolioSummary.xls> (last accessed Feb. 6, 2020).

⁴⁴ See supra note 41.

FIGURE 33: STUDENT LOAN COMPLAINTS BY ISSUES AND OUTCOMES



The composition of issues in student loan complaints in 2019 was similar to the composition in 2018. Borrowers submitted federal student loan complaints to the Bureau at twice the rate of private student loan complaints, and approximately two-thirds of borrowers identified dealing with their lender or servicer as the issue that best describes their problem. In complaints about servicing issues, federal student loan borrowers most often raised issues about receiving incorrect or incomplete information about their loan, whereas private student loan borrowers most often raised issues about trouble with how payments were handled. The prevalence of federal student loan borrowers’ complaints about receiving information may be explained, in part, by the wide range of federal payment and forgiveness programs, and their corresponding requirements.

Both federal and private student loan borrowers report problems when their loan is transferred from one servicer to another. Although this issue seems more common in federal student loans, the problems manifesting from servicing transfers are similar for consumers regardless of loan type. These problems include difficulties in obtaining information about their loan, accessing servicers’ websites, and submitting automatic payments.

Like in 2018, loan affordability was a common issue raised by student loan borrowers. Unlike most private student loan borrowers, federal borrowers may have available several income-driven repayment (IDR) plans to reduce financial distress that can result in affordable monthly payments with some borrowers paying as little as \$0 per month. The use of these IDR plans has increased significantly in recent years.⁴⁵ To take advantage of IDR payment plans, borrowers need to complete applications based on their income. These applications typically ask for information about a borrower’s annual income, family size, and outstanding federal student loan debt and can be completed free of charge.

⁴⁵ See Consumer Fin. Prot. Bureau, *Data Point: Borrower Experiences on Income-Driven Repayment* (Nov. 2019) at 2, available at https://files.consumerfinance.gov/f/documents/cfpb_data-point_borrower-experiences-on-IDR.pdf.

Once enrolled in an IDR plan, borrowers must recertify this information annually. Borrowers reported difficulties completing their annual certifications. Some consumers described not receiving notices notifying them of the certification deadline. Other borrowers described submitting their certification, but not receiving approval because of missing information. This missing information was often related to the borrower's or their spouse's income. Some servicers informed borrowers that documents, such as paystubs, were needed to evaluate whether the borrower's circumstances had changed from the prior year. In some circumstances, servicers adjusted the payment amounts following receipt of a borrower's paystub.

Borrowers sometimes express that IDR plans and related paperwork are confusing, and some borrowers have turned to student loan debt relief companies that offer to assist borrowers with applications for IDR plans. Many of these companies charge a processing fee—generally several hundred dollars—for services that could be completed by the borrower for free.⁴⁶ According to borrowers, some of these companies advertise claims of loan forgiveness through fictitious government programs.⁴⁷ Borrowers describe originally believing that these companies were affiliated with the Department of Education and becoming frustrated when their payments are not applied as anticipated to their student loans. The volume of complaints submitted against these companies is relatively small compared to complaints submitted against student loan servicers.

Federal student loan borrowers continue to submit complaints about the Public Service Loan Forgiveness (PSLF) program.⁴⁸ This appears to be an increasingly common topic raised by borrowers, and the trend may continue as the first groups of borrowers become eligible and apply for forgiveness.⁴⁹ In their complaints to the Bureau, borrowers report that their servicers are inaccurately calculating the number of qualifying payments, and that requests for servicer review of qualifying payments are not timely addressed. Indeed, some borrowers report that servicers estimate it will take a year to calculate the total number of qualifying payments.

⁴⁶ Borrowers can apply for an Income-Driven Repayment by visiting Federal Student Aid, available at <https://studentaid.gov/app/ibrInstructions.action>.

⁴⁷ For a discussion on student loan debt relief scams, see e.g., *Annual Report of the CFPB Private Education Loan Ombudsman 2019* (Oct. 15, 2019) at 33-36, available at <https://www.consumerfinance.gov/data-research/research-reports/annual-report-cfpb-private-education-loan-ombudsman-2019/>.

⁴⁸ The Public Service Loan Forgiveness program forgives the remainder of a borrower's federal Direct Loan balance after the borrower has made 120 qualifying payments (10 years) under a qualifying payment plan while working full-time for a qualifying public service employer. See 34 CFR § 685.219.

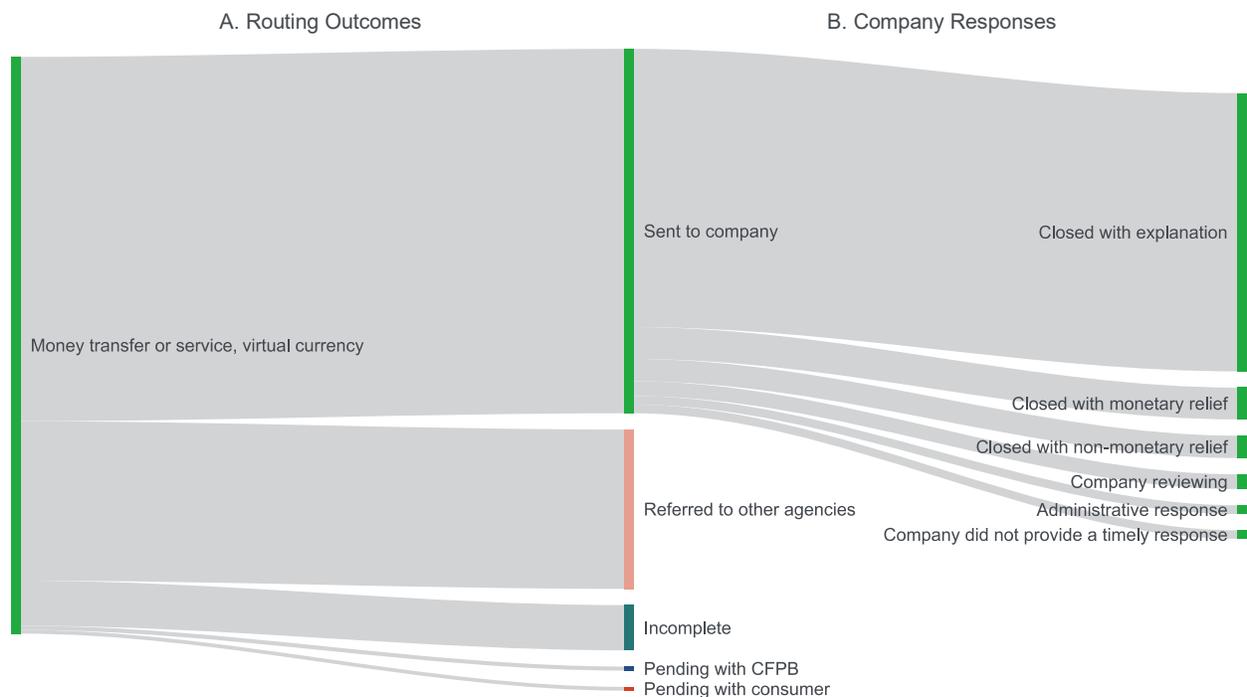
⁴⁹ In 2007, Congress passed into law the College Cost Reduction and Access Act, which authorized the Public Service Loan Forgiveness program. See Pub. L. 110-84 (2007). The first borrowers became eligible to apply for forgiveness in late 2017—ten years after passage of the Act.

4.7 Money transfers, money services, and virtual currencies

The Bureau received approximately 8,200 money transfer, money service, and virtual currency (collectively referred to as “money services” in this section) complaints in 2019—a 1% increase from 2018 (see Section 2, Figure 2). The Bureau sent approximately 5,200 (or 63%) of these complaints to companies for review and response, referred 28% to other regulatory agencies, and found 8% to be incomplete. At the end of 2019, 0.7% of money services complaints were pending with the consumer and 0.7% were pending with the Bureau (see Figure 34A, Routing Outcomes).

Companies responded to approximately 95% of money services complaints sent to them for review and response. Companies closed 76% of complaints with an explanation, 9% with monetary relief, and 6% with non-monetary relief. Companies used an administrative response for 2% of complaints. At the end of 2019, 4% of complaints were pending review by the company. Companies did not provide a timely response for 2% of complaints (see Figure 34B, Company Responses).

FIGURE 34: MONEY TRANSFER OR SERVICE, AND VIRTUAL CURRENCY COMPLAINTS BY OUTCOMES

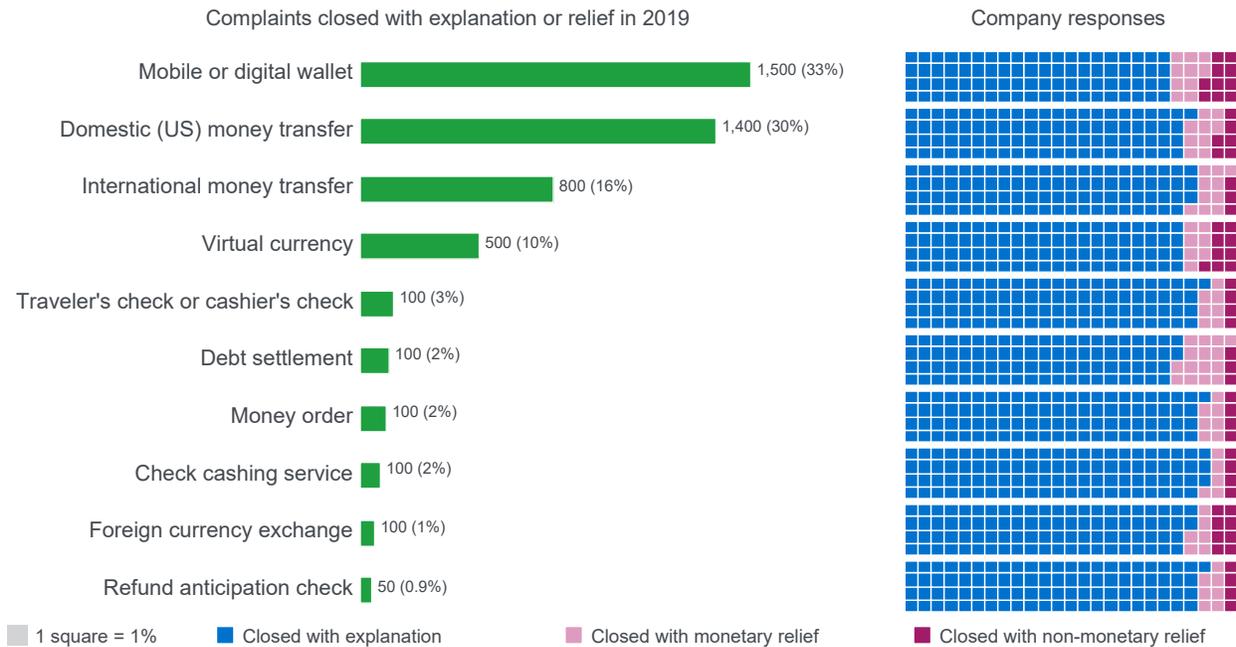


The remainder of this analysis focuses only on those money services complaints for which the company confirmed a commercial relationship with the consumer and responded with an

explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 93% of this subset of money services complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

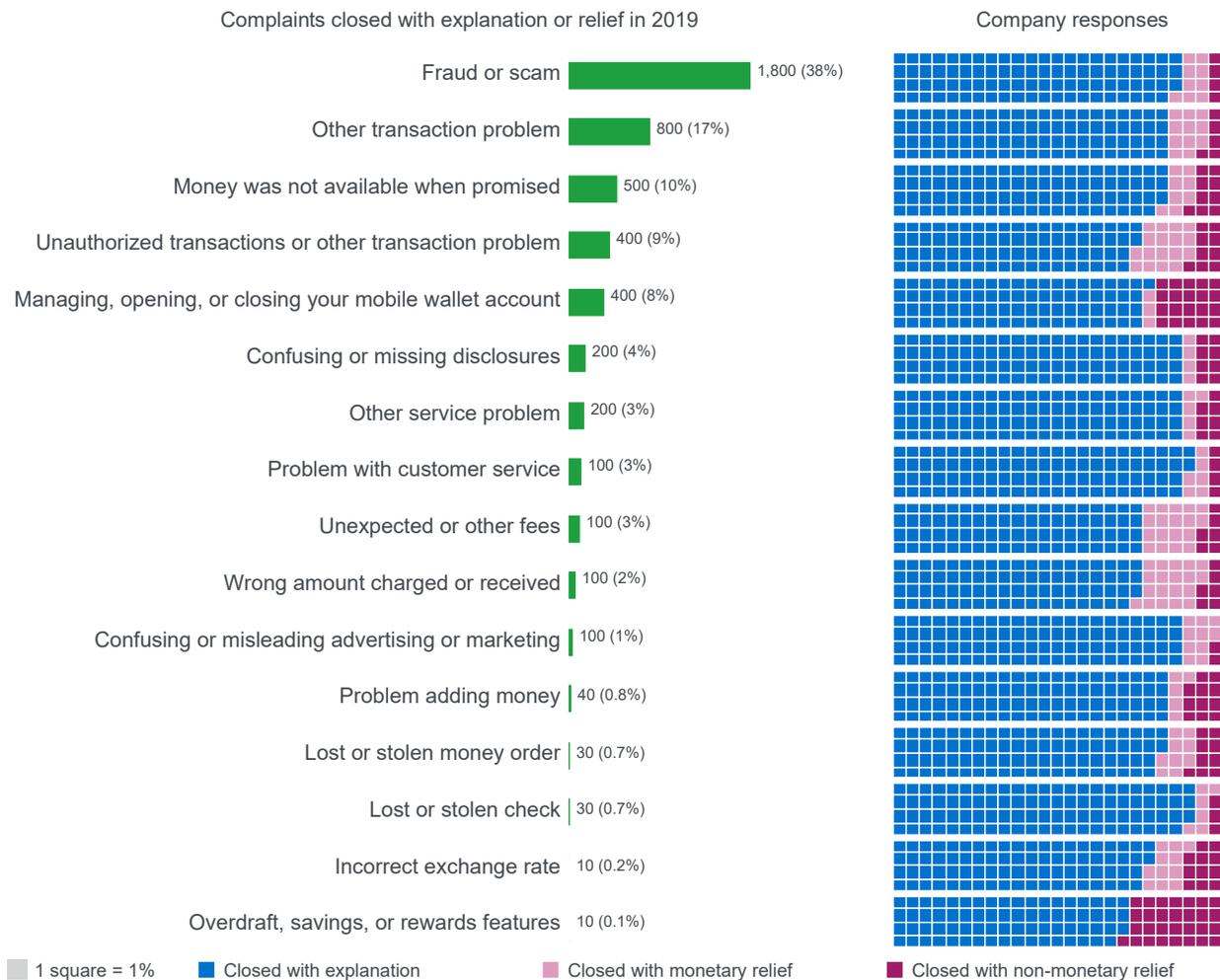
When submitting money services complaints, consumers specify the type of product. Options include: check cashing service; debt settlement; domestic (U.S.) money transfer; foreign currency exchange; international money transfer; mobile or digital wallet; money order; refund anticipation check; traveler's check or cashier's check; and, virtual currency. In 2019, mobile or digital wallet money transfers was the most complained about type of product (see Figure 35). The composition of products within money services changed significantly from 2018 to 2019. Virtual currency complaints declined significantly from approximately 23% of money transfer or service complaints in 2018 to only 10% in 2019 and mobile and digital wallet complaints surpassed domestic money transfer complaints for the first time.

FIGURE 35: MONEY TRANSFER OR SERVICE, AND VIRTUAL CURRENCY COMPLAINTS BY TYPE AND OUTCOMES



Consumers also identify the issue that best describes the problem they experienced. For complaints about money services, options include: confusing or misleading advertising and marketing; confusing or missing disclosures; fraud or scam; incorrect exchange rate; lost or stolen check; lost or stolen money order; managing, opening, or closing your mobile wallet account; money was not available when promised; other transaction problem; other service problem; overdraft, savings, or rewards features; problem adding money; problem with customer service; unauthorized transactions or other transaction problem; unexpected or other fees; and, wrong amount charged or received. The most common issue was “fraud or scam” followed by “other transaction problem” (see Figure 36).

FIGURE 36: MONEY TRANSFER OR SERVICE, AND VIRTUAL CURRENCY COMPLAINTS BY ISSUES AND OUTCOMES



The composition of issues in money services changed somewhat in 2019 compared to 2018. Approximately 38% of money services complaints involved fraudulent activity, which is a notable increase from the roughly 27% of consumers that selected “fraud or scam” in 2018. Along with traditional money transfer providers, which have walk-in locations to send and receive money, these complaints increasingly include complaints about mobile- or online-only payments services companies. Two scams in particular—involving payments for alleged rental units and concert tickets—increased in frequency. Mobile and online payment services providers often responded that their payments service is only intended for the consumer to transfer funds with those whom they trust, such as friends and family members. These complaints suggest that consumers do not always understand how protections apply when using different payment methods.

Consumers using mobile or online payments services also sometimes claimed that their accounts were hacked or otherwise compromised, and that funds were removed without their authorization. Companies generally responded to claims that transactions were not authorized by describing their investigation and providing relevant information about the transfer or transaction. In a number of complaints, companies ultimately reconsidered prior decisions, especially when consumers provided additional details or documentation for their claims.

For both bank, and non-bank providers of remittance transfers, consumer complaints often involved transaction problems. Frequently these problems involved delays in the delivery of funds or failure to deliver the funds at all. Companies responded with a variety of reasons for these problems, including other compliance considerations (e.g., compliance with government sanctions, the Office of Foreign Asset Control), and technical difficulties.

Consumers identify debt settlement in a small number of money service complaints. Many debt settlement complaints involved student loans. For example, many complaints involved companies providing a variety of services adjacent to the servicing of student loans, including document preparation for payment plans, loan consolidation and debt settlement. Many consumers claimed that these companies did not provide the promised services. Section 4.6 (Student Loans) includes more information on these and similar companies.

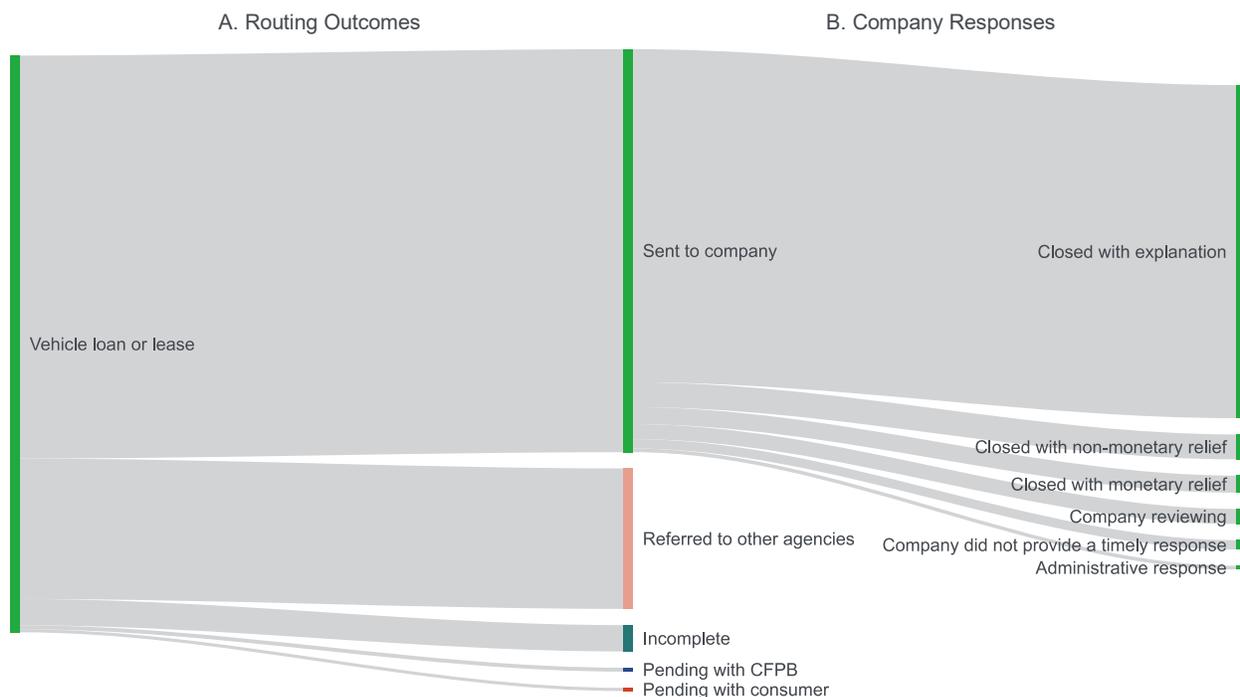
4.8 Vehicle loans or lease

The Bureau received approximately 7,900 vehicle loan or lease complaints in 2019—a 3% decrease from 2018 (see Section 2, Figure 2). The Bureau sent approximately 5,500 (or 70%) of these complaints to companies for review and response, referred 24% to other regulatory agencies, and found 5% to be incomplete. At the end of 2019, 0.6% of vehicle loan or lease complaints were pending with the consumer and 0.7% were pending with the Bureau (see Figure 37A, Routing Outcomes).

Some consumers submit complaints about vehicle dealerships. The Bureau generally does not send vehicle loan or lease complaints to vehicle dealerships unless the dealer retains motor vehicle installment sales contracts (often known as “buy here, pay here” dealers).

Companies responded to approximately 96% of vehicle loan or lease complaints sent to them for review and response. Companies closed 83% of complaints with an explanation, 6% with non-monetary relief, and 4% with monetary relief. Companies used an administrative response for 0.9% of complaints. At the end of 2019, 4% of complaints were pending review by the company. Companies did not provide a timely response for 2% of complaints (see Figure 37B, Company Responses).

FIGURE 37: VEHICLE LOAN OR LEASE COMPLAINTS BY OUTCOMES



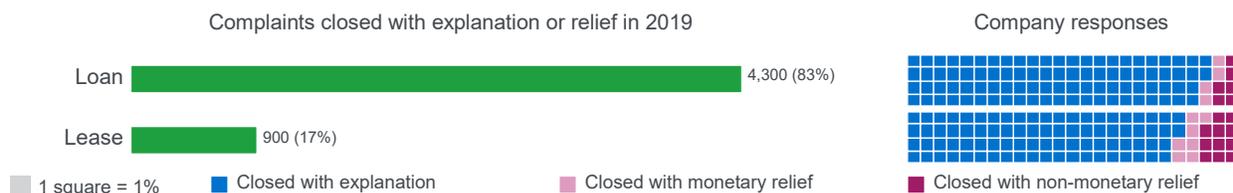
The remainder of this analysis focuses only on those vehicle loan or lease complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 93% of this subset of vehicle loan or lease complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

Consumers who submit vehicle loan or lease complaints specify whether they are complaining about a vehicle loan or lease. In 2019, consumers complained about vehicle loans more frequently than vehicle leases (see Figure 38).

Americans owe more than \$1.1 trillion in vehicle loan debt, making vehicle loans the third largest consumer debt market in the United States behind mortgage and student loans.⁵⁰

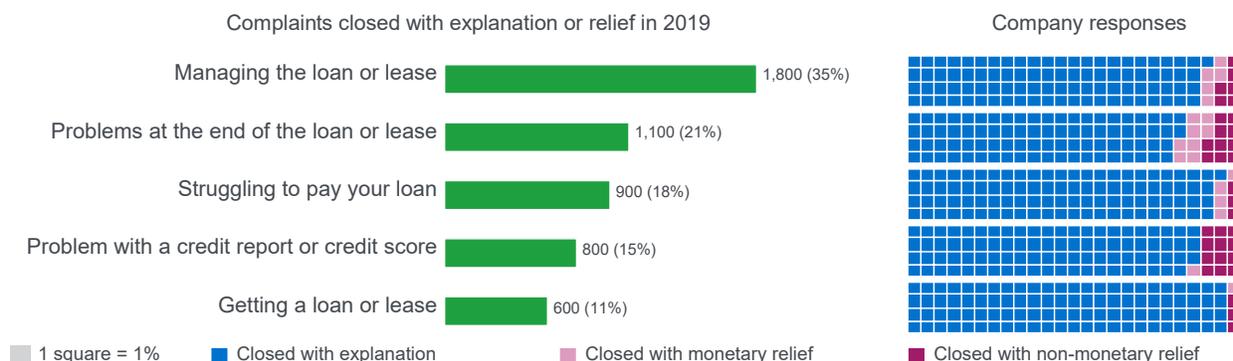
⁵⁰ See Board of Governors of the Federal Reserve System (FRB), *supra* note 43. This market includes loans for passenger cars and other vehicles (e.g., minivans, sport-utility vehicles, pickup trucks for personal use), but excludes loans for boats, motorcycles, and recreational vehicles.

FIGURE 38: VEHICLE LOAN OR LEASE COMPLAINTS BY TYPE AND OUTCOMES



Consumers identify the issue that best describes the problem they experienced. For vehicle loan or lease complaints, options include: getting a loan or lease; managing the loan or lease; problems at the end of the loan or lease; problem with credit report or credit score; and, struggling to pay loan. The most common issue was “managing the loan or lease” (see Figure 39).

FIGURE 39: VEHICLE LOAN OR LEASE COMPLAINTS BY ISSUES AND OUTCOMES



The composition of issues in vehicle loan or lease complaints in 2019 was similar to the composition in 2018. Consumers submitted complaints overwhelmingly about the loan product category, and managing a loan or lease remains the most commonly identified issue. In complaints about managing a loan or lease, consumers most often raised issues involving billing. For example, consumers reported problems with payment processing that led to late fees, adverse credit reporting, or both. Like 2018, some of these issues were related to automatic or online payment systems. In response to these complaints, some servicers acknowledged the error and worked with consumers to resolve the problems.

The volume of vehicle complaints related to struggling to make payments is steady year-over-year. Of the 18% of consumers who identified this as their primary issue, some reported entering into payment arrangements with their servicer. Even with these payment arrangements, consumers reported that their vehicle had been repossessed, which ultimately resulted in additional fees.

Approximately 15% of consumers who submitted a vehicle loan or lease complaint identified a problem with their credit report or score. In these complaints, consumers most frequently described having hard inquiries (i.e., credit inquiries that will likely affect consumers' credit scores) made without their explicit permission. In response to these complaints, some companies requested that the credit reporting company remove the inquiry.

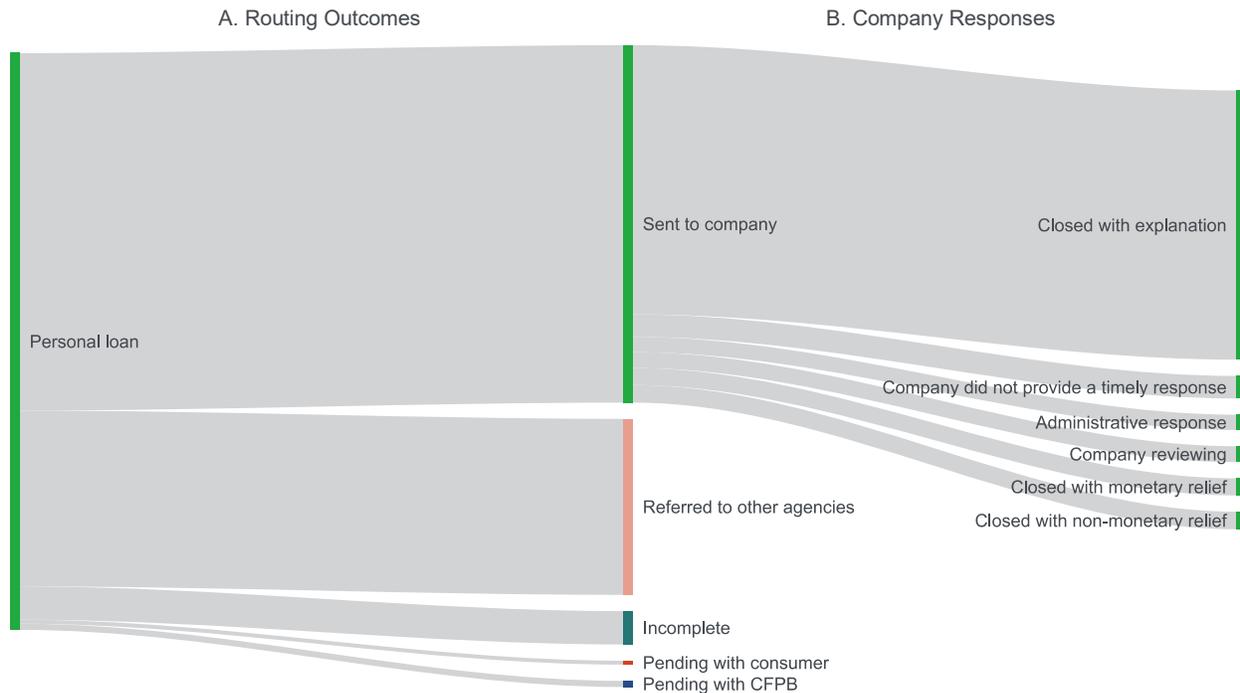
Some consumers who submitted complaints about getting a loan or lease reported confusion stemming from ambiguous or unclear advertisements. When responding to these advertisements, consumers were surprised to learn that the terms—such as a low interest rate—were different from what was advertised. Some companies responded to these complaints by explaining to the consumer that they were ineligible or the characteristics of the vehicle, such as the make and model, made it ineligible for the promotion.

4.9 Personal loans

The Bureau received approximately 4,600 personal loan complaints in 2019—a 10% increase from 2018 (see Section 2, Figure 2). The Bureau sent approximately 2,900 (or 62%) of these complaints to companies for review and response, referred 30% to other regulatory agencies, and found 6% to be incomplete. At the end of 2019, 0.7% of personal loan complaints were pending with the consumer and 1% were pending with the Bureau (see Figure 40A, Routing Outcomes).

Companies responded to approximately 92% of personal loan complaints sent to them for review and response. Companies closed 75% of complaints with an explanation, 5% with non-monetary relief, and 5% with monetary relief. Companies used an administrative response for 4% of complaints. At the end of 2019, 4% of complaints were pending review by the company. Companies did not provide a timely response for 6% of complaints (see Figure 40B, Company Responses).

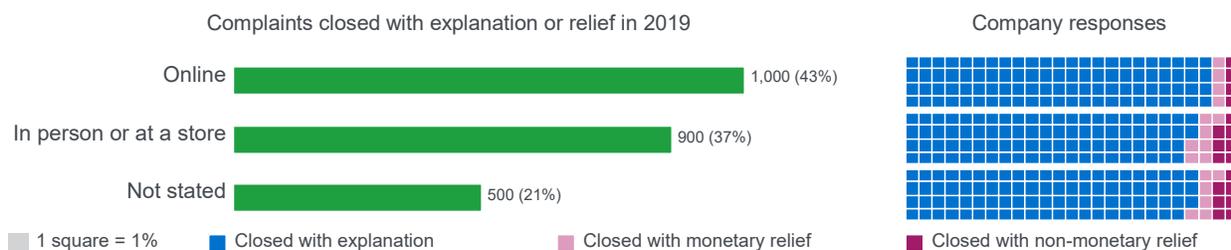
FIGURE 40: PERSONAL LOAN COMPLAINTS BY OUTCOMES



The remainder of this analysis focuses only on those personal loan complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 89% of this subset of personal complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

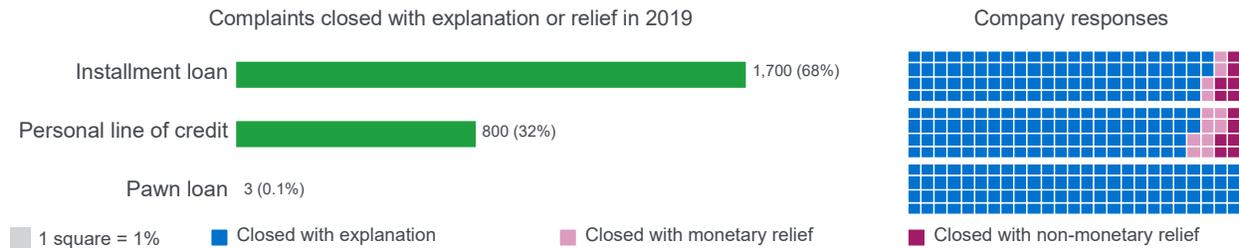
When submitting personal loan complaints, consumers specify whether they obtained the loan online or at a store (in person). In 2019, consumers complained about personal loans obtained online more than personal loans obtained at a store (see Figure 41).

FIGURE 41: PERSONAL LOAN COMPLAINTS BY LOAN SOURCE AND OUTCOMES



When submitting personal loan complaints, consumers specify the type of product. Options include: installment loan, personal line of credit, or pawn loan. In 2019, installment loans were the most complained about type of personal loan product (see Figure 42).

FIGURE 42: PERSONAL LOAN COMPLAINTS BY TYPE AND OUTCOMES



Consumers also identify the issue that best describes the problem they experienced. For personal loan complaints, options are: can't contact lender or servicer; charged unexpected fee or interest; credit limit changed; getting the loan; getting a line of credit; problem with a credit report or score; problem with additional add-on product or services; problem with cash advance; problem with the payoff process at the end of the loan; problem when making payments, and struggling to pay loan. The most common issue was “charged fees or interest you didn’t expect” (see Figure 43).

FIGURE 43: PERSONAL LOAN COMPLAINTS BY ISSUES AND OUTCOMES



The composition of issues in personal loan complaints in 2019 was similar to the composition in 2018. Personal loan complaints involve a range of loan products that consumers use for a variety of purposes. Some loan products have relatively small principal amounts—often used for temporary expenses or budget shortfalls and generally issued by non-bank lenders. Other loan products involve larger principal amounts for longer terms and are generally issued by both bank and non-bank lenders. Consumers who use these products mention a range of uses for the funds, such as home improvement and debt consolidation. Personal loan complaints also include another group of loans that involve the financing of specific goods, such as solar panels, furniture, or other personal property. Section 4.3 (Mortgage) includes a discussion of PACE financing complaints, which are sometimes submitted in the personal loan product category.

For complaints with the issue of “charged fees or interest you didn’t expect,” many consumers expressed dissatisfaction with high interest rates and fees. Some stated that their loan balance did not decrease—or, in some instances, increased—despite the payment being made on time. Others asserted that their loans violated state usury laws. Still others stated that they did not realize the full cost of credit at the time that they entered into the loan agreement. In response to these complaints, companies frequently indicated that the consumer had received loan disclosures and provided an acknowledgement of agreement with the terms of the loan.

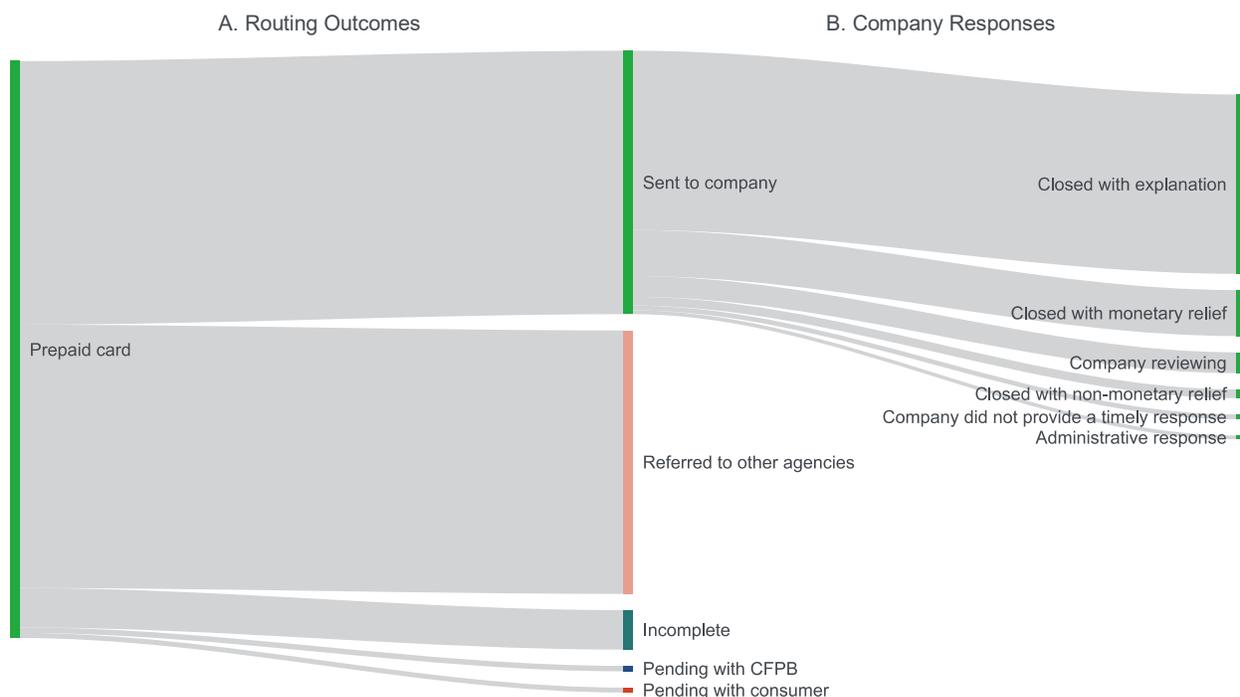
Company responses also often stated that the loan complied with all state and federal laws or federal and tribal laws, depending upon the status of the lender.

4.10 Prepaid cards

The Bureau received approximately 4,100 prepaid card complaints in 2019—a 59% increase from 2018 (see Section 2, Figure 2). The Bureau sent approximately 1,900 (or 46%) of these complaints to companies for review and response, referred 46% to other regulatory agencies, and found 7% to be incomplete. At the end of 2019, 0.9% of prepaid card complaints were pending with the consumer and 0.9% were pending with the Bureau (see Figure 44A, Routing Outcomes).

Companies responded to approximately 95% of prepaid card complaints sent to them for review and response. Companies closed 68% of complaints with an explanation, 17% with monetary relief, and 3% with non-monetary relief. Companies used an administrative response for 1% of complaints. At the end of 2019, 8% of complaints were pending review by the company. Companies did not provide a timely response for 2% of complaints (see Figure 44B, Company Responses).

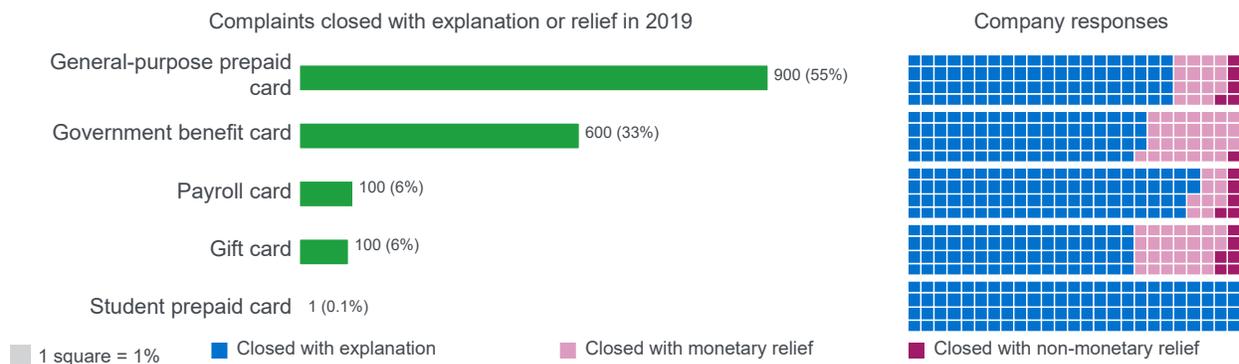
FIGURE 44: PREPAID CARD COMPLAINTS BY OUTCOMES



The remainder of this analysis focuses only on those prepaid card complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 95% of this subset of prepaid card complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

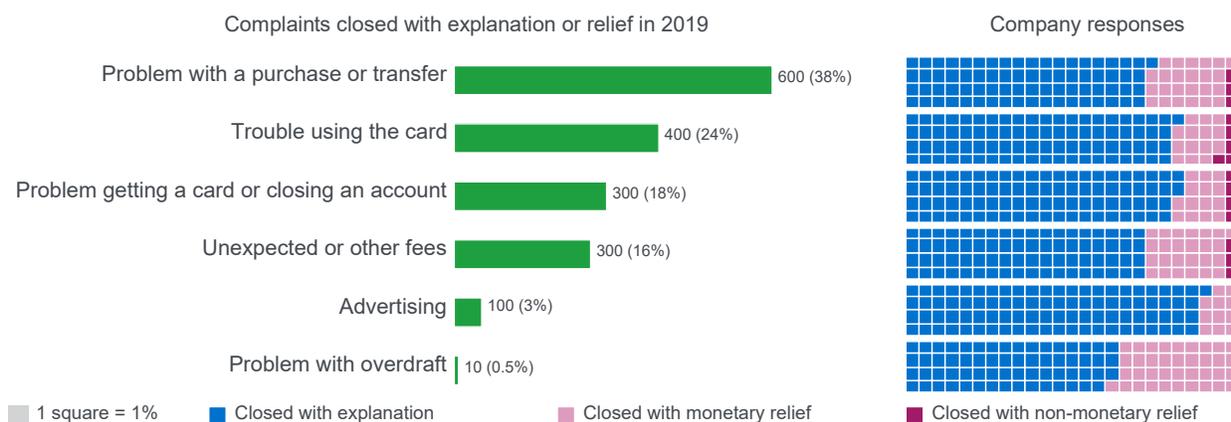
When submitting prepaid card complaints, consumers specify the type of product. Options include: general-purpose prepaid card; gift card; government benefit card; payroll card; and, student prepaid card. In 2019, general-purpose prepaid cards were the most complained about prepaid product type (see Figure 45).

FIGURE 45: PREPAID COMPLAINTS BY TYPE OF CARD AND OUTCOMES



Consumers also identify the issue that best describes the problem they experienced. For prepaid card complaints, options include: advertising; problem getting a card or closing an account; problem with a purchase or transfer; problem with overdraft; trouble using the card; and, unexpected or other fees. The most common issue was “problem with a purchase or transfer” (see Figure 46).

FIGURE 46: PREPAID COMPLAINTS BY ISSUES AND OUTCOMES



The Bureau’s Prepaid Card Rule became effective on April 1, 2019.⁵¹ Coinciding with the effective date, the Bureau released a host of educational materials to inform the public about the new rule.⁵² While the rule does not appear to have significantly altered the breakdown of issues selected by consumers, the overall volume of complaints increased from approximately 2,600 complaints to more than 3,900. This increase may be explained, in part, by increased awareness around prepaid cards and the protections (e.g., error resolution requirements) now available to consumers.

An increasing number of complaints involved government benefits in 2019. As in previous years, many of these complaints involved attempts to correct problems that arose from transactions that the consumer claimed were unauthorized or fraudulent. Frequently consumers provided detailed information and requested that companies reconsider prior decisions. Companies frequently included a description of their investigation and provided reasons that a disputed transaction was approved or denied.

4.11 Payday loans

The Bureau received approximately 2,100 payday loan complaints in 2019—an 8% decrease from 2018 (see Section 2, Figure 2). The Bureau sent approximately 1,300 (or 60%) of these complaints to companies for review and response, referred 32% to other regulatory agencies, and found 7% to be incomplete. At the end of 2019, 0.6% of payday loan complaints were

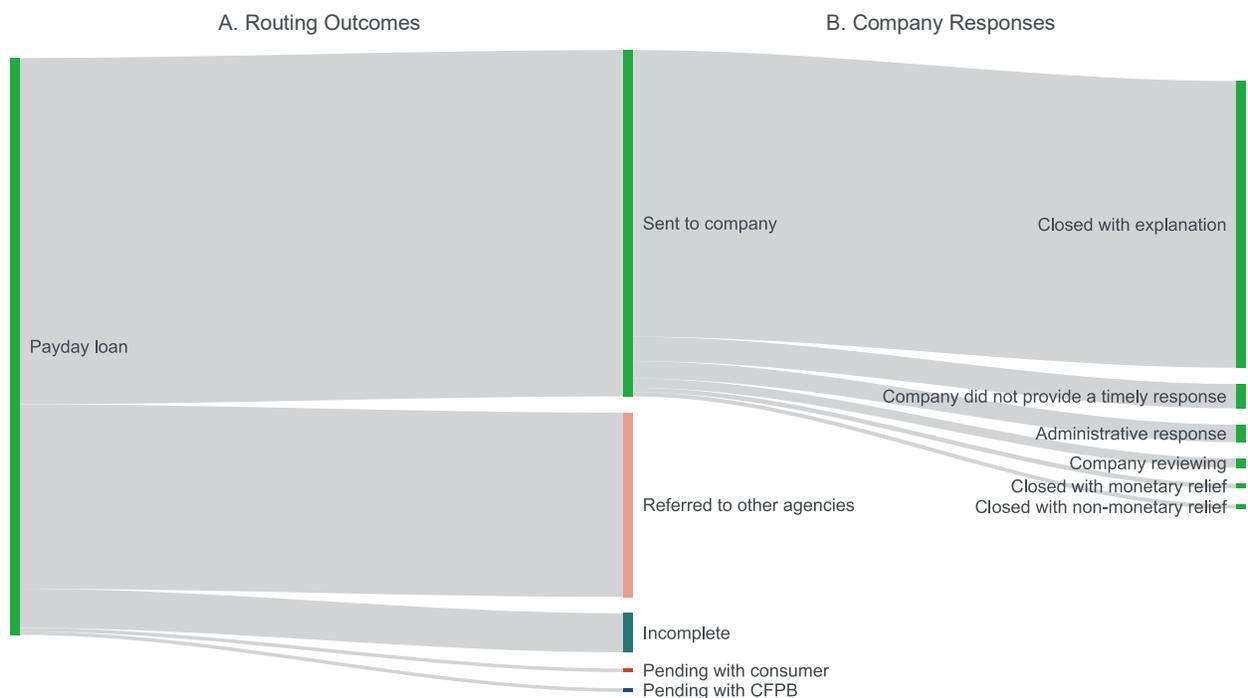
⁵¹ See Consumer Fin. Prot. Bureau, *CFPB Finalizes Changes to Prepaid Accounts Rule* (Jan. 2018), available at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-changes-prepaid-accounts-rule/>.

⁵² See e.g., Consumer Fin. Prot. Bureau, *PREPAID CARDS AND OTHER PREPAID ACCOUNTS*, available at <https://www.consumerfinance.gov/consumer-tools/prepaid-cards/> (last visited Feb. 12, 2020).

pending with the consumer and 0.6% were pending with the Bureau (see Figure 47A, Routing Outcome).

Companies responded to approximately 91% of payday loan complaints sent to them for review and response. Companies closed 83% of complaints with an explanation, 1% with monetary relief, and 1% with non-monetary relief. Companies used an administrative response for 5% of complaints. At the end of 2019, 3% of complaints were pending review by the company. Companies did not provide a timely response for 7% of complaints (see Figure 47B, Company Responses).

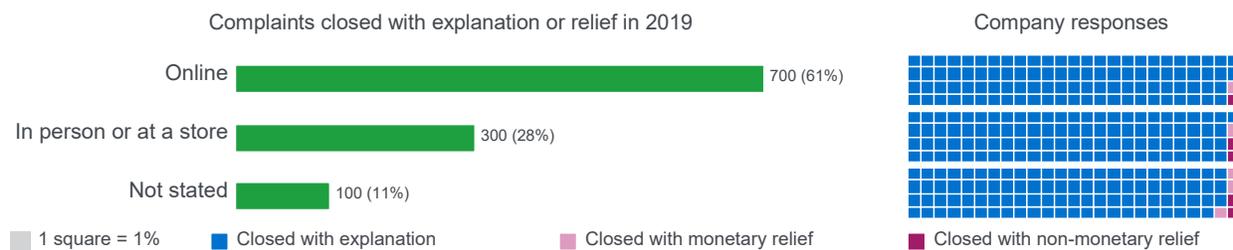
FIGURE 47: PAYDAY LOAN COMPLAINTS BY OUTCOMES



The remainder of this analysis focuses only on those payday loan complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 84% of this subset of payday loan complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting payday loan complaints, consumers specify whether they obtained the loan online or at a store (in person). In 2019, consumers complained about payday loans obtained online more than payday loans obtained at a store (see Figure 48).

FIGURE 48: PAYDAY LOAN COMPLAINTS BY LOAN SOURCE AND OUTCOMES



Consumers also identify the issue that best describes the problem they experienced. For payday loan complaints, options include: cannot contact lender or servicer; cannot stop withdrawals from bank account; charged unexpected fees or interest; loan payment was not credited to account; money was taken from bank account on the wrong day or for the wrong amount; problem with a credit report or credit score; problem with the payoff process at the end of the loan; received a loan consumer did not apply for; struggling to pay loan; and, was approved for a loan, but didn't receive the money. The most common issue was “charged fees or interest you didn't expect” (see Figure 49).

FIGURE 49: PAYDAY LOAN COMPLAINTS BY ISSUES AND OUTCOMES



Consumers continued to express concerns about the affordability of their payday loans. Some consumers requested that lenders work with them to create affordable installment repayment

plans so that they could stop rolling over loans. In response to these requests, some companies appeared to offer the consumer installment repayment options.

Consumers submitted a number of complaints about attempts to revoke automated clearing house (ACH) authorizations. Some consumers also complained about payments that occurred after they believed that ACH authorizations had been successfully revoked. Some consumers also claimed that companies refused to revoke authorizations or provided misleading information about the process for revoking the authorization during customer service interactions. Consumers described attempts to revoke authorizations using a variety of channels, including phone, email, and mail.

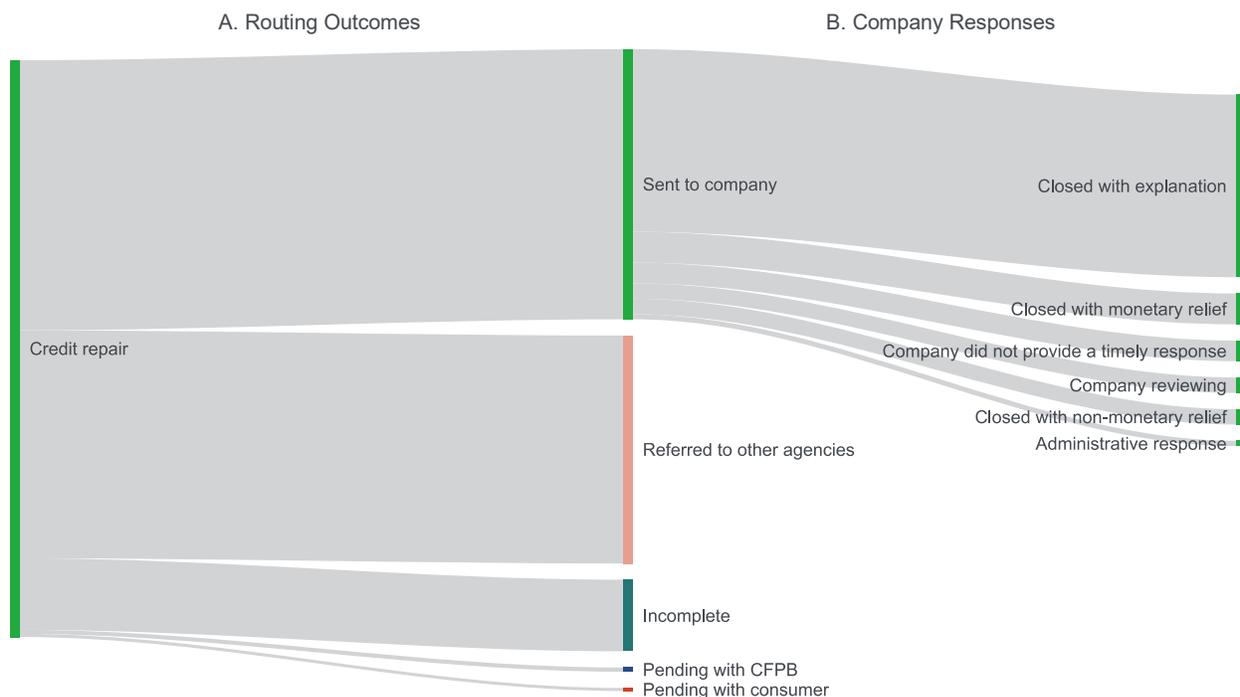
Consumers also continued to complain about collection tactics for payday loans. Contact of third parties, especially the borrower's employer, is a common concern for consumers. Consumers also expressed frustration with the timing and frequency of the contacts and described some of the contacts as harassing.

4.12 Credit repair

The Bureau received approximately 1,100 credit repair complaints in 2019—a 10% increase from 2018 (see Section 2, Figure 2). The Bureau sent approximately 500 (or 47%) of these complaints to companies for review and response, referred 40% to other regulatory agencies, and found 12% to be incomplete. At the end of 2019, 0.5% of credit repair complaints were pending with the consumer and 0.7% were pending with the Bureau (see Figure 50A, Routing Outcomes).

Companies responded to approximately 91% of credit repair complaints sent to them for review and response. Companies closed 68% of complaints with an explanation, 11% with monetary relief, and 6% with non-monetary relief. Companies used an administrative response for 2% of complaints. At the end of 2019, 6% of complaints were pending review by the company. Companies did not provide a timely response for 8% of complaints (see Figure 50B, Company Responses).

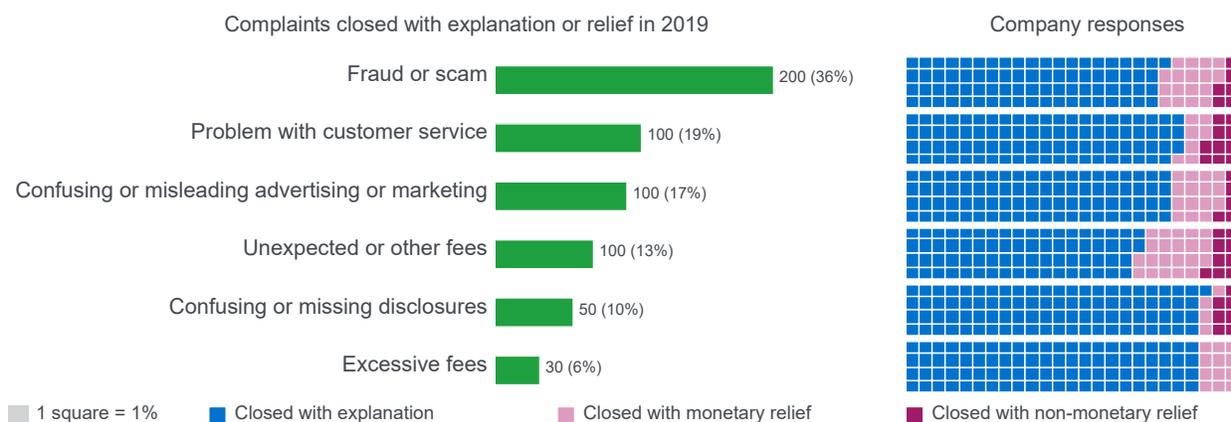
FIGURE 50: CREDIT REPAIR COMPLAINTS BY OUTCOMES



The remainder of this analysis focuses only on those credit repair complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 79% of this subset of credit repair complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

Consumers identify the issue that best describes the problem they experienced. For credit repair complaints, options include: confusing or misleading advertising or marketing; confusing or missing disclosures; excessive fees; fraud or scam; problem with customer service; and, unexpected or other fees. The most common issue was “fraud or scam” (see Figure 51).

FIGURE 51: CREDIT REPAIR COMPLAINTS BY ISSUES AND OUTCOMES



Consumers do not readily distinguish between credit repair services, credit monitoring services, and new products that are marketed towards improving consumers’ credit scores (e.g. Experian Boost or UltraFICO). Consequently, consumers sometimes submit complaints about credit monitoring services and score increasing products, such as those offered by the NCRAs, as credit repair complaints. For both credit monitoring and credit repair services, consumers frequently complain about difficulties they have in cancelling subscription-based services and sometimes take issue with the quality of the services.

For complaints submitted against credit repair companies, consumers frequently claim that they did not receive promised benefits, that services were substandard, or that services were not provided. Consumers also took issue with aggressive sales tactics, promotional offers that were not honored, and unexpected or unexplained fees.

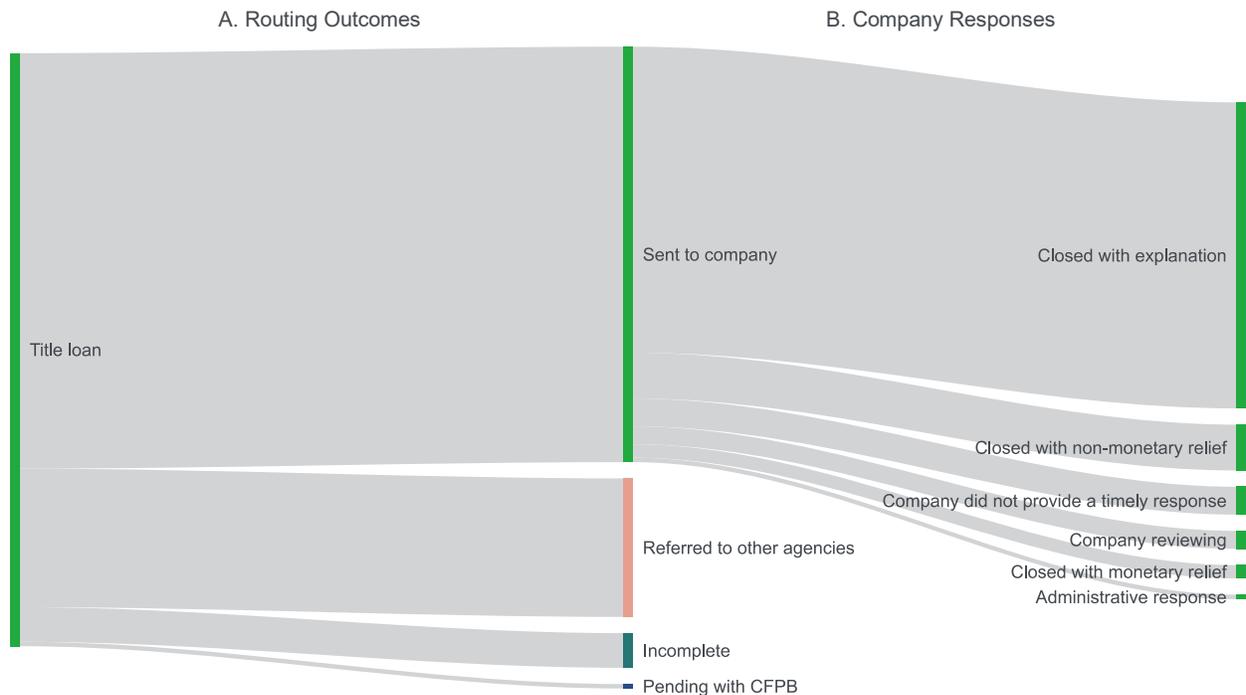
4.13 Title loans

The Bureau received approximately 530 title loan complaints in 2019—a 7% decrease from 2018 (see Section 2, Figure 2). The Bureau sent approximately 370 (or 70%) of these complaints to companies for review and response, referred 24% to other regulatory agencies, and found 6% to be incomplete. At the end of 2019, 0% of title loan complaints were pending with the consumer and 0.8% were pending with the Bureau (see Figure 52A, Routing Outcomes).

Companies responded to approximately 90% of title loan complaints sent to them for review and response. Companies closed 74% of complaints with an explanation, 11% with non-monetary relief, and 3% with monetary relief. Companies used an administrative response for 1% of complaints. At the end of 2019, 4% of complaints were pending review by the company.

Companies did not provide a timely response for 7% of complaints (see Figure 52B, Company Responses).

FIGURE 52: TITLE LOAN COMPLAINTS BY OUTCOMES



The remainder of this analysis focuses only on those title loan complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 91% of this subset of title loan complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting title loan complaints, consumers identify the issue that best describes the problem they experienced. For title loans, options include: cannot contact lender or servicer; cannot stop withdrawals from bank account; charged unexpected fees or interest; loan payment was not credited to account; money was taken from bank account on the wrong day or for the wrong amount; problem with a credit or consumer report; problem with the payoff process at the end of the loan; received a loan consumer did not apply for; struggling to pay loan; vehicle was damaged or destroyed the vehicle; vehicle was repossessed or sold the vehicle; and, was approved for a loan, but did not receive money. The most common issue was “charged fees or interest you didn’t expect” (see Figure 53).

FIGURE 53: TITLE LOAN COMPLAINTS BY ISSUES AND OUTCOMES



Like 2018, over one-quarter of consumers who submitted a title loan complaint identified unexpected fees or interest as their primary issue. In some of these complaints, consumers claimed that the interest being charged exceeds the allowable amount under their state’s usury laws. In response to these complaints, companies generally asserted that the loan met compliance with all applicable laws—both federal and state. Some companies, however, as a courtesy to their customers, allowed consumers to cancel the loan.

Nearly one-fifth of consumers who submitted a title loan complaint identified struggling to pay their loans as their primary issue. In these complaints, consumers described being in precarious financial situations—e.g., fixed income, recently lost a job, disabled, etc.—and having turned to title loans to pay living expenses. They sometimes admitted, and often described situations that suggest, that they did not understand the terms of the loan or the consequences of default. In response to these complaints, companies often denied any wrongdoing.

5. Conclusion

In 2019, Consumer Response continued to assess the accuracy, completeness, and timeliness of company responses, and ensure that the Bureau and other regulators have useful information about consumer complaints concerning financial products and services. Complaints help the Bureau in its work to regulate consumer financial products and services under existing federal consumer financial laws, enforce those laws judiciously, and educate and empower consumers to make better-informed financial decisions to reach their own life goals.

Appendix

TABLE 5: TOTAL COMPLAINTS BY CONSUMER'S LOCATION AND PRODUCT IN 2019

Consumer's Location	Checking or savings	Credit card	Credit or consumer reporting	Credit repair	Debt collection	Money transfer or service, virtual currency	Mortgage	Payday loan	Personal loan	Prepaid card	Student loan	Title loan	Vehicle loan or lease	Grand Total
Alabama	218	253	2,708	16	1,070	77	279	39	90	70	112	4	103	5,051
Alaska	20	39	89	4	89	5	45	1	5	3	12	1	3	318
American Samoa	0	0	2	0	0	0	0	0	0	0	0	0	0	2
Arizona	565	629	2,121	16	1,786	178	660	45	89	84	172	15	207	6,576
Arkansas	101	135	817	10	446	42	124	8	30	38	65	1	57	1,878
California	3,807	4,141	17,715	107	8,696	1,183	3,843	205	555	542	878	104	993	42,841
Colorado	376	466	1,697	13	1,078	126	464	26	71	63	191	9	103	4,689
Connecticut	434	376	1,280	10	561	84	370	6	58	48	129	2	82	3,447
Delaware	117	143	539	6	310	26	144	14	14	9	35	0	31	1,390
District of Columbia	159	197	610	9	342	55	171	8	27	9	71	4	35	1,702
Florida	2,264	2,669	23,992	116	7,569	604	2,510	166	305	286	632	34	766	41,986

Consumer's Location	Checking or savings	Credit card	Credit or consumer reporting	Credit repair	Debt collection	Money transfer or service, virtual currency	Mortgage	Payday loan	Personal loan	Prepaid card	Student loan	Title loan	Vehicle loan or lease	Grand Total
Georgia	1,066	1,172	10,659	45	4,233	308	1,261	57	211	163	324	33	377	19,927
Guam	8	5	8	1	5	2	1	0	1	1	1	0	0	34
Hawaii	51	106	417	3	169	14	84	5	16	5	26	0	8	904
Idaho	54	78	350	1	254	15	82	7	24	9	38	0	17	930
Illinois	1,181	1,021	5,604	31	2,286	264	900	66	158	113	354	20	250	12,276
Indiana	267	289	1,346	17	947	86	268	49	62	62	144	3	85	3,636
Iowa	71	136	435	6	367	31	99	16	18	30	61	0	35	1,308
Kansas	102	153	622	7	502	35	94	16	33	33	58	2	46	1,705
Kentucky	160	165	701	3	598	46	173	29	36	48	88	3	46	2,100
Louisiana	197	232	3,154	24	1,100	94	275	49	84	52	91	18	110	5,484
Maine	63	81	128	4	156	16	63	3	6	11	42	1	26	601
Marshall Islands	0	0	0	0	0	0	0	0	0	0	1	0	0	1
Maryland	685	759	2,688	29	1,606	195	906	44	96	92	236	15	195	7,566
Massachusetts	597	833	1,508	19	943	135	634	22	65	65	210	5	134	5,185
Michigan	578	678	2,774	36	1,943	167	579	54	120	96	249	18	156	7,457
Minnesota	285	367	1,100	11	652	94	261	16	50	46	144	3	77	3,116
Mississippi	136	123	1,040	10	546	33	132	18	62	33	76	7	45	2,264
Missouri	310	306	3,157	14	1,280	77	269	44	79	65	153	10	118	5,890
Montana	41	40	164	2	133	9	49	7	6	8	22	0	16	497
Nebraska	71	94	173	3	231	24	71	3	11	12	34	2	16	747
Nevada	413	447	2,569	17	1,237	91	347	25	64	61	103	4	115	5,506

Consumer's Location	Checking or savings	Credit card	Credit or consumer reporting	Credit repair	Debt collection	Money transfer or service, virtual currency	Mortgage	Payday loan	Personal loan	Prepaid card	Student loan	Title loan	Vehicle loan or lease	Grand Total
New Hampshire	74	85	223	3	205	26	109	6	13	11	47	3	22	830
New Jersey	941	1,150	4,272	35	2,015	229	1,153	68	126	102	284	14	311	10,725
New Mexico	88	105	410	9	358	24	117	15	30	20	59	2	27	1,268
New York	2,180	2,618	11,553	89	3,889	639	1,606	27	198	248	650	20	442	24,198
North Carolina	679	791	5,312	27	2,114	184	762	35	139	107	249	12	285	10,712
North Dakota	22	30	113	2	80	9	18	4	3	4	14	0	5	306
Northern Mariana Islands	0	0	2	0	0	0	0	0	0	0	0	0	0	2
Ohio	698	925	3,877	31	2,332	278	586	87	133	124	332	19	203	9,631
Oklahoma	120	148	583	8	661	44	180	24	49	47	76	4	74	2,022
Oregon	281	379	604	11	656	131	271	23	67	56	151	2	38	2,676
Pennsylvania	990	1,098	5,440	45	2,322	260	896	64	136	138	407	13	281	12,141
Puerto Rico	55	94	377	6	173	13	104	0	10	8	14	1	20	876
Rhode Island	88	95	283	1	176	12	90	3	9	12	30	1	19	820
South Carolina	305	282	2,886	22	1,744	76	330	86	111	53	130	8	130	6,176
South Dakota	26	49	84	3	66	12	23	5	9	5	24	1	8	315
Tennessee	416	338	2,812	19	1,361	109	443	70	108	80	138	9	133	6,046
Texas	1,736	1,955	14,525	100	9,072	561	1,820	260	386	256	576	51	706	32,051
U.S. Armed Forces – Americas	0	0	1	0	0	0	0	0	0	0	0	0	0	1
U.S. Armed Forces – Europe	7	8	27	0	24	2	3	0	1	0	7	1	4	84

Consumer's Location	Checking or savings	Credit card	Credit or consumer reporting	Credit repair	Debt collection	Money transfer or service, virtual currency	Mortgage	Payday loan	Personal loan	Prepaid card	Student loan	Title loan	Vehicle loan or lease	Grand Total
U.S. Armed Forces – Middle East	0	0	3	0	0	1	0	0	0	0	0	0	0	4
U.S. Armed Forces – Pacific	9	9	21	1	25	3	5	2	0	0	2	0	3	80
United States Minor Outlying Islands	5	3	8	0	6	5	4	0	2	2	2	0	0	37
Unspecified	2,131	1,446	2,966	58	1,977	988	1,560	147	301	425	452	27	426	13,016
US Virgin Islands	6	6	16	0	6	2	5	0	0	1	0	0	0	42
Utah	134	182	2,037	11	539	44	168	13	30	31	60	5	40	3,296
Vermont	28	62	45	0	54	11	47	1	4	8	20	1	6	288
Virginia	682	860	3,001	32	1,940	198	847	64	152	89	253	9	227	8,373
Washington	509	571	1,562	7	1,205	137	636	54	80	69	223	2	122	5,193
West Virginia	66	71	198	1	180	20	59	2	15	15	27	3	22	682
Wisconsin	219	370	969	10	813	74	279	32	58	65	140	4	82	3,120
Wyoming	14	24	164	0	101	14	42	0	5	2	5	1	8	381
Total⁵³	26,906	29,887	154,541	1,121	75,229	8,222	27,321	2,140	4,621	4,135	9,124	531	7,896	352,406

⁵³ Total column includes approximately 700 complaints where no specific consumer financial product was selected by consumers.