
2018 Annual Report to the Director

Advocating for Fair Process in Consumer Financial Protection



OMBUDSMAN'S
OFFICE

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Message

I am pleased to present our FY2018 annual report to the Director of the Bureau of Consumer Financial Protection, pursuant to the CFPB Ombudsman's Office¹ [Charter](#).

As the Bureau has continued to evolve over time, the Ombudsman's Office has remained a consistent resource to assist consumers, financial entities, consumer or trade groups, and others in resolving process issues with the Bureau. We have continued with our longstanding work and also considered new ways to assist. Our unique lens, supported by our professional ombudsman standards of independence, impartiality, and confidentiality, enables us to continue to advocate for fair process in consumer financial protection and to be of assistance to both the Bureau and the public.

This year's report describes our new inreach (internal engagement) and outreach initiatives as well as an update on our ombudsman terminology project. The Demonstrating the Ombudsman in Practice section provides short examples from this year that illustrate the various ways in which we can assist on topics, such as assisting stakeholders in engaging with the Bureau's Request for Information process, sharing resources to assist consumers in recognizing financial frauds and scams, and facilitating technical assistance to companies responding to consumer complaints.

In FY2018, we again hosted two Ombudsman Forums, one event in which we facilitated discussions with industry groups and a separate event with consumer groups held for the first time in one of the Bureau's four regions. In this report, we introduce criteria we will use to determine when and with what stakeholder communities we will host future Ombudsman Forums. We also discuss our Ombudsman Interactives pilot program, which is modeled on the Forum program.

The section on individual inquiries received by our office again includes an analysis of our inquiry data over time. We also describe our work on three systemic issues – entities mentioned

¹ As of this writing, the Ombudsman's Office has developed an implementation plan to update the office's name in keeping with the Bureau's change in name from the Consumer Financial Protection Bureau (CFPB) to the Bureau of Consumer Financial Protection (BCFP). The Ombudsman anticipates implementing the plan to update our office name when the Bureau updates its name on its most commonly used public resources, such as consumerfinance.gov and the main phone number, (855) 411-2372, to avoid confusion with the consumers, financial entities, consumer or trade groups, and others that we assist.

for a positive purpose in Bureau materials, the submission of information for consumer complaints, and legal disclaimers introducing Bureau webinars – and provide an update on an issue we studied last year, how non-consumers contact the Bureau on the phone.

Going forward, we will continue to be that consistent resource that also considers new, creative ways to advocate for fair process in consumer financial protection to assist all of our stakeholders.

Wendy Kamenshine
Ombudsman

November 15, 2018

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Ombudsman in Practice

The CFPB Ombudsman’s Office is an independent, impartial, and confidential resource and our mission is to advocate for fair process in consumer financial protection. The Ombudsman² informally assists in resolving process issues with the Bureau that are: mentioned in individual inquiries received from consumers, financial entities, consumer or trade groups, and others; highlighted in interactions with groups; or observed by the Ombudsman. This section revisits the ombudsman standards of practice that are foundational to our work, outlines our work process, updates our work on ombudsman terminology, describes our outreach, and shares how we connect through inreach (or internal engagement) with the Bureau.

Ombudsman Professional Standards of Practice

The core standards of ombudsman practice are independence, impartiality, and confidentiality. Taken together, these foundational tenets and the adherence to them enable an ombudsman to advocate for fair process and are essential to all aspects of our work:

Independence: We are outside of the Bureau’s business lines, reporting to the Bureau’s Deputy Director and then to the Director, which ensures our independence at the Bureau. It also allows us to act as an early warning system and serve as a catalyst for change.

Impartiality: We do not advocate for one side, the inquirer or the Bureau, but instead we advocate for fair process in consumer financial protection.

Confidentiality: We have put safeguards in place to preserve confidentiality. We will not share identifying information outside the Ombudsman’s Office unless the inquirer indicates that we can. We also may have to share it if there is: a threat of imminent risk of serious harm; the inquirer raised an issue of government fraud, waste, or abuse; or if required by law.

² In this report, “Ombudsman” refers to the office, the staff, or the person.

Our Work Process: How We Assist by Advocating for Fair Process

The Ombudsman uses an array of methods to assist consumers, financial entities, consumer or trade groups, and others who contact us for assistance. As such, the assistance we offer exists within a flexible framework that may be adapted to most effectively address an inquirer's distinct process concerns as they develop. This section describes some of the ways that this flexible framework allows us to tailor the steps we take to try to best assist in resolving a particular process issue and enables us to advocate for fair process.

What Happens When You Contact Us and How We Can Assist

A good time to contact the Ombudsman is when an individual or entity: tried the regular avenues within the Bureau for resolution and for some reason those avenues did not work to resolve the process issue; wants to highlight a concern in confidence; is not sure where in the Bureau to obtain an answer; wants to make the Ombudsman aware of an issue already shared with the Bureau that we may be studying; or, would like to suggest that we review a broader process concern.

The Ombudsman's process is the same whether an individual or entity contacts us about a question, concern, or complaint regarding a Bureau process.³ First, we may ask follow-up questions to further understand the information provided. Depending on what we learn, we may decide to research additional information by: reviewing applicable laws, regulations, policies, and data; contacting other stakeholders to gather further viewpoints; or connecting with the Bureau to gather additional perspectives. See Appendix 1.

After conducting any additional research, we assess what approach would best assist the Bureau and the public. This analysis could include, for example, the type of inquiry, context of the issue, or pervasiveness of the issue. At times, the Ombudsman may consult with the inquirer on the approach.

We then use a toolbox of resources to try to informally resolve each issue. Keeping in mind our ombudsman standards of practice, we advocate for fair process rather than for someone's desired outcome, although these sometimes overlap. The circumstances surrounding each

³ The Ombudsman does not assist in resolving issues as between consumers and companies.

inquiry inform the type of resolution tool or tools that we use. We may seek to resolve an issue by providing feedback and making recommendations to the Bureau. To assist, we also can: facilitate discussions, brainstorm and evaluate options and resources, share our independent analyses, offer an impartial perspective,⁴ ensure confidentiality of someone’s identity,⁵ and engage in shuttle diplomacy,⁶ among other options. This flexibility and adaptability in our resource set, along with our foundational ombudsman standards of practice, allows us to assist a wide range of stakeholders on various types of issues.

Ombudsman Terminology: Further Describing Our Work

In FY2016, the Ombudsman initiated a project to establish a set of terms and associated definitions to describe our work and activities. This project creates a set of shared definitions and an understanding of the terms we use to assist us in further informing our internal and external stakeholders about how we may assist. As part of the project, last year we began developing an ascending continuum to describe how we share information with the Bureau from making observations to serving as an early warning mechanism for possible immediate action. This work continues to be informed by the Bureau’s Office of Strategy’s work surrounding risk management, which the Bureau conducts in accordance with Office of Management and Budget [Circular No. A-123](#), “Management’s Responsibility for Enterprise Risk Management and Internal Control.”

In FY2018, the Ombudsman determined that some of the language and structures developed by the Office of Strategy for enterprise risk management could further inform the ombudsman terminology and definitions we are developing. We applied that language and structure to streamline a series of definitions associated with our ascending continuum as it relates to risk management and how we communicate process issues to the Bureau. In FY2019, we plan to consider how to apply this new approach to our work of advocating for fair process.

⁴ For example, the Ombudsman participates in some Bureau working groups in an advisory capacity by providing feedback as the Bureau considers initiatives and activities, but the Ombudsman is not part of the decision-making process.

⁵ As described above, we will not share your identifying information outside the Ombudsman’s Office unless you tell us we can. We also may have to share it if there is: a threat of imminent risk of serious harm; you have raised an issue of government fraud, waste, or abuse; or if required by law.

⁶ Shuttle diplomacy is a technique used in alternative dispute resolution in which we convey information, questions, and observations back and forth between stakeholders, sometimes without sharing their identities, to assist in resolving an issue.

The Ombudsman's Internal and External Engagement

The Ombudsman continuously conducts both internal engagement with the Bureau, or inreach, and external engagement with external stakeholders, or outreach. The evolution of the Bureau and its stakeholders affords us the opportunity to both continuously reach new internal and external stakeholders while maintaining our connectedness with those stakeholders with whom we previously engaged. As such, we adapt our inreach and outreach methods to take into consideration the needs of our new and longstanding internal and external stakeholders. Together with our foundational ombudsman standards of practice, our inreach and outreach efforts enable us to assist consumers, financial entities, consumer or trade groups, and others in resolving process issues with the Bureau by analyzing interrelated information and then using our toolbox of resources to advocate for fair process. See Appendix 2.

Outreach: How We Connect with External Stakeholders

As an independent resource, we conduct our own outreach with external stakeholders to share information about our resource and to learn more about how those stakeholders engage with the Bureau. To assist our external stakeholders most effectively, the Ombudsman continuously plans, develops, and engages in outreach efforts to convey how we may assist. In implementing our strategic plan goals, we endeavor to develop innovative methods of engaging with our external stakeholders to inform them of our role and learn about their work. At the same time, we stay up-to-date and connected so that we can best assist on any issues brought to our attention.

In accordance with the ombudsman standard of impartiality, we also endeavor to balance our outreach efforts over time to ensure fairness in our engagement with the public. With this in mind, the Ombudsman develops an outreach plan to connect with a broad range of stakeholders that interface with the Bureau, considering how that universe of stakeholders may change. We conduct outreach with a wide array of external stakeholders, such as consumer, trade, and other groups and their memberships, financial entities, state and federal government agencies, and others. By balancing our outreach, we strive to give as many stakeholders as possible an opportunity to engage with the Ombudsman.

Our outreach includes: in-office introductory and follow-up meetings, teleconferences with groups' memberships, presentations at board meetings, speaking at conferences and smaller

gatherings, and informal visits to financial entities' operations. See Appendix 3. The Ombudsman's initial outreach with an external stakeholder is the beginning of an ongoing connection. We have open channels of communication with our stakeholders so they can reach us on any given process issue and we also can hear as many perspectives as possible. After the initial outreach with an external stakeholder, the Ombudsman seeks to build upon that connection by offering further engagement. For example, the Ombudsman is available for regular meetings to touch base with groups to maintain engagement with us as well as to share perspectives and emerging trends. Consumer and industry groups as well as financial entities that wish to request an outreach engagement with the Ombudsman may contact our office directly at CFPBOmbudsman@cfpb.gov or (855) 830-7880.

New Outreach Activities in FY2018

This year, we completed several planned outreach activities in accordance with our two-year strategic plan goals and accompanying outreach plan. We increased our proactive outreach through the continued efforts of a temporary staff resource, an Acting Outreach Specialist, focused on stakeholder engagement. As in previous years, we arranged for or were invited to several speaking opportunities at groups' conferences to inform larger audiences about our resource and latest work.

New this year, we staffed an information table at a consumer group's conference to further share about our resource with conference attendees. In addition, we hosted office hours for the first time at a trade group's conference to answer questions about our resource and assist in resolving specific individual inquiries. In the future, we look forward to staffing information tables and hosting office hours at consumer and trade group conferences by request on a first-come, first-served basis and subject to the Ombudsman's budget and availability.

This year, we also developed a new brochure for the office to share about our resource as in the figure below.

FIGURE 1: NEW OMBUDSMAN'S OFFICE BROCHURE⁷



⁷The Ombudsman will be updating the brochure with the office's updated name, as described in footnote 1.

About Us

The CFPB Ombudsman's Office provides an independent, impartial, and confidential resource to informally assist consumers, financial entities, consumer or trade groups, and others in resolving process issues with the Bureau.

Questions on Your Mind

What is a process issue?

A process is generally defined as a series of steps taken to achieve something. A process issue is a question, concern, or complaint about the steps taken or not taken to achieve something.

How do you choose systemic process issues to study?

We choose where we think we can add value, in our unique role as an independent, impartial, and confidential resource, to assist both the public and the Bureau.

How do you review process issues?

We consider if the Bureau is fairly applying a process already in place, whether the existing process needs to be changed, or if there should be a process where one does not exist.

PRINCIPLES THAT GUIDE OUR WORK

Independence

We are outside the Bureau's business lines, reporting to the Deputy Director with access to the Director. We serve as an early warning system and catalyst for change.

Impartiality

We do not advocate for one side, but for a fair process.

Confidentiality

We have safeguards for confidentiality, so you can share issues without fear of retaliation or retribution. The few exceptions to confidentiality are: threat of imminent risk of serious harm; an allegation of government fraud, waste, abuse; or if required by law.

How We Do Our Work

We analyze and learn about all perspectives of an issue by:

- Looking at the applicable laws, regulations, policy, and data
- Talking with the individual and/or stakeholders involved
- Meeting with Bureau officials

We then may make a recommendation on how the Bureau should address the issue.

We Do Not

- Address matters in litigation
- Delay statutory, regulatory, or other Bureau deadlines
- Make decisions or legal determinations for the Bureau
- Serve as a formal office of legal notice for the Bureau
- Address internal human resources matters

2018



We also continued our outreach teleconference series to connect with a broad range of stakeholders nationwide and to provide information and answer questions about the Ombudsman. Last year, we offered state banking associations participation in one of three teleconferences to share how the Ombudsman may be a resource for their organizations and members. State banking associations from 20 states joined us for one of our three calls. Building on that initiative, this year we held another teleconference for state banking associations that could not attend last year and an additional seven states joined us.

At the end of this fiscal year we also invited regional consumer groups in the Bureau's Midwest and Southeast regions to participate in teleconferences in October 2018 to provide information and answer questions about our resource. This initiative expanded on last year's teleconferences that we held with consumer groups in the Northeast and West regions. We also invited law school clinics around the country that assist consumers to participate in teleconferences in October and early November 2018 to provide information and answer questions about our resource with that stakeholder community.

In FY2019, we will continue to seek to expand our outreach opportunities and continue to share about the Ombudsman. While an individual, company, group, or other entity may not need to use our resource now, if they are familiar with how we can assist, they can call upon us to assist in the future.

Inreach Within the Bureau: Connecting with Internal Stakeholders

The Ombudsman's inreach takes two forms, initial and ongoing. Our initial inreach introduces the Ombudsman to new Bureau staff through introductory meetings or presentations and also via introductory emails. In these introductions, we describe our resource, how we approach our work, and how we may be of assistance. We strive to ensure that when we contact someone at the Bureau to discuss a process issue it is not the first time they ever heard of the Ombudsman.

At the same time, in conjunction with our inreach plan, the Ombudsman maintains a series of meetings throughout the Bureau with leadership and staff of the divisions and offices, whether monthly, bi-monthly, or quarterly. This regular and continuing engagement ensures we can promptly connect with the right Bureau contacts to address process issues, while also giving us the opportunity to maintain awareness about current Bureau activities. In addition, in these meetings we provide feedback on perspectives we are hearing, offer feedback in conjunction with Bureau offices' proposed initiatives, describe updates on our work, and share recommendations. Figure 2 shows all of our inreach meetings this year.

FIGURE 2: REGULAR INREACH MEETINGS WITH THE BUREAU, FY2018⁸

Monthly Meetings	
Director	Office of Consumer Response, cross-office managerial leadership
Deputy Director	Office of Consumer Response, Stakeholder Services
Chief of Staff	Office of Financial Institutions and Business Liaison
Executive Secretary	Office of Intergovernmental Affairs
Office of Strategy	Office of Legislative Affairs
Operations Division	

Bi-monthly Meetings	
Disability Program Manager	Office of Supervision Examinations
Office of Community Affairs	Research, Markets, and Regulations Division, Chiefs of Staff
Office of Consumer Response	Office of Public Engagement and Community Liaison
Office for Older Americans	
Office of Servicemember Affairs	

Quarterly Meetings	
Chief Communications Officer and Spokesperson	Division of External Affairs
Office of Minority and Women Inclusion	Legal Division
Division of Consumer Education & Engagement	Office of Consumer Engagement
Division of Supervision, Enforcement, and Fair Lending	Office of Consumer Response, Investigations
Research, Markets, and Regulations Division	Office of Enforcement
	Office of Supervision, Regional Directors
	Office of Mortgage Markets
	Office of Advisory Boards and Councils

Note: The Ombudsman meets with Bureau components not listed in the figure above on an as-needed basis.

⁸ This year, the Bureau updated the office names for two offices, as reflected on the [Bureau's organizational chart](#). Specifically, the Office of Financial Empowerment is the Office of Community Affairs and the Office of Community Affairs is the Office of Public Engagement and Community Liaison.

New Inreach Activities in FY2018

As with our outreach program, the Ombudsman seeks to expand the methods by which we connect with internal stakeholders to share information about our role and highlight how we can serve as a resource. This year, with the Bureau's leadership transition, we devoted a segment of our new inreach initiatives to introducing our resource to the new leadership team and invited new leadership team members to new or existing inreach meetings, as reflected in the figure above. We also developed a webinar for the Bureau's telephone contact center to train its customer service agents, known as Consumer Guides, about the Ombudsman. The webinar describes the ombudsman role generally, what we do at the Ombudsman's Office, how to assist callers in reaching the Ombudsman, and how callers can follow up on an inquiry to the Ombudsman.

In FY2019, we anticipate continuing to develop ways to communicate about our resource and otherwise connect internally with the Bureau.

Demonstrating the Ombudsman in Practice

This section provides examples of how we used our toolbox of resources this year, from providing feedback to engaging in shuttle diplomacy to suggesting changes, as we assisted in resolving Bureau process issues. In keeping with our ombudsman professional standard of confidentiality, whether in presentations or writing, we provide examples in a format that gives greater understanding of our work, but retains anonymity of the inquirers. The selections below also demonstrate how we tailor the way to best assist in a situation depending on the circumstances.

Updating of Bureau Published Content – This year, we reviewed how the Bureau extends updates across the website as well as in print materials when the agency updates information. This study stemmed from a few examples in 2017 in which information was updated in one place and not another. For this research, we reviewed Bureau processes and met with the relevant agency offices. We learned that the existing processes do provide for regularly

scheduled coordination for such updates. At the same time, we suggested Bureau offices further collaborate in existing meetings regarding whether updates in materials may require corresponding updates elsewhere. We also suggested that the Bureau supplement the document review process to indicate whether a proposed website change would impact other parts of the website or other publications. The Bureau was receptive to these suggestions.

Highlighting a Status Display Issue in the Consumer Complaint Portal – The Ombudsman heard this year from some consumers who accessed the Bureau’s consumer complaint portal on consumerfinance.gov to view the status of their older consumer complaints and saw different statuses displayed than the information provided by the Bureau’s telephone contact center. Specifically, in certain circumstances, the portal indicated the consumer complaint still was open, but the telephone contact center stated that the complaint was closed. As the Ombudsman, we have read-only access to the Office of Consumer Response’s systems for consumer complaints and this access helps us understand what is happening on them. For these complaints, we also saw them as closed. We highlighted this difference for Consumer Response, which determined that a technological issue resulted in the different status display on the portal.⁹ Consumer Response was addressing this concern as of this writing, so that in November the consumer complaint statuses displayed will match for the different public resources the Bureau provides.

Connecting Researchers and Academics with the Bureau – At various times, the Ombudsman may hear from researchers or academics interested in connecting with Bureau personnel. They may not know who to contact in the Bureau regarding their topic or how to contact Bureau staff. The Bureau does not provide contact information for individual employees or most individual offices on consumerfinance.gov. However, some names and positions are available on the “About Us” tab on the website or on some Bureau webpages, such as the “[CFPB Researchers](#)” webpage. As described in last year’s annual report, and updated later in this report, the Ombudsman recommended that the Bureau provide a direct avenue for non-consumers to access the Bureau via telephone, or offer a way for them to know that non-consumer information is available when calling the Bureau’s main telephone number listed on consumerfinance.gov. When receiving requests from researchers or academics, the Ombudsman liaises between the researcher or academic and the Bureau to share the request with the relevant Bureau offices or staff, as appropriate.

Assisting External Stakeholders in Engaging with the Bureau’s Request for Information Process – This year, via the issuance of 12 [Requests for Information \(RFIs\)](#) over

⁹ We understand that these differences did not impact the processing of these consumer complaints.

a few months, the Bureau sought comments on topics, such as enforcement, supervision, rulemaking, market monitoring, and Bureau financial education activities. During the request period, the Ombudsman received questions and comments regarding the scope, response time, and subject areas of the RFIs. The Ombudsman also received questions regarding the process by which stakeholders could submit responses to the requests. Some stakeholders shared that they did not have sufficient time to respond to as many RFIs as they would like.¹⁰ They also were unsure of how the RFI response information would be used by the Bureau. We provided this feedback to the Bureau for consideration and understand that the Bureau was receptive to receiving additional public feedback subsequent to the RFI response period.

Offering Feedback on Points of Contacts Listed in Consumer Complaints – In FY2018, some individuals contacted the Ombudsman because, without their prior awareness, they were listed as third party contacts on consumer complaints. From our research, we learned that some consumers included these third party contacts on their consumer complaints. The third parties learned about the existence of the consumer complaints when they began to receive status update notifications from the Bureau. We understand that they did not receive or have access to any personally identifiable information about the consumer. The Ombudsman provided feedback to Consumer Response after hearing about or identifying these examples. Consumer Response removed the additional third party points of contact from particular consumer complaints, upon the Ombudsman’s request. The Ombudsman understands that Consumer Response continues to review other topics pertaining to third party points of contact.

Providing Companies with Resources and Options as They Engage with the Bureau’s Examination Process – We also heard from companies regarding the Bureau’s examination processes. For example, one inquirer raised questions around the timing of the conclusion of the examination. To assist the inquirer, we explored options and offered the tools of shuttle diplomacy and facilitation to help clarify certain elements of the examination process, as applicable to the inquirer’s matter. Moreover, we referred the inquirer to publicly available examination guidance materials available on the Bureau’s website. We also discussed possible next steps as well as various outcomes that the inquirer could consider. After meeting with the Ombudsman, the inquirer expressed that the company had a fuller understanding of the examination process and methods for addressing possible future process issues.

Providing Feedback and Recommendations on the Implementation Process for the Bureau’s Name – In the second half of the year, we provided feedback and recommendations in an early warning capacity to the Bureau regarding the implementation process for the change

¹⁰ The Bureau extended the RFI response times after receiving public feedback about the time to respond.

in name from the Consumer Financial Protection Bureau to the Bureau of Consumer Financial Protection. We will continue to review this topic and provide additional feedback and recommendations regarding the implementation, as needed, to assist both the Bureau and the public.

Facilitating Technical Assistance for Companies Responding to Consumer

Complaints – This year, the Ombudsman heard from a few companies who shared that they experienced some technical issues with consumerfinance.gov, such as difficulty with the password reset function and possible software incompatibility. We understand that these companies did not often use the Bureau’s company portal. We provided feedback about the technical issues to Consumer Response, which already had started work on resolution of these issues and recently updated the login experience.

Assisting Inquirer with Receipt of Email Communication – A member of the public contacted the Ombudsman this year about email correspondence related to the Bureau that the person received from an unclear sender. We facilitated a resolution of the issue and provided suggestions to the Bureau for any such future contacts.

Sharing Resources to Assist Consumers in Recognizing Scams – In FY2018, the Ombudsman anecdotally observed an increase in inquiries regarding both domestic and international scams. For example, we heard from individuals who shared that they unwittingly became involved in a financial transaction where they lost money to scammers who used a variety of false pretenses to gain their trust. Depending on the circumstances, scammers asked the individuals to wire money either outright, in exchange for depositing a financial instrument later determined to be fraudulent, or as part of another transaction. Unfortunately, we understand that in most of these situations, the individuals recovered no funds. We shared various resources to include the Bureau’s new [frauds and scams](#) webpage as well as other federal agency’s websites, such as the [Federal Trade Commission](#) and the [FBI’s Internet Crime Complaint Center](#), which also have resources to alert consumers about information on recent scams and how to report them.

Ombudsman Forums and Interactives

In 2015, the Ombudsman’s Office launched the Ombudsman Forum as another avenue for consumer, trade, and other groups to share feedback on their Bureau interactions as we, in turn, provide feedback and recommendations to the Bureau. For our half-day events, Ombudsman staff leads facilitated discussions, which allow participants to share feedback on the topics as well as offer their recommended solutions to any process concerns.

As in years past, we select the topics to be discussed at the event ahead of time based on process issues shared with the Ombudsman by the groups or the Bureau prior to the event. In keeping with our ombudsman standards of practice of independence, impartiality, and confidentiality, the Forums are closed to the press, the public, and Bureau staff. After the Forum, we share participants’ feedback and recommendations, without attribution, with the Bureau. In 2016, an Administrative Conference of the United States report on the federal ombudsman recognized our Ombudsman Forum program as one of our “innovations and promising best practices.”¹¹

Our first Forum in 2015 was with industry groups we previously contacted through our outreach. In 2016, we held a Forum with broad-based national and regional consumer-focused organizations with which our office had conducted outreach or otherwise shared about our resource over time. In 2017, we held two Forums, one with compliance officers of entities that engage with the Bureau and another with associations of state regulators and their member regulators. In 2018, we again held two Forums, one with industry groups and another in the Bureau’s West region with consumer groups. At times, stakeholder groups have shared some similar interests and feedback through our Forums.

¹¹ C. Houk et al., [“A Reappraisal – The Nature and Value of Ombudsmen in Federal Agencies” \(2016\) \(Report to the Administrative Conference of the United States\) at Part 2, p. 101.](#)

Ombudsman Forum: Industry Groups and Their Member Companies

On June 12, 2018, we held an Ombudsman Forum in Washington, D.C., with industry groups that engage with the Bureau. We invited industry groups, with which our office had previously conducted outreach, to bring up to two participants one of whom could be a member company.¹² There were participants from 27 groups that represented a broad cross-section of industries that engage with the Bureau.

The following is a summary of some of the participants' feedback and recommendations on six process topics in the order in which we facilitated the discussion topics. Overall, participants stated that they would like to see more engagement with the Bureau and offered suggestions around such additional engagement.

Current Process Considerations with Regulatory Compliance to Include Emerging Process Topics in Areas such as FinTech, Privacy, and Data

In the area of innovation, several participants shared that companies welcome the opportunity to try out new ideas. At the same time, they viewed the avenues to engage the Bureau on new ideas, in place at the time of the June Forum, as potentially challenging for industry. Participants indicated that if the Bureau extends the concept of safe harbors, to include no-action letters, they anticipated increased innovation. In addition, participants suggested that the Bureau should consider whether the no-action letter is a viable option for traditional consumer financial companies as well as FinTech companies.¹³

Participants also noted that it is challenging to develop training materials for company compliance staff when there are iterative updates to some rules. They indicated that it would be helpful if the Bureau proactively addressed possible inconsistencies in the rules, so that companies can operate with certainty. They also recommended setting up a process at the beginning of considering a rule that anticipates involvement of multiple stakeholder groups to

¹² To accommodate additional interest in the Forum from participants already planning to attend, we offered an opportunity for them to bring an additional individual from their industry group or a member company, as space permitted.

¹³ In July 2018, the Bureau introduced its [Office of Innovation](#). As of this writing, we understand that the Bureau is expanding the scope of the no-action letter program.

assist the Bureau in addressing issues. As such, when the rules are ready to go forward, they may be more concise and relatively agreeable to both the Bureau and stakeholders.

Engaging with Consumers and the Bureau via the Consumer Complaint Process

Over time, the Ombudsman has heard feedback surrounding the need for the Bureau to distinguish between consumer inquiries and complaints. With that in mind, for this discussion we asked participants how they would have set up the consumer complaint process “to facilitate the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products or services” as set out in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.¹⁴

Participants complimented the Bureau on bringing consumers and companies together to resolve issues as well as working with companies on administrative responses to consumer complaints, such as duplicate designations or when complaints identify an incorrect company. At the same time, several participants expressed that their main concern is how the Bureau uses its consumer complaint data publicly, such as in speeches, press releases, and public presentations. They also commented that inquiries and complaints should be distinguished to the extent the Bureau publicly shares information and data on complaints. One participant suggested that the Bureau also offer consumers an online pathway to submit a consumer inquiry, similar to the online pathway to submit a complaint.¹⁵ Another participant suggested that the Bureau implement a system where consumers answered initial questions to determine if the matter is a complaint, inquiry, or other type of communication. Participants also recommended that consumers should be required to try to resolve the matter directly with the company before using the Bureau’s consumer complaint process. Overall, they highlighted that if the regular company process does not work, consumers should be able to have their issue addressed through the Bureau’s consumer complaint process.

The Supervision and Enforcement Processes: Current and Emerging Process Topics

During this session, participants focused nearly entirely on the examination process and suggested that the Bureau should hold a longer meeting with industry on supervision matters so

¹⁴ 12 U.S.C. § 5493(b)(3)(A).

¹⁵ At present, consumers can call the Bureau with an inquiry, but there is no pathway to submit an inquiry electronically.

industry can raise the types of issues discussed at the Ombudsman Forum. They shared that companies have continuous dialogue with the Bureau's regional examination teams, but only communicate with Headquarters once it makes a decision on an examination. Participants suggested additional coordination between the regions and Headquarters, specifically regarding what the regions may share with the company during the examinations, and Headquarters' final examination assessment and outcome. They also recommended an intermediate step in the process whereby companies could open a dialogue directly with Headquarters prior to issuance of a final examination report.¹⁶

In addition, more broadly related to the examination process, one suggestion was for the Bureau to institute a post-examination survey, similar to some other financial regulatory agencies that would focus on the examination process and not the result. Beyond the examination process, participants noted that companies should be able to resolve issues identified in self-assessments without negative consequences.

Building on the Bureau's Current Resources and Programs in Areas such as Financial Education and Guidance to Industry

Participants suggested that the Bureau have a liaison to work with industry representatives on educational materials. Also, they said it would be helpful for the Bureau to offer educational compliance resources to companies' front line staff as they have the most interactions with consumers.

To enhance consumer access to financial education materials, participants encouraged the Bureau to link to relevant educational questions and answers from the Bureau's [AskCFPB online resource](#) within agency blog posts. They also suggested that Bureau financial education material should be searchable via an internet search engine with key terms to increase use, visibility, and utility to consumers.

Process Topics on Managing Risk: The Industry Perspective on Optimizing and Synthesizing Industry's Engagement with the Bureau Together with a Company's Business Operations

Participants highlighted that to manage risk a company needs to know what the risk is. If there is no guidance or minimal guidance, it can be challenging for the company to know what they

¹⁶ We understand that the Bureau conducts regular meetings between the regional examination teams and Headquarters during the course of examinations.

can and cannot do. In turn, it may be difficult to manage risk for the company. They noted that there is risk in subjectivity. Participants also shared that where the Bureau may apply a rule retroactively, a company may find it challenging to manage risk. For recommendations in this area, they indicated that it would be helpful to know what is or is not permissible so as to mitigate risk for the company. In addition, they noted that they would be better able to manage risk if the Bureau would offer further clarity regarding the credit given to a company that self-identifies problems in conjunction with the [Responsible Conduct Bulletin](#). Further, they recommended that clear guidelines can be established with no-action letters and advisory opinions.

In this discussion, participants also offered feedback surrounding how the Bureau can assist consumers in managing risks. Specifically, they recommended the Bureau assist consumers in thinking about how to prevent consumer frauds and scams.

New and Emerging Process Topics Related to the Bureau in the Year 2018 and Going Forward

Attendees shared that there is a need for more Bureau knowledge about industry products, services, and functions, particularly regarding non-bank industries. To address this topic, participants recommended that the Bureau establish an internal rotational program, modeled on the private sector, to increase holistic understanding of how the Bureau engages with an industry. They also encouraged Bureau staff to meet with as well as shadow industry to learn more about industry in a practical sense and to obtain additional expertise.

Participants also highlighted the experience of consumers in the financial marketplace and shared that the Bureau may benefit from a further understanding of consumers' experiences. They recommended that, beyond meeting with industry senior or executive staff, the Bureau should also meet with industry operational staff to understand how business engages on the front line with consumers.

Ombudsman Forum: Held in West Region with National and Regional Consumer Groups

On September 5, 2018, we held an Ombudsman Forum in Oakland, CA, with consumer groups in reasonable travel distance to Oakland as well as national consumer groups. For our all-afternoon event, we invited each group to bring no more than three people. There were participants from 13 national and regional groups, with more regional groups represented. New at this Forum, we also offered the opportunity for groups to meet with us for office hours anytime throughout the day. Overall, participants had a lot of feedback surrounding how the Bureau is fulfilling its mission to assist consumers as well as consumer groups' engagement with the Bureau.

Below is a summary of some of the participants' feedback and recommendations on six process topics in the order in which we facilitated the discussion topics:

Connecting in with the Bureau: Your Experience with Providing Feedback Through the Request for Information Process and Other Bureau Avenues

As described in the Demonstrating the Ombudsman in Practice section, this year the Bureau sought comments on various topics through a series of Requests for Information (RFIs). Forum participants expressed concern around the Bureau's implementation of some organizational and operational changes while the RFIs pertaining to those areas still were open for comments. They also highlighted that the Bureau should not conclude that consumer groups lack interest in the topics as they did not have the resources to submit a response to all of the RFIs. They also expressed concern about how the Bureau may interpret the possible imbalance in the number of RFI responses as between consumer and industry groups, which they said stemmed from resource constraints rather than lack of interest. They recommended that in the future it would be helpful to: give more notice of upcoming RFIs, provide additional information on what the agency plans to do with the information received, and take into account both consumer and industry interests in the formulation of questions.

In providing feedback through other Bureau avenues, they indicated that previously there was more regular interaction with consumer groups. They suggested that the Bureau should proactively reengage with consumer groups on a regular basis for insights and collaboration.

Access to the Bureau, such as for the Disability Community and Limited English Proficient Consumers¹⁷

Participants noted that Limited English Proficient consumer communities predominately use the cell phone and engage more through social media and cell phone apps. They recommended that the Bureau create a consumerfinance.gov mobile app to facilitate the use of Bureau resources by Limited English Proficient consumers. Some participants also indicated that the consumer complaint process presents some challenges for third parties who assist Limited English Proficient consumers, such as accessing previously submitted complaints on the Bureau's consumer complaint portal. They recommended that the Bureau update the consumer complaint portal so third parties assisting others can view current and past consumer complaints. In addition, when consumers receive Bureau correspondence in English, rather than the language in which the complaint was submitted, it is difficult for the consumer to know how to respond or follow-up with the Bureau.¹⁸ Lastly, participants recommended that the Bureau provide data on the languages in which consumers submit complaints, which would be particularly helpful for third party advocates who assist Limited English Proficient consumers.

Current Process Considerations Around Innovation and Emerging Technologies, such as FinTech, Privacy, and Data

Participants expressed concern that when innovation and regulation intersect there may be an emphasis on the benefits of technology with less focus on the cost or impact on consumers and consumer financial protection. They recommended that the Bureau engage in proactive outreach to consumer groups as well as notice and comment rulemaking in these areas. In this discussion, they also expressed concern about companies' use of technology tools that may impact certain communities more than others and, from a process perspective, recommended that the Bureau should work to prevent discrimination in thinking about FinTech activities. They also noted the increased risk to consumers in companies' creation of new datasets and the application of algorithms to consumer information. They recommended that the Bureau consider processes that ensure that consumers are protected with such new applications. Participants also mentioned their appreciation of the office hours program that the Bureau

¹⁷ Participants primarily focused on access to the Bureau for Limited English Proficient consumers in this discussion.

¹⁸ The Ombudsman suggested to the Bureau to include statements within follow-up consumer complaint correspondence indicating that the Bureau can assist in the eight languages already provided for on the main telephone number, (855) 411-2372. For example, the statement would say in Vietnamese that the Bureau provides assistance on the phone in Vietnamese.

previously offered through Project Catalyst and encouraged the new [Office of Innovation](#) to continue the program and expand it to cities all around the country.

Process Considerations Around Assistance to Specific Bureau Populations Served, as Set Out in the Dodd-Frank Act

This year, the Bureau moved the Office of Students and Young Consumers to become a section of the Office of Financial Education. Participants expressed concern that without a separate office pertaining to students, the Bureau may have less focus on issues regarding students that are not covered by other Bureau programs. They also shared that the Bureau should continue sending federal student loan consumer complaints to the Department of Education, as appropriate. As part of the discussion on this topic, participants also said that robust oversight of companies is necessary in addition to educational materials, such as brochures, forms, and other materials to assist the specific populations, as set out in the Dodd-Frank Act. In addition, they said it would be helpful to know who the agency is working with on the Military Lending Act¹⁹ and how the Bureau determined its change in work around that law. Lastly, participants mentioned that they see participants or speakers from the Bureau at industry group conferences. At the same time, they said it is important to have the Bureau represented at consumer group conferences, particularly for some of the more informal conversations and face to face engagement.

Process Topics Pertaining to Information the Bureau Provides to the Public, such as Educational Products and Resources About Bureau Public Actions

Participants had positive feedback on educational resources for consumers, such as [Your Money Your Goals](#) and the Office for Older Americans' placemats initiative. One participant recommended that the Bureau develop similar such placemats on "Paying for College" to be used in high school cafeterias. Another participant highlighted that industry focused resources, such as [Interactive Bureau Regulations](#) (formerly eRegulations), [industry compliance guides](#), and [Supervisory Highlights](#), also are helpful resources for consumer groups. In addition, participants noted that they review the public [Consumer Complaint Database](#) for common

¹⁹ 10 U.S.C. § 987.

issues and particularly find the consumer complaint narratives to be of assistance as they work with consumers.

In this discussion, participants also gave feedback on the Bureau's technology resources. They noted that consumerfinance.gov is user friendly and they regularly send people to the website. They recommended that the Bureau make additional consumers aware of consumerfinance.gov and the information available offered on the website, so some consumer finance concerns could possibly be avoided. Participants also mentioned that the [Payments to Harmed Consumers](#) webpage on consumerfinance.gov is difficult to find under the "About Us" tab and is not where a consumer would expect to find that information. They recommended moving it to a place on consumerfinance.gov with other consumer focused information. Lastly, participants recommended that the Bureau develop mobile phone apps for each kind of stakeholder community, such as parents, servicemembers, and older Americans with financial education resources of specific interest to those communities.

Bureau Communications and Consumers' Expectations Around the Consumer Complaint Process

Over time, the Ombudsman has heard feedback from consumers about their expectations from the consumer complaint process. The Bureau states that it works to obtain a response from the company for consumers while some consumers expect the Bureau to serve as their individual advocate with the company. We shared with Forum participants some of this feedback as well as the information the Bureau provides to consumers about the consumer complaint process. For the discussion, we asked participants whether there is additional information about the process that the Bureau could provide to further set expectations.

Participants shared that the Bureau's current description of the consumer complaint process and what a consumer can expect from the process is clear. However, some consumers still have their own ideas and expectations of what should happen in the process as separate from the Bureau's description. Participants shared that consumers see that consumer complaints get addressed, so they expect that is what will happen if they use the process.

In this discussion, participants also indicated that there are some additional steps they would expect from the complaint process. For example, where a company indicates that a third party is not authorized to receive a substantive response, but the advocate submitted authorization information, the third party advocate would expect the Bureau to follow-up with the company to indicate that an authorization document is within the complaint. In another example, participants inquired if the Bureau reviews whether the company response is responsive to the

consumer's complaint. They recommended that the Bureau include some additional steps in the consumer complaint process to address these topics. More broadly, they recommended adding information to the public Consumer Complaint Database to share positive outcomes or feedback from consumers on company actions taken to address consumer complaints.

Criteria for Future Ombudsman Forums

In our [FY2017 Annual Report](#), we indicated that this year we would “develop criteria to determine the frequency and timing with which to meet each type of stakeholder [for our Ombudsman’s Forums] as well as how to decide which new Forums we may host with other stakeholders.” To build upon the prior parameters defining our Ombudsman’s Forum, we developed the following criteria:

We may schedule a new Ombudsman Forum with a stakeholder community with which we met previously or with a new stakeholder community where:

- There is a request by the Bureau, particular stakeholder community, or other external stakeholders for the Ombudsman to have such a Forum or
- The Ombudsman determines on its own that it may be useful to host a Forum as we provide feedback and make recommendations to the Bureau

For frequency and timing, we also will consider our impartiality professional standard of practice so as to balance hosting events over time with different stakeholder communities. In addition, hosting additional Forums will be subject to our budget and the availability of resources.

Ombudsman Interactives

This year, we continued the Ombudsman Interactives pilot by holding two of these events, as requested. Ombudsman Interactives are inspired by the Ombudsman Forum program and provide facilitated dialogue with the Ombudsman onsite for attendees at consumer, trade, and other groups’ conferences. To inform our work, we identify topics for discussion which give participants an opportunity to provide feedback and generate ideas for solutions to possible process concerns from Bureau interactions. We select topics for discussion in advance based on

process issues previously shared with the Ombudsman by the groups or the Bureau prior to the event.

In the fall of 2017, we held an Ombudsman Interactive at a trade group's conference and facilitated discussion on the following topics: Bureau enforcement and examinations processes, the consumer complaint process, and engaging with the Bureau, including discussion on resources the Bureau provides. We provided participants' unattributed feedback to the Bureau, including questions surrounding the examination process, concerns regarding consumer complaints where the company considers the action legally required, and a request for additional information for smaller companies that do not engage with the consumer complaint process too often.

In the spring, we held an Ombudsman Interactive at a different trade group's conference during which the group primarily wanted to discuss the Bureau's consumer complaint process. We heard themes surrounding the process used to identify information as consumer complaints rather than inquiries, participants' suggested changes to the consumer complaint process, as well as feedback on the context of the consumer complaint data the Bureau provides publicly. We provided the Bureau with the participants' unattributed feedback to include their recommendations to distinguish complaints, inquiries, and commentary.

As with our Ombudsman Forums, Interactives are available by request on a first-come, first-served basis and are subject to the Ombudsman's budget and availability.

Analyzing Individual Inquiries to the Ombudsman

The Ombudsman assists in resolving individual inquiries that pertain to a particular person, company, or group's process issue from their Bureau interactions. This section describes the various kinds of individual inquiries we received in FY2018, the changes in those inquiries received over time, as well as our holistic approach to assisting each inquirer.

In FY2018, we received a total of 1,385 inquiries,²⁰ compared with 1,610 in FY2017.²¹ The figure below shows the change in the number of inquiries to the Ombudsman for the last four years, since we launched our Mid-year Updates in 2015, reporting on our mid-year inquiry numbers.

FIGURE 3: INQUIRIES TO THE OMBUDSMAN'S OFFICE²²

	FY2015	FY2016	FY2017	FY2018
Oct-Mar	550	541	820	680
Apr-Sept	616	871	790	705
TOTAL	1,166	1,412	1,610	1,385

Individuals who contacted the Ombudsman on their own behalf accounted for 1,190 inquiries in FY2018.²³ We also receive inquiries from: attorneys, representatives, and third parties; parties not authorized to receive information concerning a consumer complaint; financial entities; businesspersons; consumer and trade groups; and local, state, and federal government, as well as Congressional offices.

As shown in the figure below, the types of inquiries received by the Ombudsman in FY2018 again mostly held steady compared with the last few years.

²⁰ Inquiries do not include Ombudsman outreach and the broader issues received in connection with such outreach.

²¹ All percentages in this report are rounded up to the nearest whole number if 0.5 or greater, or rounded down if less than 0.5, except where adding a decimal place is of explanatory value. Consequently, some totals may not equal 100 percent.

²² Inquiry totals for prior years were 1,133 (FY2014), 1,422 (FY2013), 775 (FY2012, for the ten-month period starting when the office opened in December 2011).

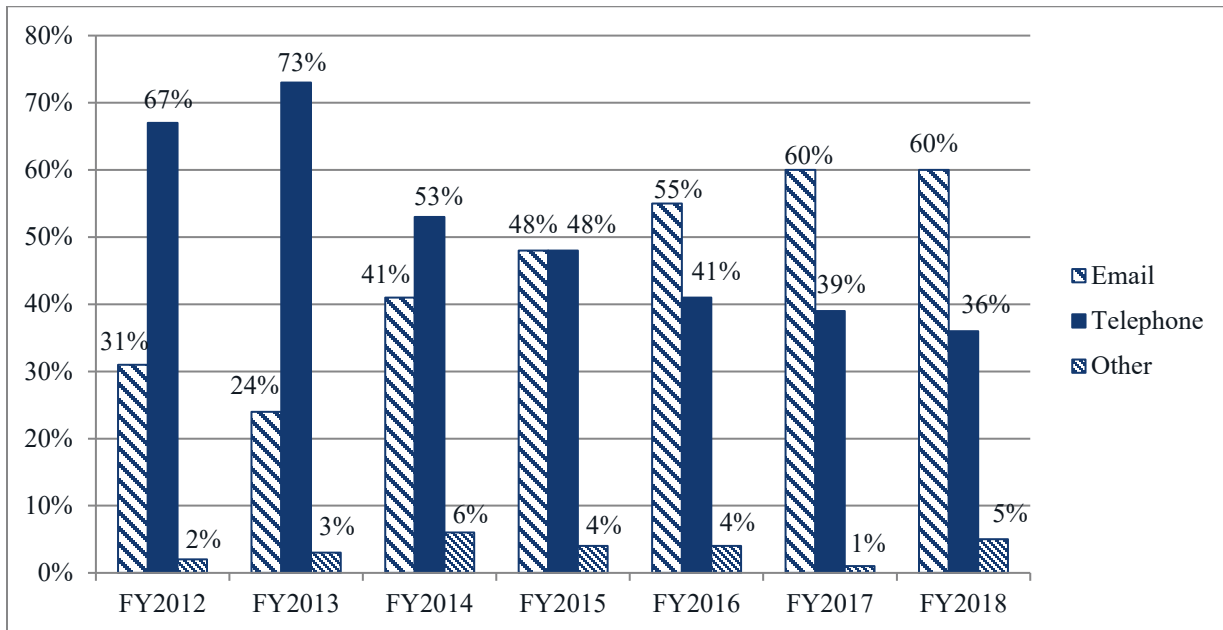
²³ "Individuals" contacting the Ombudsman on their own behalf include, for example, people contacting the office about a consumer complaint, seeking information on how to submit such a complaint, or seeking a Bureau resource for direct assistance.

FIGURE 4: TYPE OF INQUIRIES RECEIVED BY THE OMBUDSMAN

	FY2015	FY2016	FY2017	FY2018
Questions	53%	50%	55%	58%
Complaints	24%	26%	27%	26%
Courtesy Copies to the Ombudsman	11%	12%	11%	11%
Topics of Concern	9%	9%	4%	3%
Feedback on Bureau and Non-Bureau Topics	2%	3%	3%	3%

The public can reach the Ombudsman by email (CFPBOmbudsman@cfpb.gov), toll-free number (855) 830-7880 or with a U.S. area code (202) 435-7880, TTY (202) 435-9835, or fax (202) 435-7888. The Ombudsman also occasionally receives letters sent by postal mail. As shown in the figure below, in the last few years the Ombudsman has received approximately the same percentage of contacts by email and phone.

FIGURE 5: HOW INQUIRERS FIRST CONTACT THE OMBUDSMAN

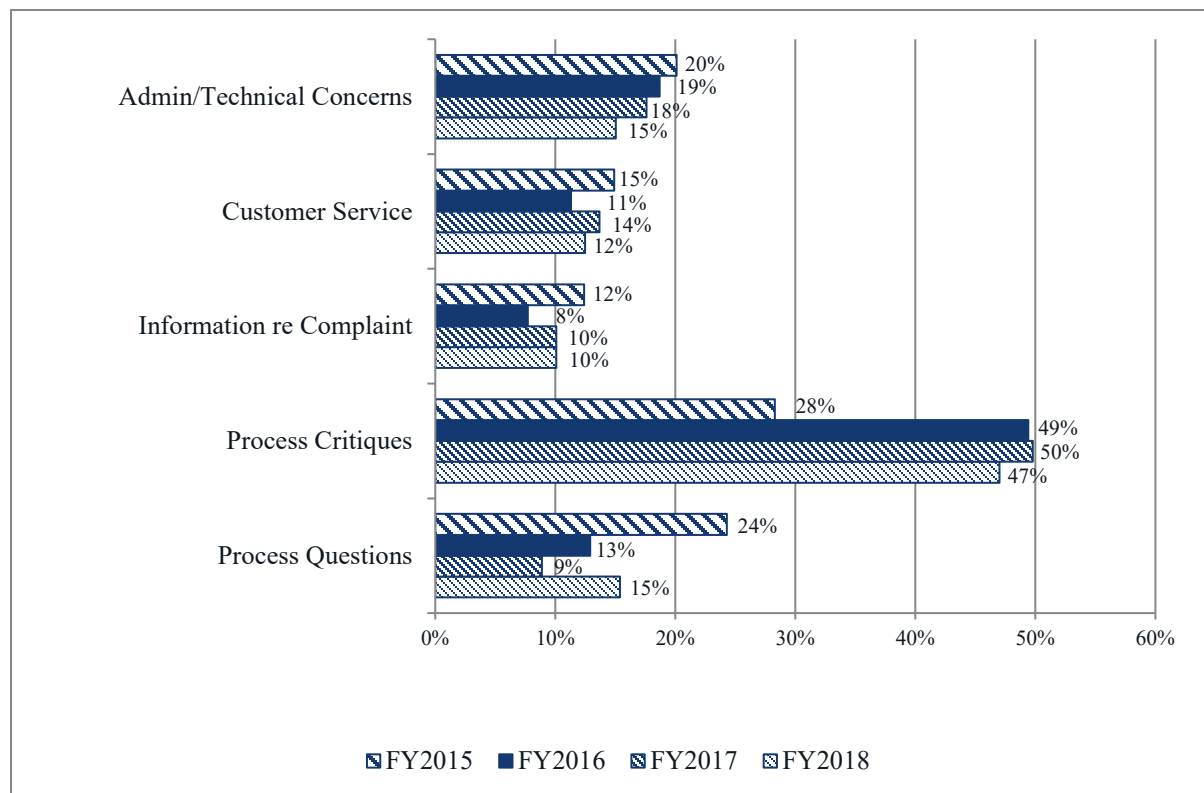


This year, inquirers contacted the Ombudsman from 48 states, the District of Columbia, and Guam, as well as from other countries. In addition, in FY2018, web users from all 50 states viewed the Ombudsman webpage at consumerfinance.gov/ombudsman at some point during the year.

Individual Inquiries About the Consumer Complaint Process

The figure below provides a comparison of five principal types of issues about the consumer complaint process from individual inquiries received.

FIGURE 6: INDIVIDUAL INQUIRIES ABOUT THE CONSUMER COMPLAINT PROCESS²⁴



In the last three years, nearly half of the inquiries about the consumer complaint process were “Process Critiques.” This category encompasses feedback provided about the complaint process, including the prescribed timeframes, dissatisfaction with the closure or outcome of the complaint process, or the manner in which the Bureau conducted the process.

This year, the Ombudsman received an increase in questions about the process and a decrease in the percentage of administrative or technical concerns. “Process Questions,” as distinct from the category of “Process Critiques,” include inquiries seeking clarification about the entire consumer complaint process or some aspect of it. During FY2018, consumers continued to contact the Ombudsman seeking clarification regarding the process surrounding the referral of a consumer complaint to other agencies. As in prior years, the “Administrative or Technical Concerns” most commonly included concerns relating to the consumer’s user experience with the consumer complaint portal on consumerfinance.gov and related technical concerns. “Customer Service” relates to communications or interpersonal issues when interacting with the Bureau. Finally, the category “Information re Complaint” includes instances where the inquirer

²⁴ This figure provides a comparison based on how we have reported these data since FY2015.

wanted additional information about the inquirer’s particular consumer complaint submitted to the Bureau, such as whether the complaint was closed.

For product type, as in the last few years, mortgages were the financial product most commonly underpinning consumer complaint-related inquiries to the Ombudsman. Mortgages (31 percent) again were followed by credit products, a category including credit cards and non-mortgage lending such as student loans (26 percent), deposit products (13 percent), credit reporting (13 percent), debt collection (6 percent), and methods of payment, a category including money transfers and debit cards (4 percent). Other products underpinned approximately eight percent of the inquiries.²⁵

Individual Inquiries from Industry

As in past years, the industry-related individual inquiries the Ombudsman received in FY2018 related to a broad array of topics. For example, we received inquiries seeking clarification on different Bureau regulations, which we referred to the Office of Regulations. In another example, we received an inquiry pertaining to the examination process, namely, how an inquirer could elevate concerns within the Bureau and engage with Bureau staff. One inquiry related to how an industry inquirer could connect in with the Bureau to share about issues that may be impacting a particular industry more generally. Similar to inquiries received in past years, we received questions surrounding the process that an inquirer may use to report information that may be helpful to a possible Bureau enforcement proceeding. We also received a few questions from inquirers seeking technical assistance with the company portal that companies use to respond to consumer complaints. In addition, we heard from inquirers who had questions pertaining to the functionality of consumerfinance.gov when they attempted to submit forms online to the Bureau. We discuss some of these issues further in other parts of this report.

Providing Useful Resources

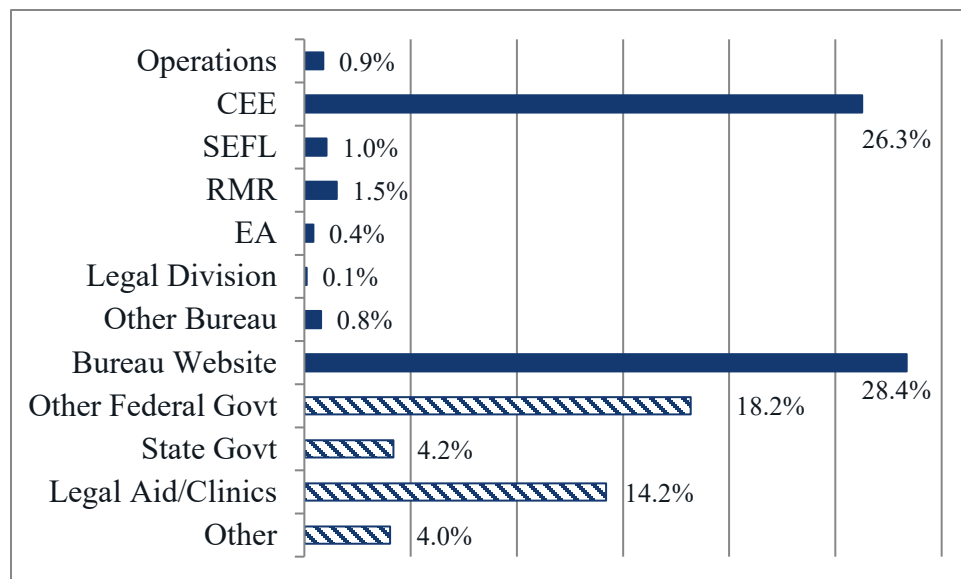
The Ombudsman tracks issues raised in inquiries received to highlight trends, provide feedback, and make recommendations to the Bureau. Additionally, through our holistic approach to inquiries, the Ombudsman sometimes provides other resources to further assist the inquirer and we also track those resources. For example, a consumer may benefit from reviewing

²⁵ In previous years, we incorporated product information regarding methods of payment into the “Other” product category. As that category has increased, this year we provide data on it separately. For comparison, methods of payment underpinned 3.7 percent of individual inquiries in FY2017 and 2.3 percent in FY2016.

informational resources on consumerfinance.gov, such as the Bureau’s new webpage with resources particular to avoiding [Frauds and Scams](#). We also may suggest that a company official submit a regulatory inquiry via the Office of Regulations [inquiry request form](#), if the official has not tried that avenue.²⁶ In addition, we ask consumers to contact the Office of Consumer Response if they have not yet submitted a consumer complaint with the Bureau or if their consumer complaint is still in progress. In some circumstances, a resource outside of the Bureau or the federal government might be helpful to the inquirer.

The Ombudsman provided 1,908 resources external to our office to inquirers in FY2018 and the figure below shows the breakdown of these resources.

FIGURE 7: DESTINATION OF ISSUES RE-DIRECTED TO FURTHER ASSIST THE INQUIRER, FY2018²⁷



As shown in the figure above, in addition to a number of Bureau resources, the Ombudsman also provides inquirers with resources from other parts of the federal government, including ombudsman resources at other federal agencies, links to [U.S. Department of Housing and Urban Development housing counselor information](#), the [Eldercare Locator](#) from the Administration on

²⁶ The Office of Regulations does not answer questions of regulatory interpretation for consumers and refers consumers to the telephone contact center for assistance, (855) 411-2372.

²⁷ Solid-colored bars represent resources within the Bureau. “Operations” refers to the Bureau’s Operations Division. “CEE” refers to the Bureau’s Consumer Education and Engagement Division, including the Office of Consumer Response which moved to CEE in FY2018. “SEFL” refers to the Bureau’s Supervision, Enforcement, and Fair Lending Division. “RMR” refers to the Bureau’s Research, Markets, and Regulations Division. “EA” refers to the Bureau’s External Affairs Division.

Aging, and contact points for the Federal Trade Commission, as well as other federal financial regulators. Resources provided from state government often include attorneys general, consumer protection divisions, and law enforcement.

Systemic Reviews – Focus for FY2018

In addition to individual inquiries, the Ombudsman reviews systemic issues that may be affecting consumers or financial entities nationwide, in a particular region, or with a certain process. We decide to review topics as systemic issues to see if we may be able to add value in our role as an independent, impartial, and confidential resource. We consider three questions in reviewing systemic issues: (1) Is the agency fairly applying a process it established? (2) If there is no set process, should we recommend creating one? (3) Does an existing process require a change to provide a fair application of it? The Ombudsman feedback and the recommendations that we provide to the Bureau may be: also suggested by others, but not implemented; ideas shared with the Ombudsman as we explored an issue; or, the Ombudsman's ideas of how to address an issue. The objective is to resolve the issue, but sometimes there are other possible solutions that also may work to reach the same result and we welcome implementation of those ideas.

In FY2018, the Ombudsman reviewed three issues as systemic issues, as described below.

Entities Mentioned for a Positive Purpose in Bureau Materials

Part of the Bureau's focus is to provide information and tools to consumers that assist them in making financial decisions. The agency provides this information in many different ways, including on consumerfinance.gov.

This year, the Ombudsman received a question about a Bureau blog post that recommended one group to consumers for a certain kind of assistance. In our initial research, we were not able to identify an existing Bureau process for naming entities in blogs, social media, and print materials for a positive purpose, and we decided to study this topic to see if we could be helpful to the Bureau and the public.

For our additional research, we reviewed the relevant laws as well as the internal policies and practices on this topic. We also connected with various Bureau offices to further understand this topic in practice.

After further review, we learned that the Bureau had internal guidance on this topic. We understand that the Bureau generally prefers to avoid endorsements or anything that would seem to appear to be an endorsement. At the same time, there was less awareness about the guidance on this topic across the Bureau and the guidance was not widely available. In addition, we observed that when the Bureau considered naming an entity for a positive purpose in public materials, there was not a standardized process to review inclusion of that specific information.

To address a few additional elements for such guidance and to increase awareness of the guidance by which the Bureau positively names entities, the Ombudsman recommended that the Bureau: supplement the guidance as it relates to the commercial impact in naming one entity; incorporate review of agency risk into the analysis; and make internal guidance about the endorsement of entities more widely available to Bureau staff. In addition, to further standardize the review process, the Ombudsman recommended an update to the internal review process in circumstances when a document may positively name an entity in public materials.

We understand that the Bureau plans to implement these recommendations and we will provide further updates in our next report.

Submission of Information for Consumer Complaints

Consumers, and those who assist them, submit consumer complaints on an array of financial products and services to obtain Bureau assistance in getting a response from the company. This review pertains to the information submitted with the consumer complaints and the subsequent processing of those complaints.

Determining the Disposition for New Complaint Information Received by Fax or Mail

Over time, individuals contacted the Ombudsman about their experience submitting consumer complaint information to the Bureau, specifically by fax or postal mail.²⁸ For some complaint information submitted through these channels, the Bureau added the information to an existing complaint rather than creating a new complaint about the same company, as the consumer intended. Other times, the Bureau created a new consumer complaint regarding a company about which the consumer previously submitted a complaint.

To understand the process used under these circumstances, we reviewed the information provided on consumerfinance.gov, analyzed the information used by the team making these decisions, and reviewed the topic with the Office of Consumer Response.

On consumerfinance.gov, the Bureau describes [how the complaint process works](#), by sharing generally that it: reviews the consumer complaint and documents provided by the consumer, forwards the complaint to the company to obtain a response, notifies the consumer when the company responds, and provides the opportunity to give feedback about the company response. The Bureau also lists the [five steps to submitting a complaint](#) along with reminders to assist consumers as they prepare their submissions. For example, consumerfinance.gov states that consumers should “[m]ake sure to include all the information [they] can, because [consumers] generally can’t submit a second complaint about the same problem.”

We understand that consumers cannot supplement their consumer complaints with additional information for the company to consider once the Bureau forwards the complaint to the company because the time period has started for the company to review the complaint. In addition, consumers cannot reopen their consumer complaint by submitting additional information once the Bureau closes the complaint.

At the time of this writing, when the Bureau added information to a complaint that the company had started to review for a response, the Bureau did not forward the new information to the company to consider for the response. In addition, the Bureau did not prompt the company to review the additional information, but the company had access to it through the Bureau’s company portal. If the Bureau created a new consumer complaint, the complaint followed the regular complaint process, as described above.

²⁸ The Bureau receives a majority of its consumer complaints on consumerfinance.gov. During FY2018, the Bureau stopped providing a fax number for submission of consumer complaint information. As of this writing, consumers may submit complaints on consumerfinance.gov, by telephone, or by postal mail.

We understand that where consumers wish to provide new information for the same company to consider, the consumer should submit a new consumer complaint and note that the complaint is not a duplicate of a previous submission. At the same time, companies may indicate to the Bureau that the information is a duplicate of a previous submission and, in such circumstances the Bureau does not require the company to provide a substantive response.

The Ombudsman provided feedback to Consumer Response that it was unclear when complaint information submitted via fax or mail would be added to an existing complaint or used to create a new complaint. Based on this feedback, Consumer Response updated the internal documentation for this decision process.

Obtaining Consumer Complaint Responses

This year, some individuals contacted the Ombudsman after the company about which they submitted a consumer complaint determined that they, or those people who assisted them, were unauthorized to receive the substantive company response. We heard a similar concern in our September Ombudsman Forum with consumer groups, as described in the section above. Based on the examples provided to our office, it appeared that there was no consistent, regular avenue within the complaint process for individuals or third parties to remedy their authorization status with the company. Moreover, some individuals shared that they did not understand the information the Bureau provided regarding unauthorized third parties.

To study this issue further, we reviewed: possible pathways for individuals to provide authorization information using the consumer complaint process, the written information the Bureau provides regarding authorization for third parties, and the information that the Bureau's telephone contact center shares with third parties.

After receipt of a consumer complaint, the Bureau sends the consumer some information that outlines the next steps in the process. The Bureau communicates that only the consumer will have access to complaint updates via consumerfinance.gov and further shares that third parties listed on the consumer complaint should call the telephone contact center to ask questions or receive updates on the consumer complaint. We understand that the Bureau shares elements of the company response, such as the date of the response, the actions that the company took, and any applicable relief with those third parties who are listed on the consumer complaint. At the same time, the Bureau does not provide other sensitive information, such as account numbers or

the full content of the response letter to third parties.²⁹ To include a third party on a consumer complaint, we understand a consumer must contact the Bureau.

At the same time, companies have the ability to identify all the parties listed on a consumer complaint and confirm whether the consumer authorized anyone else to receive information about the consumer's account or loan. We understand that different companies have different such requirements to become authorized to view account information so as to protect the consumer's personal information.

In addition, we understand that once a company designates an individual as unauthorized to receive a substantive response and alerts the Bureau, the Bureau correspondingly closes the consumer complaint. In some circumstances, the company will send a substantive response directly to the consumer on the account, not including the unauthorized third party. Once the Bureau closes a consumer complaint, the consumer cannot submit documents, to include authorization documents, to reopen it for further review.

To clarify how individuals can use the consumer complaint process to provide the necessary authorization documents the company requires, we recommended that the Bureau: provide the telephone contact center with information to answer questions about the unauthorized third party, provide additional information to the individual on what it means to be unauthorized, inform consumers that the Bureau will not reopen a closed complaint with new authorization information added, and share that consumers may submit authorizing information the company requires in a new consumer complaint to be sent to the company.

We understand that Consumer Response is updating the information for the telephone contact center on this topic and is studying further the overall topic of submissions by third parties. We look forward to providing an update in our next report.

Legal Disclaimers Introducing Bureau Webinars

At one of our [2017 Ombudsman Forums](#), compliance officers highlighted that Bureau webinars give a general legal disclaimer in the beginning, such that the information provided is not as

²⁹ The Bureau indicates on consumerfinance.gov that an authorized third-party's full access to consumer complaint information may require documentation, such as a release form signed and submitted by the primary consumer.

useful as it perhaps it could be. We decided to research this topic to determine how we could be helpful to both the Bureau and the public.

For this research, we reviewed: consumerfinance.gov for the disclaimer language used, particularly in connection with Bureau webinars or appearing on webpages identified as guidance or containing guidance; instructions to Bureau staff on the use of disclaimers for guidance, presentations, and other purposes; and samples of disclaimers on the websites of other federal agencies, including financial regulatory agencies. We also facilitated cross-Bureau meetings with the relevant Bureau offices to further discuss our research and provide feedback.

From our research, we noted that the principal use of Bureau disclaimers appears to be for materials that offer plain-language explanations or summaries of regulatory requirements and consumer information. We also observed that users of consumerfinance.gov have differing needs for the information they seek and, therefore, differing expectations about the level of detail offered. For example, a user who needs a general understanding of the subject matter may be satisfied with a high level overview and an accompanying disclaimer advising that the summary or explanation does not provide legal advice or apply to all possible circumstances. However, a user such as a compliance officer or an attorney may need more technical details of the regulatory language. This type of user could be informed that application of the regulations frequently involves nuances of law or policy, not easily conveyed in a summary or a consumer-oriented explanation of the overall regulation, which requires reference to the actual regulatory provisions or official interpretations. In general, we observed that at the time of our research Bureau disclaimers did not address the differing needs of these types of users.

We also observed that the disclaimers sometimes use the word “guidance” in a way that is not clear about the usefulness of the accompanying information to different audiences. For example, one webinar disclaimer stated “[t]his presentation does not represent legal interpretation, guidance, or advice of the Bureau.”³⁰ Moreover, elsewhere, at the time of our research, the Bureau modified the word “guidance” on the website using different adjectives, such as regulatory, informal, unofficial, official, or interpretive, which may contribute to confusion about the extent to which a user may rely upon the information.

In addition, some Bureau disclaimers state that “only the rule and its Official Interpretations can provide complete and definitive information regarding requirements.” However, such disclaimers typically are not accompanied by information about where to find official interpretations.

³⁰ Bureau webinar, “[CFPB Home Mortgage Disclosure Act \(HMDA\) Final Rule.](#)” Aug. 4, 2016.

Lastly, in our research we noted that the spoken disclaimers in Bureau webinars sometimes differ from the printed disclaimers appearing on webinar slides. In such instances, the user would need to watch the slides and listen to the speaker to learn about all the disclaimer elements, which also may be inconsistent with accessibility requirements for persons with disabilities.³¹

To achieve greater clarity and potential value to users of consumerfinance.gov, we recommended that the Bureau: update disclaimer language in a way that recognizes the different levels of intended use and users of the information; review the different phrases in use on the website to refer to “guidance,” to help users determine which Bureau materials can be used for the users’ intended purposes; clarify where users can find “official interpretations” of Bureau rules; and seek uniformity of webinar disclaimer content among displays of written text, spoken text, and captions accompanying spoken text.

We understand that the Bureau is implementing these recommendations and we will provide a further update in our next report.

Systemic Reviews – Updates on Previous Reviews

In FY2017, we described two systemic reviews, one of which we closed in the same year regarding the Accessibility of Bureau Print Materials. We provide an update on the other systemic review below.

³¹ “Section 508” of “The Rehabilitation Act of 1973, as amended in 1998,” 29 U.S.C. §794d.

How Non-Consumers Contact the Bureau on the Phone

Starting in April 2016, in conjunction with the then refresh of consumerfinance.gov, the Bureau incorporated a series of changes to the telephone entry points for anyone calling the Bureau about something other than an individual consumer finance question or complaint, referred to in this section as non-consumers. We observed and shared that some of these changes resulted in some non-consumers not knowing how to obtain by phone Bureau information unrelated to individual consumer finance questions or matters.

To study this topic, we requested and received updates from the Bureau about changes in the switchboard, available telephone entry points for non-consumers, and the information available to non-consumers over the phone; reviewed consumerfinance.gov for all phone numbers provided; listened to the Interactive Voice Response (IVR) recorded information that is provided to callers; and researched telephone entry points for non-consumers at other federal agencies, including financial regulatory agencies. We also provided feedback to the relevant Bureau offices regarding the various changes to the telephone entry points for non-consumers.

For approximately the first five-and-a-half years of its existence, the Bureau had two main telephone numbers. The main switchboard number, (202) 435-7000, answered general Bureau inquiries and directed callers to a Bureau staff person or office. In addition, telephone contact center staff was available through a toll-free number, (855) 411-2372, for consumers or people assisting them to submit consumer complaints, ask questions about consumer financial products and services, or provide feedback to the Bureau. In April 2016, in conjunction with the refresh of consumerfinance.gov, the Bureau removed the switchboard number from the “Contact Us” webpage. Although no longer available on consumerfinance.gov, we understand that the Bureau has continued to staff the switchboard phone number.

To date, to find the main number to call the Bureau, the “Contact Us” webpage on consumerfinance.gov provides (855) 411-2372 and states that “[w]hether you have questions about the CFPB or about a consumer financial product or service, or you want to submit a complaint, start here. We’ll point you in the right direction.” The Bureau also has this phone number as a header at the top of every page of consumerfinance.gov.

At the same time, to date, when callers dial (855) 411-2372, the IVR recorded information includes information addressed only to consumers. Specifically, the IVR shares about the creation of the agency, indicates that callers can submit a consumer complaint and what to

expect from that process, and states that the caller can receive information on consumer financial products and services. If the caller then selects “1” for English, the IVR states that if the caller has an existing consumer complaint number, it is helpful to have any associated documents ready when next connected to customer service agents or Consumer Guides. With no instructions for non-consumers to select a choice for further assistance and an indication that assistance will be from a Consumer Guide, non-consumers must choose to stay on the phone line to determine if assistance is available at this phone number.

As the Bureau implemented the changes described above, the Ombudsman highlighted the importance of the Bureau providing a direct avenue for non-consumers to access the Bureau via telephone. We also recommended that the Bureau provide a way for non-consumers to know when calling the agency that information is available to answer their questions. Similar to other agencies, the Bureau could add a separate phone number on consumerfinance.gov, as before, even if staffed by the same team, or include additional recorded messaging through the IVR on the main phone number, (855) 411-2372, to inform callers that other information is available.

As of this writing, we understand that the Bureau plans to implement IVR changes to assist non-consumers in conjunction with updating the agency’s name references on that system. We will share further updates in our next report.

Going Forward

A new year provides new opportunities to add additional ways to assist the consumers, financial entities, consumer or trade groups, and others who contact the Ombudsman for assistance in resolving process issues with the Bureau. In addition, as the Bureau itself evolves, we also anticipate offering new inreach and outreach opportunities, which will further assist us in advocating for fair process in consumer financial protection.

In last year’s annual report, we anticipated hosting Ombudsman Forums with consumer groups in each of the Bureau’s four regions over the next few years. In September, we hosted a Forum with consumer groups in the Bureau’s West region and in FY2019 anticipate hosting at least one Forum with consumer groups in another Bureau region. Stemming out of our September Forum, there also was interest in our hosting an outreach with advocates for small business, which we plan to do in the next few years.

Next year, we also will be reviewing and evaluating our Ombudsman Interactives pilot program to determine whether it should be a regular offering of our office. As with the Forums, the Interactives further inform our work as we provide feedback and recommendations to the Bureau. As described in the section above, the Interactives also are available by request on a first-come, first-served basis and subject to the Ombudsman's budget and availability.

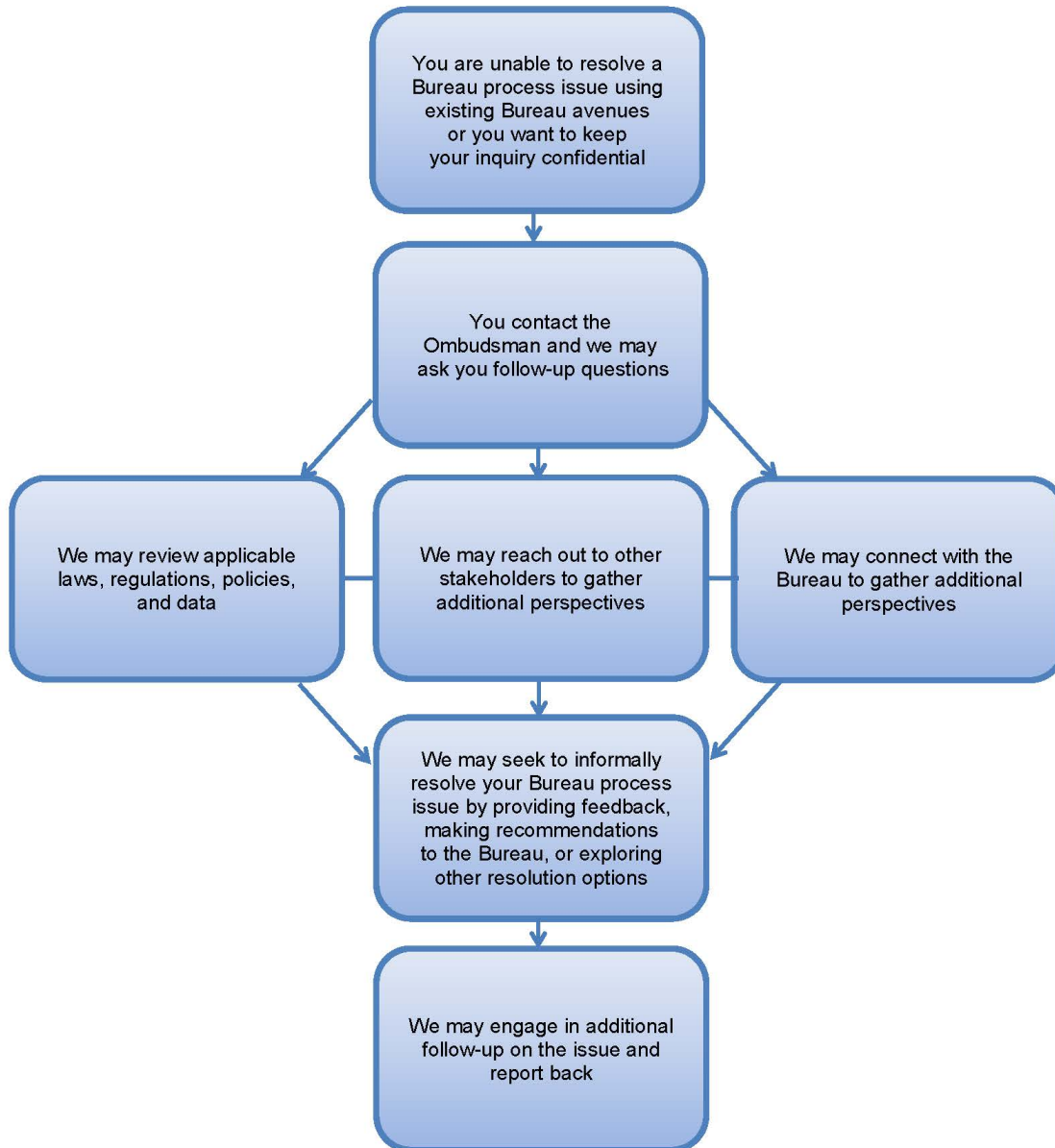
Finally, at the end of FY2017, we established our third set of strategic plan goals to help guide us for the subsequent two years. See Appendix 4. Throughout FY2019, we will continue to fulfill those goals and, towards the end of the year, will be developing a new set of two-year strategic goals to guide us for the subsequent few years.

As always, we look forward to hearing your suggestions, at CFPBOmbudsman@cfpb.gov or (855) 830-7880, on how we can assist both the people who reach us for assistance and the Bureau.

Appendix

New this year, the Appendix includes figures and information included in our previous annual reports, for ease of reference.

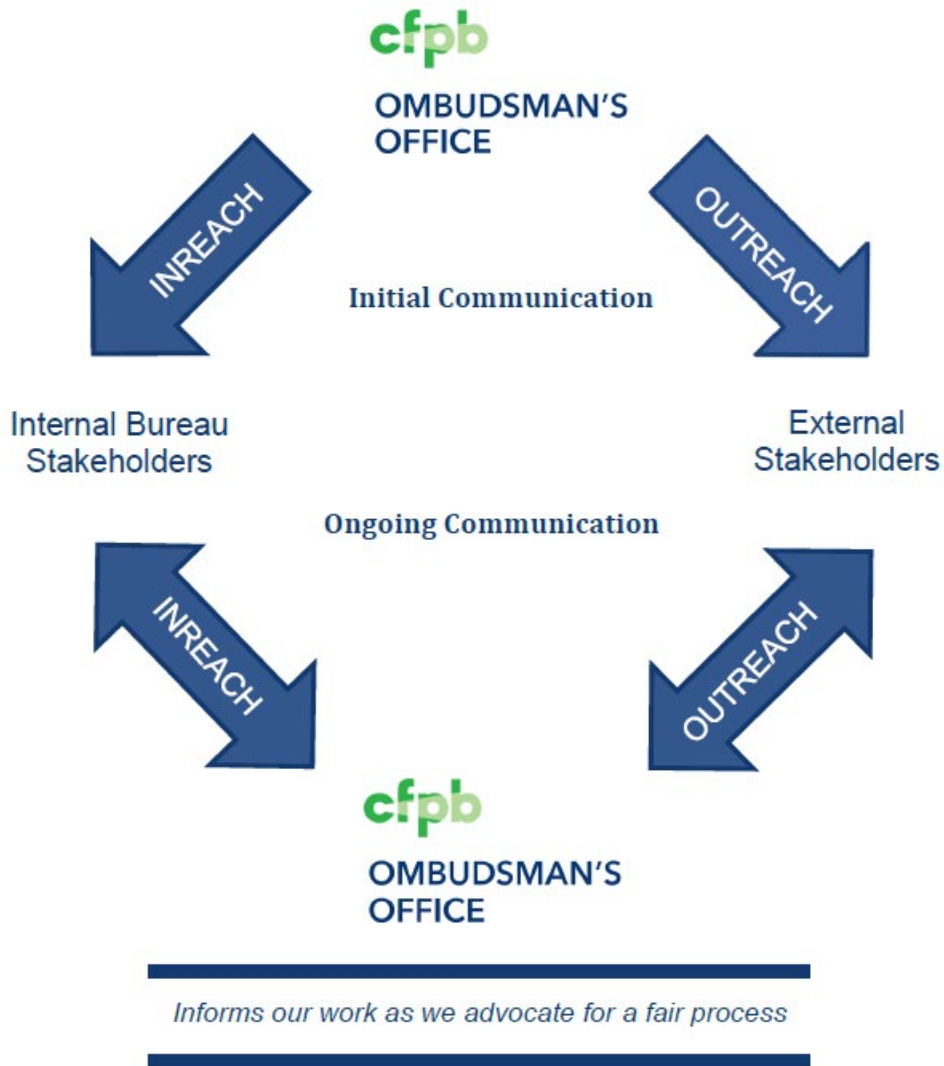
Appendix 1: When to Contact Us and What to Expect When You Do




The Ombudsman does not:

- Address matters in litigation or provide legal advice;
- Delay statutory, regulatory, or other Bureau deadlines;
- Make decisions or legal determinations for the Bureau;
- Serve as a formal office of legal notice for the Bureau; or,
- Address internal workforce issues

Appendix 2: The Ombudsman’s Inreach and Outreach Process



Appendix 3: Double-Sided Brochure Insert


<h3>How We Can Assist</h3> <ul style="list-style-type: none">Brainstorm and evaluate options and resourcesClarify expectations of CFPB processesConduct studies on broader issuesDescribe available optionsEngage in shuttle diplomacyExplore options for managing and resolving issuesFacilitate discussionsFunction as an early warning mechanismGive an impartial perspectiveListen to all sidesMake recommendationsOffer feedbackProvide conflict and problem resolution coachingProvide suggested resources in/outside the CFPBServe as an independent advisorShare independent analyses<i>Any other creative idea....</i>	<p>Advocating for fair process</p> 
<p>consumerfinance.gov/ombudsman</p>	<h3>How We Connect with Our Stakeholders</h3> <ul style="list-style-type: none">Conduct webinarsSpeak at conferencesOffer Ombudsman's Office webpage link for a group's websiteMake informal visits to financial entities' operationsHold introductory meetings with groupsParticipate in teleconferences with a group's membershipMeet with boards of directorsShare our brochures, annual reports, and other materialsProvide an overview paragraph for a group's newsletter describing our roleRecord an audio segment for a group to share with its membershipOffer recurring meetings to connect with groups<i>Your creative idea here....</i> <p><i>To schedule an outreach opportunity, contact us at: 855.630.7880 (toll-free) CFPBombudsman@cfpb.gov</i></p> <p>September 2016</p>

Appendix 4: Ombudsman Strategic Goals, FY2017-FY2019

Address individual and systemic process issues with the Bureau from consumers, financial entities, consumer or trade groups, or any other inquirer using existing and new, innovative ombudsman tools
Optimize resources to effectively assist the Bureau and the public
Connect to internal and external stakeholders in innovative ways that maximize opportunities for informally assisting in resolving process issues with the Bureau
Expand education about the Ombudsman’s Office and further our ongoing engagement with stakeholders through inreach and outreach initiatives
Optimize ways to convey feedback and perspectives via oral and written deliverables to internal and external stakeholders
Maintain expert level ombudsman skills and expand office knowledge base
Further demonstrate leadership in ombudsman practice and profession

Appendix 5: Information Sheet



 (855) 830-7880 (Toll-free)
(202) 435-9835 (TTY)

 (202) 435-7888 (Fax)

 CFPBOmbudsman@cfpb.gov

 consumerfinance.gov/ombudsman

Why is there a CFPB Ombudsman? An ombudsman provides an alternate, informal way to resolve issues. Many organizations, both government and private, have an ombudsman. The CFPB Ombudsman's Office was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), which created the Bureau.

Independence We are outside of the Bureau's business lines, reporting to the Deputy Director with access to the Director, which ensures our independence at the Bureau.

Impartiality We do not advocate for one side, but instead for a fair process.

Confidentiality We have put safeguards in place to preserve confidentiality. We will not share your identifying information outside the Ombudsman's Office unless you tell us we can. We also may have to share it if there is: a threat of imminent risk of serious harm; you have raised an issue of government fraud, waste, or abuse; or if required by law.

Why should I contact the Ombudsman? We can assist in informally resolving process issues by: facilitating discussions, brainstorming and evaluating options and resources, sharing independent analyses, offering an impartial perspective, ensuring confidentiality of someone's identity, engaging in shuttle diplomacy, and providing recommendations, among other options.

When should I contact the Ombudsman? Try us, when you have not had success with existing Bureau processes to address your process concerns, or because you want to keep your concerns confidential. You are welcome to contact the Ombudsman at any time, but we ask you to try the existing Bureau avenues for resolution first.

Can we meet again? Stakeholders who previously connected with our office are welcome to re-connect to share further feedback.