

### The CFPB's Consumer Complaint Database Shines a Light on the Financial Services Industry

Since 2011, the Consumer Financial Protection Bureau (CFPB) has been protecting consumers from the pitfalls of the financial marketplace. One of the CFPB's singular achievements has been the creation of its complaint database, where consumer feedback about financial products and services is collected and made public. Consumers can post narratives to fully describe their experiences with financial products and services. Over a million people have filed complaints with the CFPB. In 2016, the top complaints were about debt collection (30%), credit reporting (19%), and mortgages (18%). Consumers frequently complained about debt collection efforts over debt that the consumer did not owe, credit reporting errors, or difficulties experienced when submitting mortgage payments. After the complaint is filed with the CFPB, approximately 97% receive a quick response from the company. Many of the consumers have received monetary relief.

Despite this good outcome for consumers, the financial services industry has fought tooth and nail against the creation and expansion of the CFPB database. The banking industry has peddled a lot of misinformation about the database that falls apart under scrutiny. Here are some facts about the complaint database:

**Consumers benefit from the database.** Consumers can use the database to evaluate financial products and make better choices. The database allows consumers to identify those companies in the marketplace that are ripping off or otherwise treating consumers unfairly. The database is public and fully searchable by state, company, product, the nature of the complaint, and how the company responded to the complaint.

**The CFPB protects the privacy of the consumer filing the complaint.** A consumer narrative is posted only if the consumer opts in, so the person's privacy is protected. The CFPB also reviews the submission to remove personally identifiable information before it is posted. Consumers can also choose to remove their narrative from public view at any time.

**Financial services companies consult the database to improve their service.** The database helps banks, financial services providers, and others identify lapses in customer satisfaction so that they can improve their products and services. For example, one California consulting company uses the database to advise its financial services clients, [pointing out](#) that "it is the one source of data that is comparative across institutions." While the banking industry has complained that the database interferes with their customer service process, the database actually gives consumers an avenue for relief after exhausting all of their other options.

**Companies are given a chance to respond before complaints are posted.** While banks maintain that the complaint database is one-sided, the CFPB seeks to get at the truth of a complaint by presenting both sides of the story. The CFPB gives the company fifteen days to respond to a complaint before it is posted.

**The CFPB evaluates the complaints before posting.** The CFPB checks to make sure the person making the complaint is actually a customer of the company. They also eliminate duplicate entries, although they maintain separate entries if several different companies are named in a complaint, so that each company can get an opportunity to address the issue.

**The CFPB uses the database to better police the financial marketplace.** The CFPB relies on the complaint database to do its work and fulfill its public mandate. Not only does the CFPB help individual consumers to get responses from companies, they also use the data when considering if there is a need for regulations or enforcement actions to improve the marketplace for all consumers.

**Consumer-facing agencies often feature complaint databases.** Government agencies often seek to make consumer complaint data public to increase transparency and accountability. The National Highway Transit Safety Administration and the Consumer Product Safety Commission maintain public complaint databases.

## **TAKE ACTION**

Please sign Consumers Union's [petition](#) to keep a strong CFPB working for you.

## **PRESS CONTACT**

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