



March 9, 2020

Kathy Kraninger
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: Consumer Reports Savings Services Evaluation

Dear Director Kraninger:

The Consumer Financial Protection Bureau, under your leadership, announced the “Smart Small, Save Big” initiative aimed at helping “consumers build a basic savings cushion and saving habit, as a foundation for securing their financial futures.” As you noted in the press release announcing the project, the CFPB’s own research has found that “even small amounts of liquid savings can make a big difference.” We agree with the mission of this project. Too many Americans are financially fragile. While there are many American adults for whom the opportunity to save is not available—they simply do not have enough income to meet their basic monthly expenses, let alone save¹—there are others who want to start saving and develop good financial habits. For all Americans, but especially the financially vulnerable working to improve their condition, every penny counts.

Consumers increasingly rely on digital services to manage their finances, including some that encourage savings. In order to understand how these services work, we researched four services that claim to increase savings with minimal effort from users:

- Albert: “Stretch savings. Cut costs. Reach goals;”
- Digit: “Save Money Easily;”
- Trim: “Saving money should be easy. Automate it with Trim;” and
- Truebill: “Think of us as your financial control center.”²

¹ J. Suh and J. Hayes, “Basic Economy Security in the United States: How Much Income Do Working Adults Need in Each State?,” *Institute for Women’s Policy Research*, Oct. 2018, https://iwpr.org/wp-content/uploads/2018/10/R590_National_finalx.pdf.

² It is more art than science to distinguish digital financial products from one another. As we began our survey, we looked for services with a savings component where the service itself moves consumer funds, as distinguished from bank savings programs and savings accounts at banks, such as Chime, Marcus

Unfortunately, our evaluation raised concerns that these services could do more harm than good for some users. All have practices that may confuse or mislead consumers. All claim to offer personalized services and in some instances personalized advice, while disclaiming responsibility for those services and advice in the fine print. We also found that users may incur unexpected costs, and that these services may not cover or reimburse these costs. And all collect and share consumer information so that third parties may market unvetted and potentially inappropriate products to their customers. We also identified additional tricky practices that raise additional questions about the suitability of these services for some.

All of the services advertise the opportunity to save.

All of the services we examined market themselves as simplifying or automating users' financial lives and improving their finances. Specifically, each offers to take on some of the hard work of financial decision-making so that users will save money without thinking about it:

- “Albert conducts your financial life so you can make good money decisions with confidence.”³
- Digit is “Your smart financial assistant.”⁴
- “Trim automates ways to save you money.”⁵
- “Truebill makes it easy to optimize your spending, manage subscriptions, lower your bills, and stay on top of your financial life.”⁶

The details of each service vary. Albert “does the work for you” through automated savings driven by algorithms, budgeting and financial advice, investing options and payday loans.⁷ Digit is primarily an automated, algorithmically-driven savings service: “Digit analyzes your spending and automatically saves the perfect amount every day, so you don’t have to think about it.”⁸ Digit also offers budgeting and credit card debt-repayment options.⁹ Trim, a self described “holistic financial management service that enables you to achieve your financial goals through personalized recommendations and savings opportunities,”¹⁰ leads with cancelling recurring

and SmartyPig, and Bank of America’s Keep the Change savings program, <https://www.bankofamerica.com/deposits/keep-the-change/>. We also looked for services that position the value they store as savings, rather than setting aside funds for investing, in contrast to services such as Acorns, Betterment and - to a lesser extent - Qapital. Finally, we looked for services that appear to be somewhat established with significant user bases. User numbers are hard to get, as these are all private companies, so we looked at media reports of investments made into these services, user numbers (where reported), and the number of downloads and user reviews in the App Store and Google Play stores.

³ See, <https://albert.com/>.

⁴ See, <https://digit.co/>.

⁵ See, <https://www.asktrim.com/>.

⁶ See, <https://www.truebill.com/>.

⁷ See, <https://help.albert.com/hc/en-us>.

⁸ See, <https://digit.co/>.

⁹ See, <https://help.digit.co/hc/en-us/articles/360030924911-Definitions-of-debits-from-Digit>.

¹⁰ See “What does Trim do?,” <https://www.asktrim.com/faq>.

subscriptions and providing bill negotiation services, but also offers linked savings and money management features.¹¹ Similar to Trim, Truebill, whose marketing includes the saying, “Take control & save,” cancels subscriptions, negotiates bills, offers budgeting tools, and, like Albert, offers payday loans.¹²

The financial models and cost of the services vary. Digit is a flat monthly fee.¹³ Truebill and Trim collect fees for bill negotiation, and have separate fees for services that include savings accounts.¹⁴ Albert has tiered pricing.¹⁵ We focused our evaluation on a key element of these services -- enticements of savings by automation -- and note that we have not fully evaluated all elements of these services, nor have we evaluated their efficacy.

I. These services promise personalized advice, but their terms say otherwise.

The marketing for these services may lead users to believe that they are getting customized financial advice while the terms of service disclaim any responsibility for that advice. For example, Albert “conducts your financial life so you can make good money decisions with confidence.”¹⁶ Albert’s Genius feature gives users the option of texting financial questions to Albert and receiving financial answers and advice.¹⁷ Albert describes these answers as “custom advice on-demand.”¹⁸

However, the terms of service for the app make clear that the advice may not, in fact, be at all personal. Albert’s terms state that “any information and/or recommendations obtained through the Services may not be appropriate” for you, and “you should consider obtaining additional information and advice” from someone “fully aware of your individual circumstances.”¹⁹

Similarly, while Truebill “makes it easy to optimize your spending, manage subscriptions, lower your bills, and stay on top of your financial life,”²⁰ users are advised to obtain “additional information and advice from your accountant or other financial advisers who are fully aware of your individual circumstances.”²¹

¹¹ See, <https://www.asktrim.com/faq>.

¹² See, <https://www.truebill.com/about/>.

¹³ See, <https://help.digit.co/hc/en-us/articles/216648627-How-much-does-Digit-cost->.

¹⁴ Trim charges \$2 per month for Simple Savings. See, https://www.asktrim.com/payment_terms; Truebill charges a monthly fee for premium services of which Smart Savings is one. See, <https://help.truebill.com/en/articles/2217739-how-much-does-truebill-cost>.

¹⁵ Albert savings is free, but in order to get “bonuses” on saved amounts, users must enroll in Albert Genius, which is a pay-what-you-will, although \$6 per month is the encouraged amount. See, <https://help.albert.com/hc/en-us/articles/360010970493-How-Albert-makes-money>.

¹⁶ See, <https://albert.com/>.

¹⁷ See “Description of Services,” <https://albert.com/terms/>.

¹⁸ See “Introducing Albert Genius,” <https://albert.com/>.

¹⁹ See “Disclaimer,” <https://albert.com/terms/>.

²⁰ See, <https://www.truebill.com/>.

²¹ See “Not a Financial Planner, Broker or Tax Advisor,” <https://www.truebill.com/terms#not-a-financial-planner-broker-or-tax-advisor>.

Trim is a “personal assistant that saves you money.”²² It even promises, as noted above, “personalized recommendations for the right financial accounts for you.”²³ It isn’t until users get to the fine print that they learn that the company whose “mission is to solve your financial problems so you can live the life you want”²⁴ disclaims responsibility for the information on their website given that they “aren’t lawyers, accountants, certified financial planners, registered investment advisors, or members of any other professional guild.”²⁵

All of the service providers’ terms allow third parties to market to their users, opening the door for users to be marketed to by the servicers’ advertisers. For example, Trim’s terms state that Trim “has no control over, and assumes no responsibility for” any third party offers users encounter through its services.²⁶ Truebill “does not guarantee” that offers from third parties that users see on its site are the best terms or lowest rates available in the market.²⁷

II. Users may not save money.

Our examination found that provider practices may cause users to incur unexpected costs, depriving them of the gains that they had hoped to achieve. We further found that the companies do not adequately disclose these potential costs.

Automated Savings Can Lead to Overdraft Fees

All of the services allow users to set up automated savings through which money is pulled out of the user’s checking account and moved into a savings account administered by the service without the user having to take any additional action.²⁸ Albert and Digit default users to savings programs that rely on algorithms to determine users’ savings amounts and timing.²⁹ For example, Digit advertises that it, “analyzes your spending and automatically saves the perfect

²² See, https://twitter.com/ask_trim.

²³ See “What does Trim do?,” <https://www.asktrim.com/faq>.

²⁴ See, <https://www.asktrim.com/about>.

²⁵ See “Disclaimer: Trim works hard to keep all information on our website accurate. However, you should check with the relevant financial provider for the most up-to-date information. All advice and product information is offered without warranty. We aren’t lawyers, accountants, certified financial planners, registered investment advisors, or members of any other professional guild. That said, we can’t offer legal, tax, accounting, or investment advice. This site may be compensated through third party advertisers. However, our content is based on our own opinion and analysis,” <https://www.asktrim.com/>.

²⁶ See “Who is responsible for what I see and do on the Services,” <https://www.asktrim.com/tos>.

²⁷ See “Truebill Offers and Third-Party Links,” <https://www.truebill.com/terms#account-information-from-third-party-sites>.

²⁸ With Trim and Truebill, users determine the amount and timing of savings transfers. See, <https://help.truebill.com/en/articles/2620940-how-does-smart-savings-work>; See, <https://trimhelp.zendesk.com/hc/en-us/articles/360009643073-What-is-Trim-Simple-Savings->.

²⁹ See “When you choose the Smart Savings option, our algorithm analyzes your checking account daily. We review your spending, income (plus expected paychecks), your predicted account balance fluctuations during the month, and upcoming bills. From there, we determine how much you can safely save,” <https://help.albert.com/hc/en-us/articles/222575467>; See “Digit analyzes your spending and automatically saves the perfect amount every day, so you don’t have to think about it.,” <https://digit.co>.

amount every day, so you don't have to think about it.” By design, this means that the withdrawal amounts and timing can vary and users do not need to take any steps to move their money.³⁰

Automated savings services run the risk that users—not realizing that a withdrawal is in process or has been made—will take money out of their accounts, leading to an overdraft and a triggering of bank fees, which could set back any savings goals. We found a number of complaints online from users whose linked checking accounts were overdrawn as a result of Albert and Digit.³¹

Digit’s Website Promises a No Overdraft Guarantee But Its Terms Do Not

Unfortunately, the services do not make the risk of overdrafts and other bank fees clear to users. In fact, Digit touts a “No overdraft guarantee” on its website,³² assuring its users that they will not be subject to such fees. This guarantee does not survive scrutiny as Digit’s terms of service explicitly put the onus on the user to pay bank fees: “We are not responsible for any third-party fees that may be incurred as a result of using the Services, including, but not limited to, third-party fees incurred as a result of maintaining insufficient funds in your Bank Account.”³³

Bill Negotiation Services May Not Lead to Savings

Bill negotiation services may cost the user in one or two different ways. We found many user complaints online that “negotiated” deals were not lower-cost than what users paid before using the service. We also found user complaints about the fee for the negotiation from users who apparently did not expect to pay an up-front fee, expressed as a percentage of the “savings” secured by the renegotiation, before the user realized the savings.³⁴

³⁰ Automated savings with erratic timing and amounts are the default setting for Albert, but it does have an optional feature where users pick a set withdrawal amount. See, <https://help.albert.com/hc/en-us/articles/115000823027-Can-I-set-a-fixed-amount-to-save->; Similarly, Digit users can set a maximum daily savings rate. See, <https://help.digit.co/hc/en-us/articles/360001085207-Can-I-set-a-limit-on-Digit-s-savings-amounts->.

³¹ See, <https://twitter.com/hexthot360/status/1126819374978011136?s=20>;
https://twitter.com/tmack_sqbb/status/1120324357019115521?s=20;
<https://twitter.com/LaRissieLala/status/1090580134938189824?s=20>;
<https://twitter.com/shaythesloth/status/1088137549967704064?s=20>;
<https://twitter.com/AWAllureTrade/status/1194773899021635584?s=20>.

³² See “What is the Digit no-overdraft guarantee?,” <https://digit.co/faq>.

³³ See “How do I use the Digit Subscription Services?,” <https://digit.co/terms>.

³⁴ See, “Our success fee is 40% of the first year's savings and we charge that up front unless users request otherwise,” <https://help.truebill.com/en/articles/2217739-how-much-does-truebill-cost>; See, “When should I expect my card to be billed?...Once we successfully negotiate your bill, we’ll send you a message three days after to let you know what savings to expect. You will be charged three days after we notify you of this savings,” <https://trimhelp.zendesk.com/hc/en-us/articles/360005539713-When-should-I-expect-my-card-to-be-billed> ; Albert partners with Billshark for bill negotiation. If the savings is \$50 or less, the linked card is charged right away; if it's more, the “success fee” payment is broken up over 6 months. See,

It is not clear what users can do if they are not satisfied with the results of the bill negotiation. Trim's terms make no guarantees, although they do say that—at Trim's discretion—users that do not save money as a result of a negotiation may get a refund.³⁵ Truebill's Terms of Service state that the Negotiation Fee is non-refundable, although users may get a credit—in some instances a credit that apparently is for Truebill services.³⁶

III. Providers offer insufficient customer support.

Our review of the features of these services and online complaints about them indicates a number of problems in addition to those discussed above. Specifically, we found that consumers often have difficulty in resolving problems, particularly with accessing funds, or with exiting these services.³⁷ These problems appear to be exacerbated by two practices, one that is common to all four, failure to provide a phone point of contact, and another that is specific to Digit and Albert, an unclear error resolution rights for users.

None Provides a Phone Number for User Support

While all of the services make support available to users through their apps or websites, none provides a telephone number for contact. Albert provides an email.³⁸ Similarly, Digit users must first make electronic contact to get help.³⁹ Trim provides users with a help guide, directs them to their bank partner for help, and includes its own support email addresses.⁴⁰ Truebill's support is

<https://help.albert.com/hc/en-us/articles/360011400493-How-do-bill-reduction-savings-work->; For an example of a consumer complaint about bill negotiation from Trim, see this complaint from November 2019: <https://www.bbb.org/us/ca/san-francisco/profile/financial-consultants/trim-1116-879531/complaints>.

³⁵ See, https://www.asktrim.com/payment_terms.

³⁶ See, "In the event that you choose to cancel the service for which Truebill performed a negotiation, you must notify Truebill in writing no later than thirty (30) days after your provider services are cancelled in order to receive a pro-rata credit for the days remaining in the month in which your services are cancelled. If you cancel your service before all savings for a given billing period appear on your bill(s), you must send documentation within thirty (30) days after such cancellation takes effect showing the last date of service, and Truebill will adjust your invoice on a pro-rata basis taking into account the date of service cancellation. If you have paid in advance, we will issue you a credit to use toward future savings with Truebill," <https://www.truebill.com/terms/>.

³⁷ We interviewed a former Albert customer from Little Rock who got so frustrated with trying to get the funds back that she saved in her Albert account, that she simply left them there. See also these complaints filed with the Better Business Bureau:

<https://www.bbb.org/us/ca/los-angeles/profile/mobile-apps/albert-corp-1216-761111/complaints>; <https://www.bbb.org/us/ca/san-francisco/profile/financial-services/hello-digit-1116-535526/complaints>, <https://www.bbb.org/us/ca/san-francisco/profile/financial-consultants/trim-1116-879531/complaints>; and <https://www.bbb.org/us/ca/san-francisco/profile/subscription-agents/truebill-1116-881519>.

³⁸ Albert includes a help section with "Commonly asked questions" and an email address for support at the bottom of its website: <https://help.albert.com/hc/en-us> (scroll to the bottom of the site to see the email address).

³⁹ See, <https://help.digit.co/hc/en-us/articles/220556387-How-do-I-contact-Digit-regarding-my-account->.

⁴⁰ See, <https://www.asktrim.com/support>.

also solely electronic.⁴¹ User complaints online are littered with requests for another method of contact, including a phone number.⁴²

Digit and Albert Do Not Have Clear Error Resolution Policies

Digit and Albert fail to make clear what rules apply to the funds in user accounts, and fail to clearly outline user error resolution rights. Digit makes users responsible for “any losses” arising from unauthorized or fraudulent transactions,⁴³ and places sole responsibility on the user “for determining whether the funds debited from your Bank Account and the funds maintained in your Digit Account are acceptable to you.”⁴⁴ Given that the fund transfers vary in timing and amount, this seems like a lot to ask of users of a service that “analyzes your spending and automatically moves money from your checking account to your Digit account when you can afford it.”⁴⁵ Albert makes users “responsible for all activities that occur under your Albert Account, whether or not you know about them.”⁴⁶ It is unclear what rules apply to these accounts, but it seems inequitable that users are solely responsible for everything when a promise of these services is that users can set it and forget it.

⁴¹ See, <https://help.truebill.com/en/> and <https://www.truebill.com/contact>. As noted above, there is also in-app electronic support.

⁴² See, <https://twitter.com/paradoxdl/status/1138183314534227969?s=20>; <https://twitter.com/violanation/status/1197860149248978944?s=20>; and <https://twitter.com/SassafrasMtnBro/status/1214608346214473728?s=20>.

⁴³ See, <https://digit.co/about/legal/terms-of-use>.

⁴⁴ See “How do I use the Digit Subscription Services?,” <https://digit.co/terms>.

⁴⁵ See “How does Digit work?,” <https://digit.co/faq>.

⁴⁶ See, <https://albert.com/terms/>.

Conclusion

There is a legitimate need to help financially vulnerable Americans find a path to savings and other behaviors that increase their financial resilience. However, our review of four popular savings services exposed serious consumer problems. These services may help certain consumers with financial slack to build savings. However, they appear to be inappropriate for consumers already lacking a savings cushion. We urge the Bureau to take a closer look at the claims made by financial intermediaries such as these savings apps to ensure consumers are adequately protected. Thank you for your consideration of the issues we highlight here. If we can be of assistance, please do not hesitate to contact us.

Sincerely,

Anna Laitin
Director, Financial Policy

Christina Tetreault
Senior Policy Counsel

Juliana Cotto
Intern, Financial Policy