



June 24, 2020

Michael Corbat
Chief Executive Officer
Citibank, N.A.
388 Greenwich Street
New York, NY 10013

Re: Relief for borrowers affected by the COVID-19 crisis

Dear Mr. Corbat:

Consumer Reports (CR) writes to you today to urge Citibank to improve its treatment of its cardholders during the COVID-19 crisis. Citibank currently leads in the number of COVID-related complaints regarding credit cards in the Consumer Financial Protection Bureau's (CFPB) Consumer Complaint Database. CR asks that Citibank show leadership in the market, promptly change course, and adopt policies that put consumers first. Citibank should first ensure that the COVID-19 relief policies it has in place are appropriately publicized and upheld by its customer support personnel. Second, Citibank should commit to additional protections, including automatically enrolling consumers in forbearance or other relief programs when the account becomes 30 days delinquent, and post-emergency, providing borrowers manageable paths to repayment based on ability to repay. These are consumer-centric policies that CR is calling for all lenders to adopt.

A review of consumer complaints indicates that Citibank has been inconsistent in communicating its COVID-19 relief policies and that when consumers contact Citibank for help, they are not getting sufficient relief. In an analysis of submissions to the CFPB complaint database, CR found Citibank to rank first in the number of COVID-19 related narrative complaints regarding credit cards. This remained true even after complaints totals were weighted according to market share.¹ Consumers expressed that Citibank is failing them in multiple ways, including by continuing to charge fees and interest, being unhelpful when

¹ Market share totals are based on total outstanding balances for all major credit card issuers in 2018, according to Wallethub's list of largest credit card issuers by market share. See Wallethub "Market Share by Credit Card Issuer" (September 2019) *available* at: <https://wallethub.com/edu/cc/market-share-by-credit-card-issuer/25530/>

consumers need assistance, and inconsistently communicating Citibank's COVID-19 relief policies. Consumers are hurting financially as a result of the pandemic, and are counting on their lenders to provide them relief during a historically perilous time.

Consumers Complain About Citibank More Than Any Other Card Issuer

Of 456 coronavirus-related complaints regarding credit cards filed with the CFPB between March 16 and May 20, 2020, 168 (36.8%) are about Citibank. The next highest counts of complaints are 40 (8.8%) and 38 (8.3%), which account for complaints received about Synchrony Bank And Capital One, respectively. In contrast, only 32 complaints are associated with JP Morgan Chase, which has a greater share of the credit card market.² While the CFPB database may not be a representative sample of the population, the fact that four times more COVID-related complaints are associated with Citibank than the second-most complained about card issuer and five times more that of the largest debt-holder is concerning.

The substance of these complaints run the gamut from random account closures, to inflexible late fees, and outright refusals to accommodate customer needs. The practices mentioned in these complaints are bad enough, but are particularly harmful to consumers in the midst of a historically perilous time. Additionally, this search does not include complaints without narratives, nor does it include narrative complaints with misspelled or other search terms. Given this and the fact that a very small proportion of U.S. consumers utilize the database, it is highly likely there are significantly more consumer stories about Citibank's troubling approach to COVID-19 relief for its cardholders.

Consumer Complaints Demonstrate a Disconnect between Citibank's Policies and What Consumers Are Being Told

Citibank published a description of relief available to its customers in a press release issued April 7, 2020.³ This release included a description of the relief available to credit card holders, should they seek out it:

*Credit Cards: Fee waivers on late fees and deferral of minimum payments for two months. We will report an account as current to the credit bureaus during the waiver period, unless the account was delinquent before the waiver period began.*⁴

While Citibank has COVID-19 relief policies, it seems consumers are confused and unaware of the relief Citibank is offering, to the point where some don't believe Citibank has anything in place for consumers at all. A complaint from April 16, a week after Citibank announced its COVID-19 relief policies, demonstrates this:

² *Id.*

³ See Citigroup "Citi Expands Assistance to U.S. Customers Impacted by COVID-19" (April, 2020) available at: <https://www.citigroup.com/citi/news/2020/200407a.htm>

⁴ *Id.*

“During COVID-19, all other credit card companies and banks put an immediate plan in place to assist their customers. CitiBank did NOT! They still haven’t over a month and a half later. They aren’t waiving fees, skipping payments, or assisting in any way. Have called them (waiting on hold for over 2 hours and then their system kicks you), have emailed, have XXXX messaged and posted, etc. They have scripted messages to everyone and no solution. They are protecting themselves and giving no assistance in any way to their customers.⁵”

While it is unclear why there is a disconnect between Citibank’s policies and the relief Citibank customers report not getting, it is clear that Citibank must do a better job communicating to its cardholders. Citibank is leaving consumers scrambling to understand the options available to them, and we urge Citibank to improve its communications. Consumers should never be left in the dark about the financial relief they can access, and should be granted it in accordance with the published policies, especially during an economic crisis.

Consumers Claim They Are Unable To Get Waivers for Late Fees, Contrary To Citibank's Stated COVID-19 Relief Policy

Consumer complaints about Citibank to the CFPB indicate that people are not getting late fee waivers and payment deferrals, contrary to Citibank’s posted COVID relief policy.⁶ CR found that 31 of 168 complaints to the CFPB about Citibank’s COVID-19 relief concerned fees and interest. Many also complained about difficulty accessing payment deferral programs. A complaint from April 21 demonstrates both of these issues:

“Due to the coronavirus and stay-at-home order XX/XX/XXXX in California, I tried to call my credit card company, Citi Card Services. I have two credit cards with the company and I did get through to one card by phone and they said they would put card payment on hold for 3 months XXXX and XXXX XXXX. But it's not showing on my account. It shows only my due past amount [total]. I don't want them to report bad credit past due. Now when I call, I'm on hold forever [with] no answer. On my second card, I requested in XX/XX/XXXX online after I was on hold for more than an hour on [the] phone [with] no answer, so I made my request to put my second card payment on hold due to covid 19, but now there is late fee and they are unwilling to remove it. Please help me with my issues on both cards with Citi cards.⁷”

Consumers affected by COVID-19 should not struggle to get access to relief, nor should they be penalized with late fees in the midst of financial hardship.

⁵ See Consumer Financial Protection Bureau, Consumer Complaint Database (April 16, 2020) available at: <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3609303>

⁶ Id., Citigroup

⁷ See Consumer Financial Protection Bureau, Consumer Complaint Database (April 17, 2020) available at: <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3610229>

Consumers Claim They Are Unable To Access Payment Deferral, Contrary To Citibank's Stated COVID-19 Relief Policy

The press release on emergency relief says that cardholders may get two months of minimum payments deferred.⁸ Despite Citibank having this option, consumers are telling the CFPB that Citibank's staff is providing them with only 30 days of assistance:

"I have had my Citi XXXX XXXX Card for 3-4 years if not longer. At the beginning of the pandemic, I called Citi to see what programs they were offering to Americans in lieu of the pandemic. Around XXXX XXXX, Citi informed me there were no programs yet that had been put into place. They told me to call back daily since everything was continuously changing. Fair enough, so I did. I called back whenever my work and XXXX XXXX schedule allowed. Each phone call required at least me being on the phone for up to an hour. Finally, on my 3rd phone call near the end of XXXX, Citi told me they would allow delayed payments up to 30 days and would waive all late fees and penalties incurred. Citi proceeded to tell me that for better offers and more relief to call a 1-800 number which they provided. I called this number and had to wait over 2 hours only to be told that there was nothing Citi could do and they did not understand why their representatives were giving out this number. This was very discouraging..."⁹

This complaint went further into detail about how the consumer accepted the 30-day payment offer and still felt penalized for seeking relief because Citibank is continuing to charge interest:

"...I took advantage, or thought I was, of Citi's delayed 30-day payment offer. Once the 30 days was approaching, I decided to check my account via my phone app to find out that Citi had ONLY waived the late fee I would incur had my payment been considered late. They even showed a late charge being applied to my account and then Citi refunding the late charge, BUT my account continued to incur interest charges. This made absolutely no sense to me. How do you delay my payments but continue to charge interest? I had a stellar account history with Citi, so this struck me as odd and unhelpful whatsoever. Immediately, I called Citi inquiring about the delayed payment program they had offered. I asked how this program was even slightly beneficial if interest continued to accrue under their offer? Citi informed me that they had waived my late fees. Yes, late fees I would NEVER incur had I not taken advantage of their so-called offer. So, again, what benefit was there for me, the consumer? NONE..."

There should never be an instance of a consumer in financial hardship being told such contradictory and incomplete information from their lender. Nor should consumers ever feel

⁸ Id., Citigroup

⁹ See Consumer Financial Protection Bureau, Consumer Complaint Database (May 19, 2020) available at: <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3658074>

penalized for seeking relief. Citibank must make its policy on payment deferral clear, consistent, and easy to access.

Consumers Claim Citibank's Staff is Causing Confusion and Is Unhelpful

Typical of complaints regarding fees and interest, many consumers describe how Citibank's staff are unhelpful and causing confusion. Even before Citibank announced its COVID-19 policies, consumers impacted by the economic fallout of COVID-19 expressed concern that Citibank's staff was unable to provide any help. A complaint from April 2 captures this:

"My husband was a XXXX XXXX XXXX at a XXXX in the XXXX XXXX in XXXX XXXX, LA. On XX/XX/XXXX he was terminated from his job due to COVID-19. He is waiting now for unemployment assistance to begin but has not yet received any funding from unemployment. I have called all of our debtors and made arrangements to defer payments of credit debt with a good deal of success and cooperation from everyone except Citibank. I have 2 accounts with Citibank, one account is closed and I am paying off the balance... I have made numerous calls and spoken with their customer service about deferment of my monthly payments due to hardship since my husband lost his job, but they continue to tell me they have nothing in place.¹⁰"

After Citibank's policies were announced, consumers expressed that Citibank's staff caused friction and confusion when accessing relief. One consumer goes into detail about the goose-chase they had to go on in order to seek relief, only to still be penalized at the end of it:

"I contacted my Citi Credit Cards on XX/XX/2020 to report that I was out of work and unable to make minimum payments due to COVID 19 pandemic by the due [date] on XX/XX/20. I was told by one Citi Card that I would be put in a special program for consumers affected by COVID 19 so that my minimum payment would be placed at {\$0.00} for 3 months (XX/XX/20). My Sears Citi card told me that they did not have anything in place at that time for COVID 19 consumers but that they would waive all late fees accrued for my XX/XX/20 bill. On XX/XX/20 I received an automated call from my Citi Card that my account is passed due and that I had accrued late fees due to being late. I contacted the Citi Card, and was informed by customer service staff that there was no note of my call on XX/XX/20 and told me that they could not help me to remove the late fees or delinquency that had been placed on my account. I requested to speak with a supervisor who got on the phone and told me that their system went down and that I would have to call back in 2 hours (after I had been waiting on hold for two hours). I did finally get through to a supervisor after I called back to- back. I was told that my account would be placed in a COVID 19 special program and that my account would not reflect

¹⁰ See Consumer Financial Protection Bureau, Consumer Complaint Database (April 2, 2020) available at: <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3589756>

as delinquent and no late fees would be assessed. On XX/XX/20 I received an email stating that my Citi Card account was delinquent for a past due amount. There was an option to request COVID 19 help attached to that email which I applied for. On XX/XX/20 after the email that morning, I received an automated call from Sears Citi Credit Card stating that my account was past due and has accrued late fees. When I called the customer service dept. I was told that same information - that there was no note of my call on XX/XX/20 and that there was nothing they could do to reverse my late fees and delinquent report on the account even though I had made previous arrangements with their customer service staff. At that time Sears Citi Card did place me in a COVID 19 program to help with future payments but they refused to remove the delinquent account information and the late fees.¹¹

There is a consistent theme of consumers in need contacting Citibank for help and finding Citibank's staff to be unhelpful, inflexible, and uninformed. No consumer struggling during the pandemic should be met with such ambiguity, inflexibility, and confusion from their lender.

Citibank Should Improve Its Practices and Adopt Additional Relief Policies

Visible, accessible, simple programs provide broad, immediate relief to borrowers and drive consumer trust. Citibank should ensure they follow through on their promises to do the following:

- Clearly and prominently state on websites, in customer correspondence (including bills), and (if available) in mobile apps the specific types of help and assistance available to customers adversely affected by COVID-19, what it takes to qualify, and the process for enrolling in such help.
- Make an attestation of hardship the only requirement to access relief.
- After receiving inquiries or questions, routinely advise customers when they can expect a response from you. Customers are under pressure to make financial decisions and manage money effectively, and they need to know when they will get an answer to their questions.

In addition to offering clear, visible information about its relief programs, Citibank should adopt additional consumer relief policies:

- Report any consumer with an accommodation as current to credit reporting agencies. While Citibank's COVID-19 relief press release says that this is its practice, it is unclear if this is occurring for all customers on all types of loans.

¹¹ See Consumer Financial Protection Bureau, Consumer Complaint Database (April 16, 2020) available at: <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3608841>

- Automatically waive all late fees and other penalties for the duration of the crisis and for at least 180 days after. As noted above, consumer complaints indicate that Citibank credit card customers are unable to get late fees waived.
- Commit to not calling the entire account due when forbearance periods ends, and offer consumers manageable paths to repayment based on the consumers ability to repay.
- For consumers that are unable to resume payments after relief ends, commit to refraining from referring those accounts to debt collectors for at least one year after the declared emergency ends.
- Automatically enroll consumers in forbearance or other relief programs when the account becomes 30 days delinquent.
- Provide consumers with links to government resources for consumers whose finances are impacted by the pandemic.

Should these consumer-centric policies be adopted, Citibank's cardholders who have suffered because of the economic impacts of COVID-19 will have greater financial flexibility and peace of mind. Nobody should face unnecessary financial hardship due to this emergency. To that end, CR is calling on all lenders and loan servicers to adopt these policies and provide consumers the broad relief they need.

Conclusion

Citibank accounts for nearly 40% of coronavirus-related credit card complaints extracted from the CFPB complaint database. Citibank should treat this as an opportunity to change course. Specifically, CR calls on Citibank to improve its communication and implementation of its stated COVID-19 relief policies, and adopt the aforementioned policies to assist consumers adversely affected by the pandemic.

Thank you for your consideration.

Sincerely,



Syed Ejaz
Analyst, Financial Policy

Appendix: Methodology and Results

The CFPB maintains a database of consumers' complaints to the CFPB regarding specific companies and products. The consumer is given the option to fill the nature of the complaint from a drop-down menu provided in the submission form or write their own narrative for the complaint. Before posting these complaints to the database, the CFPB confirms a relationship between the company and the consumer or waits 15 days - whichever comes first. Because of this reason, the number of any category of complaint within a 15 day timeframe is open to change from day-to-day.

Analysis

CR found coronavirus-related complaints by filtering for all narrative credit card complaints from 1/1/2017 and 5/25/2020 and applying the following process:

- Extract all complaints for the time period March 16 through May 20 for each year; this data allows for investigation and comparison of total annual complaints.
- Employ natural language processing (NLP) techniques on the extracted dataset to develop an exhaustive dictionary of covid-related words and phrases.
- Use the developed dictionary to search through all narratives in the extracted subset for detection and identification of covid-related narratives.

Complaints for the top card issuers were investigated and compared; a summary of the results are displayed in the table below.

Covid-related credit card complaints (3/16-5/20) as of (6/15)

WalletHub Market Share Rank	Company	Total # of company credit card related complaints	Total # of credit card related complaints	Company / Total =	% of total complaints
1	JPMORGAN CHASE & CO.	32	456	0.0702	7.0%
2	BANK OF AMERICA, NATIONAL ASSOCIATION	15	456	0.0329	3.3%
3	CITIBANK, N.A.	168	456	0.3684	36.8%
4	AMERICAN EXPRESS COMPANY	21	456	0.0461	4.6%
5	CAPITAL ONE FINANCIAL CORPORATION	38	456	0.0833	8.3%
6	DISCOVER BANK	15	456	0.0329	3.3%
7	WELLS FARGO & COMPANY	15	456	0.0329	3.3%
8	U.S. BANCORP	29	456	0.0636	6.4%
9	BARCLAYS BANK DELAWARE	31	456	0.0680	6.8%
10	SYNCHRONY FINANCIAL	40	456	0.0877	8.8%
	Other	52	456	0.1140	11.4%

Note that the companies with the top ten covid-related complaints correspond to the companies with the top ten market share.

Limitations

It is likely CR missed some less commonly used covid-related language and therefore may be under-counting the covid-related narratives. In addition to potential under-counting

within the data, it is unknown if the sample is representative of the population. Because not every consumer utilizes the complaint database, it is likely that many more consumers are experiencing the same struggles discussed in this letter.

Conclusion

Based on this analysis, CR found that Citibank's share of identified COVID-related narratives in the CFPB complaints database is disproportionately large compared to other lenders and given Citibank's market share. Of 456 coronavirus-related complaints regarding credit cards filed with the CFPB between March 16 and May 20, 2020, 168 (36.8%) belong to Citibank. The next highest counts of complaints are 40 (8.8%) and 38 (8.3%), which account for complaints received about Synchrony Bank And Capital One, respectively. In contrast, only 32 complaints are associated with JP Morgan Chase, which has a greater share of the credit card market.¹² While the CFPB database may not be a representative sample of the population, the fact that four times more COVID-related complaints are associated with Citibank than the second-most complained about card issuer and five times more than that of the largest debt-holder are cause for Citibank to put consumers first and adopt the policies outlined in this letter.

¹² Id., Wallethub