

March 2017

Consumer Response Annual Report

January 1 – December 31, 2016

Message from Richard Cordray

Director of the CFPB



The Consumer Financial Protection Bureau began consumer response operations on July 21, 2011, as the nation's first federal agency with the sole mission to protect American consumers in the financial marketplace. Our Office of Consumer Response has continued to improve and expand the CFPB's ability to engage consumers that face financial challenges and bring their concerns to the attention of companies.

The CFPB accepts complaints about many financial products and services, including mortgages, credit cards, auto loans, student loans, deposit accounts, debt collection, credit reporting, payday loans, consumer loans, and more. As of March 1, 2017, we have handled over 1,136,000 consumer complaints.

Listening to consumers is key to our mission. By answering consumer questions and handling their complaints, we learn about consumers' experiences in the consumer financial marketplace, about company practices and behaviors, and about emerging trends in the marketplace.

There is much to be learned from the questions consumers ask and the complaints consumers submit about the financial industry. From our earliest days of handling complaints, we have monitored and reported on the types of issues about which consumers complain. With a growing

"We had actually lost over \$1,000... For a very frustrating month we tried everything to reach the company for an explanation and finally put in a complaint with CFPB. Within two weeks we received a response from the company and a check for the difference. We are so grateful to CFPB and this avenue for resolution. I am positive without their intervention our case would never have been resolved."
– Consumer from California

volume of consumer complaints, we now identify, categorize, analyze, and synthesize what they have told us. By closely analyzing complaint patterns, we are able to identify spikes in specific complaint types; emerging trends; issues with new and evolving products; and patterns across geographic areas, companies, and consumer demographics. These insights help us prioritize our own supervision and enforcement work and ask better and more targeted questions when examining a company's records. With the help of complaints, we dig deeply into potentially unfair practices so we can prevent minor issues from becoming major problems. We also use complaints to identify opportunities to educate and empower consumers about the marketplace and their rights and to understand what the rules of the road should be when we consider and undertake rulemaking.

Through our public Consumer Complaint Database, launched by Consumer Response in June 2012, others can learn from consumers' complaints too. We have published more than 730,400 complaints that have been sent to companies for response. We do this not only to empower consumers and inform the public, but also so that companies can learn from the data and improve their own compliance and customer service operations. In June 2015, the Bureau started giving consumers the opportunity to share their descriptions of what happened, in their own words, so that others can read about, better understand, and learn from their experiences.

Through the questions they ask us, the stories they tell us, and the complaints they submit, the voices of consumers remain foundational to the Bureau's work. Many companies are adapting to this focus to become more directly responsive to consumer concerns, and thus to improve their customer service. We continue to work to fulfill Congress's vision that we stand on the side of consumers to help improve their financial lives. Through their complaints, consumers help us make the marketplace a better and safer place. This is good for consumers, for the responsible businesses that seek to serve them, and for the American economy as a whole.

Sincerely,



Richard Cordray

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1. Introduction

The CFPB is the first federal agency solely focused on consumer financial protection.¹ Collecting, investigating, and responding to consumer complaints² are integral parts of the CFPB’s work.³ The Bureau’s Office of Consumer Response hears directly from consumers about the challenges they face in the marketplace, brings their concerns to the attention of companies, and assists in addressing their complaints.

Consumer Response also answers consumers’ questions about financial products and services and provides consumers with an opportunity to share their experiences – positive or negative – with consumer financial products and services through the “Tell Your Story” feature on the Bureau’s website. These stories, like complaints and questions, are reviewed by CFPB staff to help the Bureau understand current issues in the financial marketplace.

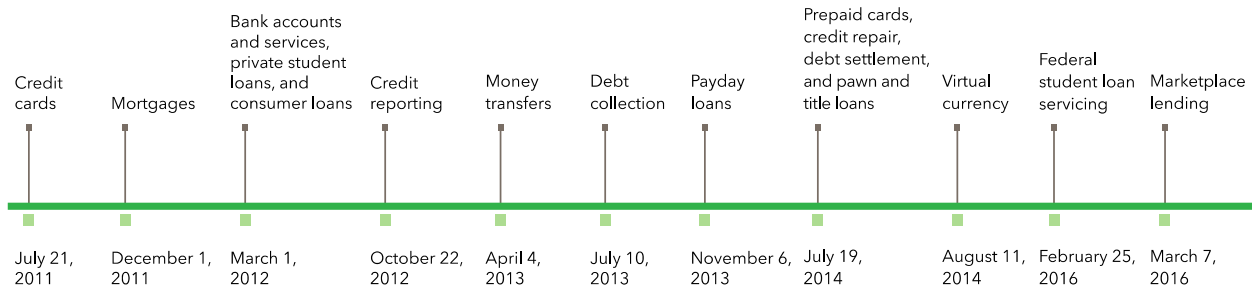
When the Bureau opened its doors on July 21, 2011, it began consumer response operations on the same day, answering consumers’ questions and accepting consumer complaints about credit cards. Since then, the Bureau has expanded its complaint handling to include complaints about: mortgages, bank accounts and services, student loans, vehicle and other consumer loans, credit reporting, money transfers, virtual currency, debt collection, payday loans, prepaid cards, and other financial services.

¹ The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203 (“Dodd-Frank Act”) created the CFPB to protect consumers of financial products or services and to encourage the fair and competitive operation of consumer financial markets.

² Consumer complaints are submissions that express dissatisfaction with, or communicate suspicion of wrongful conduct by, an identifiable entity related to a consumer’s personal experience with a financial product or service.

³ See Dodd-Frank Act, Pub. L. No. 111-203, Section 1021(c)(2).

FIGURE 1: TYPES OF COMPLAINTS OVER TIME



Consumers also contact the CFPB about other products and services. The Bureau refers consumers with questions to other regulators or additional resources, as appropriate.

The CFPB’s phased-in approach to taking complaints enabled Consumer Response to gather and incorporate feedback from consumers and companies into each subsequent complaint capacity expansion. For example, Consumer Response has improved its complaint submission process and enhanced communication with companies. Leveraging feedback from consumers and companies, as well as its own observations, Consumer Response identifies new opportunities to improve its processes and implement changes to make the process efficient and effective for consumers and companies.

Since beginning to accept complaints on July 21, 2011, the CFPB has handled approximately 1,136,000 consumer complaints as of March 1, 2017.

FIGURE 2: COMPLAINTS OVER TIME



FIGURE 3: COMPLAINT VOLUME BY PRODUCT 2015 AND 2016

Debt collection	2016	30%	88,000
	2015	31%	85,200
Credit reporting	2016	19%	54,000
	2015	20%	55,000
Mortgage	2016	18%	51,200
	2015	19%	50,800
Bank account or services	2016	10%	28,400
	2015	8%	22,400
Credit card	2016	9%	26,600
	2015	8%	22,200
Consumer loan	2016	6%	16,400
	2015	5%	13,500
Student loans	2016	4%	12,300
	2015	3%	7,300
Payday loan	2016	2%	4,400
	2015	2%	5,500
Prepaid	2016	0.9%	2,500
	2015	1%	3,000
Money transfer	2016	0.8%	2,300
	2015	0.9%	2,400
Other financial services	2016	0.7%	2,100
	2015	0.7%	1,900

Percent of annual complaints

Number of complaints

Year over year, complaint volume has steadily increased, rising 7% from 271,600 in 2015 to 291,400 in 2016.

Information about consumer complaints is available to the public, through the CFPB's public [Consumer Complaint Database](#), launched on June 19, 2012.⁴ Complaints are added to the database after the company responds to the complaint, confirming a commercial relationship with the consumer, or after the company has had the complaint for 15 calendar days, whichever comes first. Complaints are not published if they do not meet all of the publication criteria.⁵

The public database was initially populated with credit card complaints and has been expanded over time:

- June 2012: populated with credit card complaints dating back to June 1, 2012;
- October 2012: added credit card complaints dating back to December 1, 2011;
- March 2013: added mortgage complaints dating back to December 1, 2011; bank account and service complaints, student loan complaints, and other consumer loan complaints, all dating back to March 1, 2012;
- May 2013: added credit reporting complaints dating back to October 22, 2012 and money transfer complaints dating back to April 4, 2013;
- November 2013: added debt collection complaints dating back to July 10, 2013;
- July 2014: added payday loan complaints dating back to November 6, 2013;
- January 2015: added complaints about prepaid cards, other consumer loans (pawn and title loans), and other financial services dating back to July 19, 2014;
- June 2015: added consumer complaint narratives and optional company public

⁴ In December 2011, the CFPB asked the public to comment on a proposed policy of making some credit card complaint data publicly available. After considering those comments, the CFPB finalized its policy for disclosing some of the data through its Consumer Complaint Database (Policy Statement). *See* Disclosure of Certain Credit Card Complaint Data, 77 Fed. Reg. 37,558 (June 22, 2012).

⁵ *See* Disclosure of Consumer Complaint Narrative Data, 80 Fed. Reg. 15572 (March 24, 2015).

responses;

- February 2016: added tags to identify complaints submitted by older Americans and servicemembers and a field indicating whether the consumer consented to publication of their complaint narrative; and
- September 2016: added complaints about federal student loan servicing dating back to February 25, 2016, and virtual currency complaints dating back to August 11, 2014.

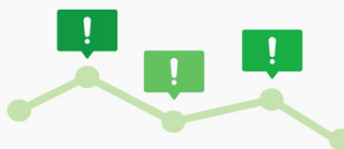
The database contains certain individual complaint-level data collected by the CFPB, including the type of complaint, the date of submission, the consumer's zip code, and the company about which the consumer submitted the complaint. The database also includes information about the actions taken by a company in response to a complaint – whether the company's response was timely, how the company responded, and whether the consumer disputed the company's response. The database does not include confidential information about consumers' identities.


On June 25, 2015, the CFPB began to publish consumer complaint narratives in the Consumer Complaint Database. Consumers now have the opportunity to share – in their own words – their experiences with the consumer financial marketplace. Only those narratives for which opt-in consumer consent is obtained and to which a robust personal information scrubbing process is applied are eligible for disclosure. The database now includes more than 130,000 complaints where consumers have opted to share their complaint narrative with others. The CFPB gives companies the option to respond publicly to the substance of the consumer complaints they receive from the CFPB by selecting from a set list of public-facing response categories.

Web-based and user-friendly features of the database include the ability to filter data based on specific search criteria or tags, to aggregate data in various ways, such as by complaint type, company, state, date, or any combination of available variables, and to download data. Information from the database has been shared and evaluated on social media and using other new applications.

Consumer Complaint Database

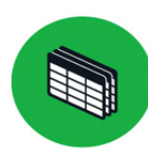
Each week we send thousands of consumers' complaints about financial products and services to companies for response. Those complaints are published here after the company responds or after 15 days, whichever comes first. By adding their voice, consumers help improve the financial marketplace.






Consumers have let us know they want to share their complaint descriptions so others can learn from their experience.

[Read consumer narratives](#)



View, sort, and filter data right in your browser.

[View complaint data](#)



All complaint data we publish is freely available for anyone to use, analyze, and build on.

[Download options and API](#)

www.consumerfinance.gov/complaintdatabase

Consumer Response continually strives to improve data quality and protect sensitive information, while increasingly making data available through reports about the complaints the CFPB handles and by sharing certain data with the public through the Consumer Complaint Database.

In keeping with the CFPB's statutory responsibility and its commitment to accountability, this report provides an overview of the handling and analysis of complaints by the Bureau from January 1 through December 31, 2016.⁶

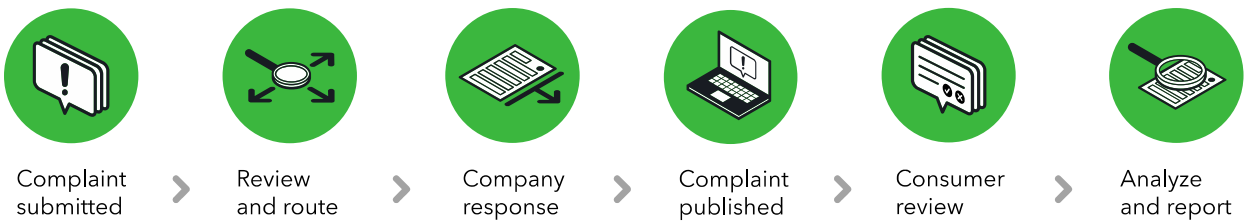
⁶ This report addresses the reporting requirements of Dodd-Frank Act Section 1013(b)(3)(c), 12 U.S.C. § 5493(b)(3)(c) and Fair Credit Reporting Act Section 611(e), 15 U.S.C. § 1681i(e).

2. How the CFPB handles complaints

Consumer Response receives complaints and questions directly from consumers. The CFPB accepts complaints through its website and by telephone, mail, email, fax, and referral. In addition to submitting complaints on the Bureau's website, consumers can also log on to a secure consumer portal to check the status of a complaint and review a company's response. While on the website, consumers can chat with a live agent to get help completing a complaint form. Consumers can also call the Bureau's toll-free number to ask questions, submit a complaint, check the status of a complaint, and more. The CFPB's U.S.-based contact centers provide services to consumers in more than 180 languages and to consumers who are deaf, have hearing loss, or have speech disabilities via a toll-free telephone number. Cutting-edge technology, including secure company and consumer portals, makes the process efficient and user-friendly for consumers and companies. For companies, the CFPB provides secure channels for communicating directly with dedicated staff about technical issues.

The CFPB continually strives to collect reliable complaint data while ensuring the system's ease of-use and effectiveness for consumers. When consumers submit complaints, they select the consumer financial product or service as well as the issue they are having with that product or service from a list. This provides structured data that can be used to group complaints to get a sense of which financial products and services consumers complain about and what issues they are having in the marketplace.

Complaints are sent via a secure web portal to the appropriate company.⁷ The company reviews the information, communicates with the consumer as needed, and determines what action to take in response. The company then reports back to the consumer and the CFPB via the secure company portal, and the Bureau invites the consumer to review the response and provide feedback. Consumers who have submitted complaints with the Bureau can log onto the secure consumer portal available on the CFPB’s website or call a toll-free number to receive status updates, provide additional information, and review responses provided to the consumer by the company.



The process seeks to ensure that consumers receive timely responses to their complaints and that the Bureau, other regulators, consumers, and the marketplace have the complaint information needed to improve the functioning of the consumer financial markets for such products and services.

We also collect unstructured data from consumers and companies during the complaint process. The consumer’s narrative description of what happened, consumer-provided documents, the company’s response, and company-provided documents are examples of unstructured data. The Bureau uses a variety of approaches to analyze consumer complaints including, for example, cohort and text analytics to identify trends and possible consumer harm. Our review and

⁷ In some cases, Consumer Response refers or sends a complaint to another regulator, for example, if a particular complaint does not involve a product or market that is within the Bureau’s jurisdiction or one that is not currently being handled by the Bureau, or in cases where the company is not yet registered to respond to complaints in our system. Complaints handled by the Bureau, including those sent to other regulators, serve to inform the Bureau in its work to supervise companies, to enforce consumer financial laws, to write better rules and regulations, and to educate and engage consumers.

analysis of unstructured data offers deeper insights into consumers' complaints and helps the Bureau understand problems consumers are experiencing with consumer financial products and services.

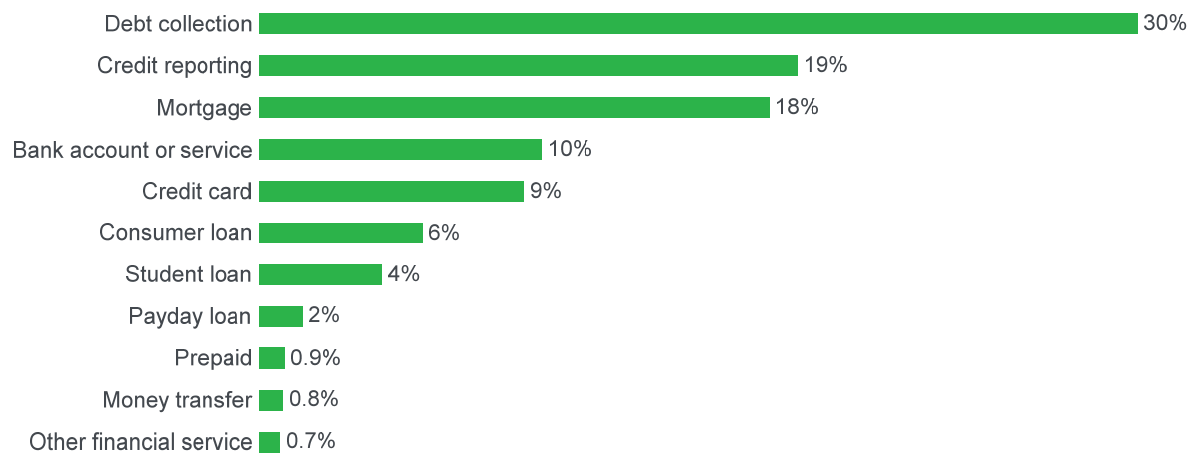
Throughout this process, subject matter experts help monitor certain complaints. For example, the Office of Servicemember Affairs coordinates with Consumer Response on complaints submitted by or on behalf of a servicemember or the spouse or dependent of a servicemember. For these purposes, a servicemember includes anyone who self-identifies as active duty, National Guard, or Reservist, as well as those who previously served and identify as a Veteran or retiree.

3. Results

3.1 Complaints handled in 2016

Between January 1, 2016 and December 31, 2016, the CFPB handled approximately 291,400 consumer complaints.⁸

FIGURE 4: CONSUMER COMPLAINTS BY PRODUCT⁹



Approximately 73% of all consumer complaints were submitted through the CFPB’s website and

⁸ This analysis excludes multiple complaints submitted by a given consumer on the same issue (i.e., duplicates) and whistleblower tips. All data are current as of January 1, 2017.

⁹ Percentages may not sum to 100 percent due to rounding.

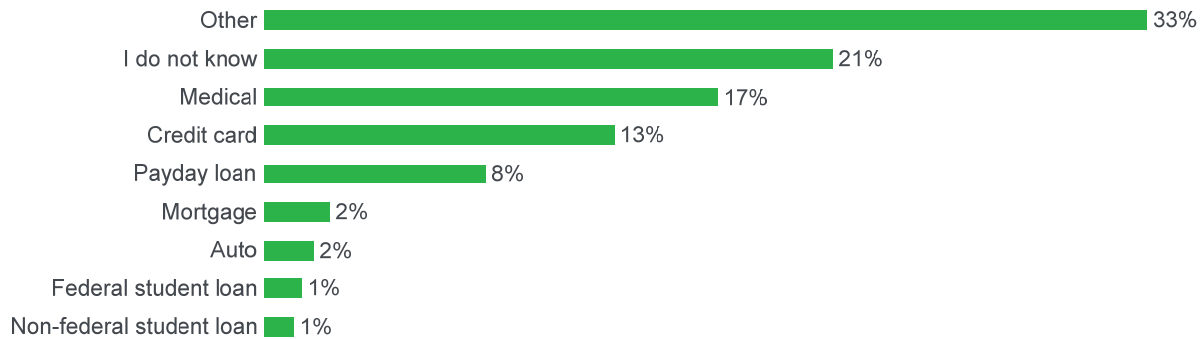
7% via telephone calls. Referrals accounted for 12% of all complaints handled by the CFPB. The rest were submitted by mail, email, and fax.

The tables and figures presented below show complaints by type, actions taken, company responses, and consumers' feedback about company responses.¹⁰

3.2 Consumers' debt collection complaints

Figures 5 and 6 and Table 1 show the types of debt collection complaints reported by consumers for the approximately 88,000 debt collection complaints the CFPB has handled. Approximately 41,400 (or 47%) of all debt collection complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (38%), found to be incomplete (10%), or are pending with the CFPB or the consumer (4% and 1%, respectively). These complaints include first-party (creditors collecting on their own debts) and third-party collections.

FIGURE 5: TYPES OF DEBT CONSUMERS COMPLAIN ABOUT



Debt collection complaints led both the daily and monthly volume of complaints handled by the CFPB in 2016. The issues that consumers selected in 2016 were similar to the issues they selected in 2015.

¹⁰ Percentages may not sum to 100 percent due to rounding.

FIGURE 6: TYPES OF DEBT COLLECTION COMPLAINTS REPORTED BY CONSUMERS

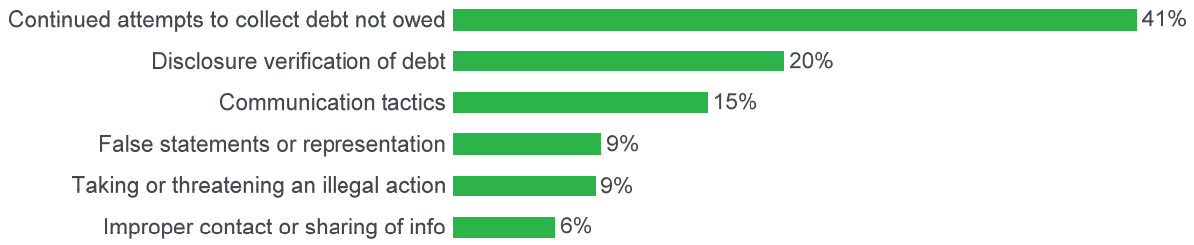


TABLE 1: TYPES OF DEBT COLLECTION COMPLAINTS REPORTED BY CONSUMERS

Types of debt collection complaints	%
Continued attempts to collect debt not owed (Debt was discharged in bankruptcy, debt resulted from identity theft, debt was paid, debt is not mine)	41%
Disclosure/verification of debt (Did not receive notice of right to dispute, not enough information to verify debt, did not disclose communication was an attempt to collect a debt)	20%
Communication tactics (Frequent or repeated calls, called outside of 8am-9pm, used obscene, profane or other abusive language, threatened to take legal action, called after sent written cease of communication notice)	15%
False statements or representation (Attempted to collect wrong amount, impersonated attorney, law enforcement or government official, indicated committing crime by not paying debt, indicated should not respond to lawsuit)	9%
Taking/threatening an illegal action (Threatened to arrest me or take me to jail if I do not pay, threatened to sue me on debt that is too old to be sued on, sued me without properly notifying me of lawsuit, sued me where I did not live or did not sign for the debt, attempted to/collected exempt funds, seized or attempted to seize property)	9%
Improper contact or sharing of information (Contacted me after I asked not to, contacted my employer, contacted me instead of my attorney, talked to a third party about my debt)	6%
Total Debt Collection Complaints	100%

Many of the trends identified in 2015 continued into 2016. The most common type of debt collection complaint is about continued attempts to collect a debt that the consumer reports is not owed. In some of these complaints, consumers reported not being provided documentation to verify the debt, even after written, timely requests were submitted for verification of the purported debts.

In other complaints, consumers complained that first-party collectors (creditors collecting on their own debts) forwarded their accounts to third-party collectors for a debt that was not owed. Upon dispute with the third-party collector, consumers reported that the debt was sent back to the first-party, only to be later sent to a new third-party collector. Some consumers reported that collectors place the onus of proving that the debt is not owed on consumers throughout this cycle. Consumers reported their accounts were forwarded to third-party collectors without any prior contact from the first-party collectors of an outstanding balance. Some complained that accounts had been negatively reported to credit reporting companies even after communicating with the first- and third-parties that the debt was not owed. Consumers also reported that their accounts were not in a delinquent status prior to contact by third-party collectors.

Communication tactics used by debt collectors was a common issue raised by consumers. Many of these consumers reported that they received multiple calls weekly or even daily. According to many consumers, requests to cease communications were not honored. For both first- and third-party collectors, consumers reported continued communications following an oral or written request to cease communications.

Consumers continued to report that frequent or repeated calls are a commonly used collection tactic. In many complaints, consumers described collection calls to their place of employment even after having informed collectors that contact at work was prohibited by their employers. Some consumers reported that collectors made in-person visits to their workplace. In 2016, there was a slight increase in the number of consumers who complained about debt collectors who talked to a third party about their debt. Some of these consumers described how their debt was disclosed to a supervisor or other third-party.

Consumers submitting medical debt collection complaints increased slightly in 2016. In the submission of complaints where “medical” was identified as the type of debt, consumers selected “debt was paid” and “debt was not mine” as their primary issue in the majority of the complaints. Frequently, consumers stated that third-party debt collectors attempted to collect medical debt with incorrect balances. In many of these complaints, consumers reported that they were not given enough information to verify a debt. Some consumers reported they had secured a payment plan with the original party; however, the account was forwarded to collection agencies without regard to prior approved payment plans. Other complaints involved consumers’ insistence that the amount due was erroneous as they believed the amount pursued

by collectors was for expenses covered by their medical insurance.

3.3 Consumers' credit reporting complaints

Figure 7 and Table 2 show the types of credit reporting complaints, as reported by consumers for the approximately 54,000 credit reporting complaints handled by the CFPB. This includes approximately 44,000 (81%) about the three largest nationwide credit reporting companies – Equifax, Experian, and TransUnion. Approximately 45,300 (or 84%) of all credit reporting complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (0.3%), found to be incomplete (14%), or are pending with the consumer or the CFPB (2% and 0.3%, respectively).

FIGURE 7: TYPES OF CREDIT REPORTING COMPLAINTS REPORTED BY CONSUMERS

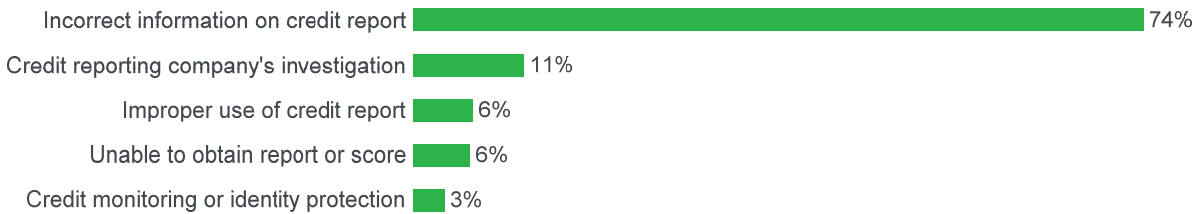


TABLE 2: TYPES OF CREDIT REPORTING COMPLAINTS REPORTED BY CONSUMERS

Types of credit reporting complaints	%
Incorrect information on credit report (Information is not mine, Account terms, Account status, Personal information, Public record, Reinserted previously deleted information)	74%
Credit reporting company's investigation (Investigation took too long, Did not get proper notice of investigation status or results, Did not receive adequate help over the phone, Problem with statement of dispute)	11%
Improper use of my credit report (Report improperly shared by credit reporting company, Received marketing offers after opting out, Report provided to employer without written authorization)	6%
Unable to get my credit report or credit score (Problem getting free annual report, Problem getting report or credit score)	6%
Credit monitoring or identity protection services (Problem cancelling or closing account, Billing dispute, Receiving unwanted marketing or advertising, Account or product terms and changes, Problem with fraud alerts)	3%
Total Credit Reporting Complaints	100%

The most common type of credit reporting complaint continues to be about information the consumer believes to be incorrect appearing on the consumer's credit report, such as information that does not belong to the consumer, incorrect account status, and incorrect personal information. These complaints frequently involve debt collection items. In some cases, consumers report having paid the debt appearing on their report. In other complaints, consumers assert the debt is no longer due because the debt is too old to be enforced in court. These complaints may reflect confusion about the fact that information on past overdue debt—even when paid or no longer enforceable because of limitations—often can remain on a credit report. Other complaints state that the debt belongs to a different consumer, or consumers state that they do not recognize the debt. Delays in updating inaccurate records, problems correcting inaccurate records, and public records being incorrectly matched to their credit reports continue to be frequent issues cited by consumers.

Consumers continued to report having trouble accessing their credit reports because they cannot answer detailed identity authentication questions. If denied access to their report because they failed online authentication, the option available is to mail copies of sensitive, identifying documents, which consumers note is time-consuming and worry is potentially unsecure.

The three national credit reporting companies reported providing relief – monetary or nonmonetary – in response to approximately 23% of incorrect information complaints and complaints about the credit reporting companies’ investigations sent to them for response. Providing relief to consumers varies by company with Experian providing relief in response to approximately 41% of complaints, Transunion providing relief in response to approximately 25% of complaints, and Equifax providing relief in response to approximately 5% of complaints.

In addition to complaints about the three nationwide credit reporting companies—Equifax, Experian, Transunion—consumers submitted numerous complaints about specialty and other consumer reporting companies. These companies specialize in providing reports in a number of areas, including background and employment screening, checking account screening, rental screening, and insurance screening. Difficulty resolving inaccuracies is a major concern for consumers submitting complaints about specialty consumer reporting companies. These consumers report long delays, negative customer service experiences, and failed attempts to have inaccurate negative information removed.

Tables 3 and 4 take a closer look at the two largest issue categories chosen by consumers that show the extent to which the sub-issues that consumers choose when submitting complaints about inaccurate information on their credit reports and credit reporting companies’ investigations are similar at the three nationwide credit reporting companies.

TABLE 3: SUB-ISSUES OF INCORRECT INFORMATION IN CREDIT REPORTING COMPLAINTS

Sub-issue for incorrect information in credit report complaints	Equifax	Experian	TransUnion	National credit reporting companies
Information is not mine (Belongs to someone else, identity theft, fraud, etc.)	35%	38%	32%	35%
Account status (Paid bill on time, account closed, etc.)	30%	32%	27%	30%
Account terms (Creditor name/info, balance, payment, etc.)	10%	11%	11%	11%
Public record (Bankruptcy, judgment, etc.)	11%	7%	8%	9%
Personal information (Wrong date of birth, address, etc.)	8%	8%	8%	8%
Reinserted previously deleted information	6%	4%	15%	8%
Total Incorrect Information in Credit Report Complaints	100%	100%	100%	100%

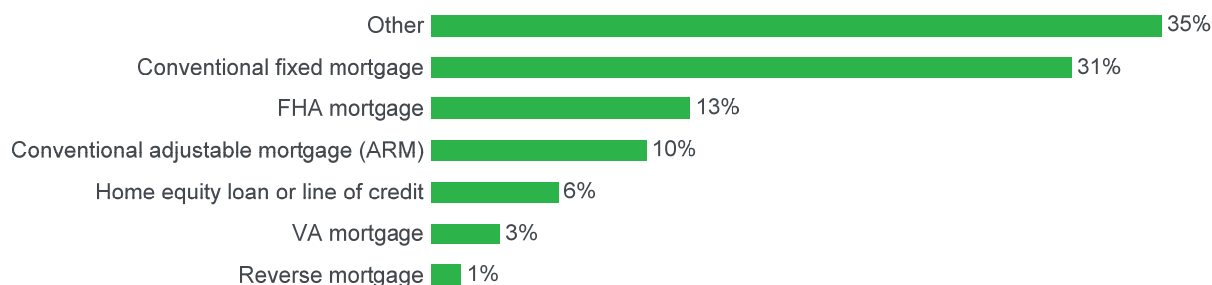
TABLE 4: SUB-ISSUES OF CREDIT REPORTING COMPANY'S INVESTIGATION COMPLAINTS

Sub-issue for credit reporting company's investigation complaints	Equifax	Experian	TransUnion	National credit reporting companies
No notice of investigation status or result	36%	44%	41%	40%
Problem with statement of dispute	32%	30%	28%	30%
Investigation took too long	23%	17%	19%	20%
Inadequate help over the phone	10%	10%	12%	10%
Total Credit Reporting Company's Investigation Complaints	100%	100%	100%	100%

3.4 Consumers' mortgage complaints

Figures 8 and 9 and Table 5 show the types of mortgage complaints reported by consumers for the approximately 51,200 mortgage complaints the CFPB has handled. Approximately 43,000 (or 84%) of all mortgage complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (11%), found to be incomplete (3%), or are pending with the consumer or the CFPB (0.4% and 1%, respectively).

FIGURE 8: TYPES OF MORTGAGE PRODUCTS CONSUMERS COMPLAIN ABOUT



For mortgage complaints, as with all other complaints, the consumer selects the issue that best describes the problem they are having. These issues correspond to the part of the mortgage process with which they are having a problem. Reflecting the complexity and interrelated nature of mortgages and mortgage issues, consumers are not asked to provide further specificity by selecting a sub-issue. This ensures the reliability of mortgage complaint data that we collect from consumers and share in reports and through the Consumer Complaint Database.

FIGURE 9: TYPES OF MORTGAGE COMPLAINTS REPORTED BY CONSUMERS

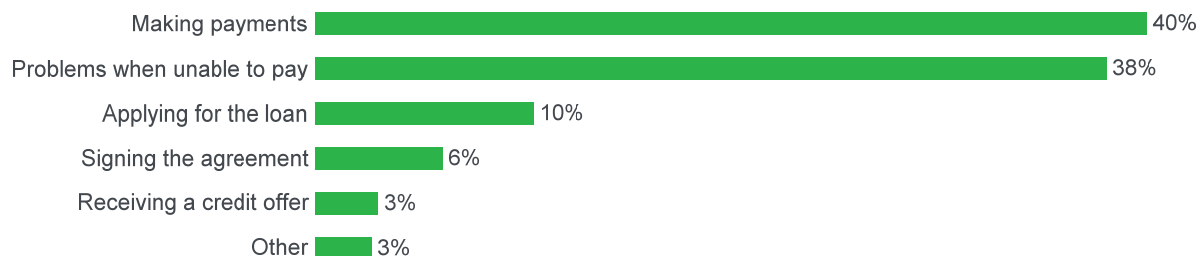


TABLE 5: TYPES OF MORTGAGE COMPLAINTS REPORTED BY CONSUMERS

Types of mortgage complaints	%
Making payments (Loan servicing, payments, escrow accounts)	40%
Problems when you are unable to pay (Loan modification, collection, foreclosure)	38%
Applying for the loan (Application, originator, mortgage broker)	10%
Signing the agreement (Settlement process and costs)	6%
Receiving a credit offer (Credit decision/Underwriting)	3%
Other	3%
Total Mortgage Complaints	100%

Complaint submissions increased in 2016 for consumers who reported the issue of “making payments (loan servicing, payments, escrow accounts).” Consumers complaining about the servicing transfer of their loan account voiced concerns of mismanagement of payments when made to either the prior or current servicer on or around the effective date of transfer. Many of these consumers reported that payment was not credited to their account. Some consumers reported post service transfer issues involving their escrow account resulted in an increase to their monthly payment with no clear explanation provided by their servicers. Additionally, consumers who reported being involved in the loss mitigation assistance process at the time of the loan servicing transfer complained that documentation (e.g., applications, modification approvals) was not provided to the new servicer.

Some consumers reported missing loan payments, resulting in delinquent account statuses and negative reporting of the account to credit reporting companies. A number of consumers complained of payment issues involving monthly payments made via bill pay services with their financial institutions. These consumers reported that payments were electronically transmitted to their servicers, but not credited to their loan account. Consumers who were approved for loss mitigation options—for example, a trial period plan, forbearance agreement, or loan

modification—reported that their payments were not accepted or applied as intended.

In managing escrow accounts, instances of over-collection, unexplained shortages, and untimely tax and insurance disbursements are all common issues that consumers reported. Consumers complained that the escrow discrepancies led to erroneous increases to their mortgage installment amount. Consumers reported that after paying an identified shortage disclosed in their escrow analysis statement, funds were not applied accurately and resulted in an increase in their monthly payment. Other complaints involved issues regarding the disbursement of funds from escrow accounts to pay for collections. Some consumers reported that despite having an escrow account for insurance, their servicer failed to submit timely payment to their homeowner's insurance company, which ultimately left their property without adequate coverage.

The next most complained about issue involved problems consumers report when they are unable to pay, loan modification, collection, and foreclosure. In particular, complaints involving the loss mitigation assistance process often detailed repeated requests by servicers for submission of the same documentation and lack of responsiveness from the consumers' single point of contact. Some consumers reported receiving conflicting and confusing foreclosure notifications while undergoing loss mitigation assistance review. Many consumers complained about the denial of their modification applications, while others stated that the terms of the modification offered to them were unaffordable.

Communication issues were reported by consumers as attempts to contact their servicers were met with difficulty and often resulted in confusing and contradictory information. Consumers seeking to obtain clarification regarding loan account reinstatement amounts, charges and fees, or interest rate increases stated they were provided ambiguous information. Some consumers described their experience as frustrating and asserted that the low level of customer service attributed to the delay in account resolution.

Consumers reported that after having experienced property damage, they filed insurance claims, received their claims benefit checks, and forwarded those checks to their servicers. However, these consumers stated that servicers delayed releasing funds needed to make necessary repairs to their homes despite having provided all required documentation.

Consumer complaints about mortgage originations often involved reports of prolonged and

confusing application and approval processes. Some consumers described unresponsive loan representatives and stated that they were required to submit multiple loan applications. A number of consumers reported that processing delays resulted in the loss of favorable interest rates and expiration of rate locks.

3.5 Consumers’ bank account and service complaints

Figures 10 and 11 and Table 6 show the types of bank account and service complaints, such as complaints about checking and savings accounts, as reported by consumers for the approximately 28,400 complaints handled by the CFPB. Approximately 22,200 (or 78%) of all bank account or service complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (16%), found to be incomplete (4%), or are pending with the consumer or the CFPB (0.5% and 1%, respectively).

FIGURE 10: TYPES OF BANK ACCOUNTS AND SERVICES CONSUMERS COMPLAIN ABOUT



FIGURE 11: TYPES OF BANK ACCOUNT AND SERVICE COMPLAINTS REPORTED BY CONSUMERS

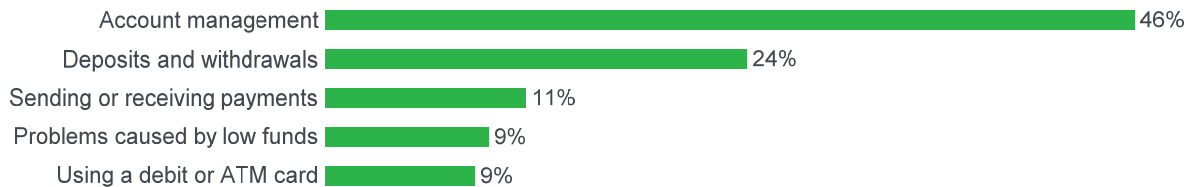


TABLE 6: TYPES OF BANK ACCOUNT AND SERVICE COMPLAINTS REPORTED BY CONSUMERS

Types of bank account and service complaints	%
Account opening, closing, or management (Confusing marketing, denial, disclosure, fees, closure, interest, statements, joint accounts)	46%
Deposits and withdrawals (Availability of deposits, withdrawal problems and penalties, unauthorized transactions, check cashing, payroll deposit problems, lost or missing funds, transaction holds)	24%
Making or receiving payments (Problems with payments by check, card, phone or online, unauthorized or fraudulent transactions, money/wire transfers)	11%
Problems caused by my funds being low (Overdraft fees, late fees, bounced checks, credit reporting)	9%
Using a debit or ATM card (Disputed transaction, unauthorized card use, ATM or debit card fees, ATM problems)	9%
Total Bank Account and Service Complaints	100%

Consumers submit complaints about accounts or services offered by banks, credit unions and nonbank companies under the general category of “bank accounts or services.” The most common type of bank account and service complaint continues to relate to opening, closing, or managing the account. Consumer complaints about the use of consumer and credit reporting data for account screening are also common. Consumers frequently mentioned learning of a furnisher’s past negative reporting to both specialty reporting companies and national credit reporting companies when they attempted to open a new bank account. Consumers also expressed that they have difficulty addressing potential errors on their reports. Promotional offers for opening new accounts were the focus of a number of complaints, including offers for airline miles and promotional cash. Some of these complaints involved the consumer’s eligibility for the promotional offer—for example, when a consumer applies for an offer that they were not eligible for. Other complaints involved disputes over whether the consumer had met the required terms for a promotional offer.

Complaints related to overdrafts remain common, including complaints about transaction

ordering. Consumers complained about overdrafts that took place because of confusion over the availability of funds that they were attempting to deposit. Consumers also regularly complained about the size of overdraft fees when making small dollar purchases. Other fees, including insufficient fund fees, extended overdraft fees and monthly maintenance fees were also frequently the subject of complaints.

The availability of funds deposited via check or through direct deposit is a concern for consumers. Consumers expressed frustration with bank check holding policies and by the length of time it takes for various negotiable instruments to clear and become available. A number of these complaints involved mobile deposit applications and problems that consumers encountered when using them—including institutions having different funds availability policies for mobile deposits.

Consumers also frequently complained about error resolution procedures for their deposit accounts, including timelines for investigation and provisional credit for disputed transactions. Consumers often asserted that a specific transaction was not authorized or that they were victims of fraud or identity theft. The meaning of authorization in the context of error resolution appears to cause confusion for some consumers as they attempted to dispute transactions because they were dissatisfied with the products or services that they purchased.

A number of consumers have submitted complaints related to the probate process. These consumers frequently mentioned difficulty getting information about and access to their deceased relatives' accounts. These complaints often involved different types of accounts, including savings accounts, certificates of deposit, trust accounts, and retirement accounts.

3.6 Consumers' credit card complaints

Table 7 shows the most common types of credit card complaints that the CFPB has handled as reported by consumers. Seventy three percent of the approximately 26,600 credit card complaints fell into these ten categories. Approximately 21,400 (or 81%) of all credit card complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (14%), found to be incomplete (3%), or are pending with the consumer or the CFPB (0.4% and 1%, respectively).

TABLE 7: MOST COMMON CREDIT CARD COMPLAINTS REPORTED BY CONSUMERS

Most common credit card complaints	%
Billing disputes	17%
Other	13%
Identity theft / Fraud / Embezzlement	12%
Closing / Cancelling account	7%
Customer service / Customer relations	4%
Delinquent account	4%
APR or interest rate	4%
Rewards	4%
Advertising and marketing	4%
Late fee	3%
Credit Card Complaints in Top 10 Types	73%

Billing disputes continue to be the most common type of credit card complaint. Consumers complained about the application of payments to their accounts with multiple balances and different expiration periods that resulted from balance transfers, cash advances, or deferred interest purchases. These consumers expressed that they were inadequately informed of how their payments would be applied and were surprised that payments were not applied to promotional or deferred interest balances with limited terms. Some consumers also thought that no interest charges would be incurred during the deferral period regardless of whether the debt is paid in full.

Some consumers who received insurance products (e.g., phone or travel insurance), warranty extensions and guaranties, improved return policies, price protection services, and other similar benefits through their card programs complained about difficulties they reported experiencing while attempting to take advantage of these benefits.

Credit decisions, including initial application decisions and servicing changes (e.g., interest rate

adjustments, credit limit reductions), were frequently the subject of complaints. Consumers complained of difficulty understanding determinations made by credit card companies and the reasons stated on letters explaining the decisions. These consumers also expressed concern about existing terms on their credit report that they felt did not reflect their creditworthiness. Other consumers expressed a belief that prejudice or bias may have impacted those credit decisions.

Consumers continued to submit complaints regarding the closure of their account without their knowledge or consent. In response to these complaints, companies often replied that the consumer's account was closed because of default or suspected fraud. Also, consumers expressed a concern about the potential negative effect on their credit score when accounts were closed due to inactivity. Some of these consumers stated that they would have used the cards in question if they had been notified of the impending closure.

Misleading offers for rewards program was a topic of concern for many consumers. These consumers complained of difficulty when attempting to receive promised benefits and felt that the terms and conditions of the programs were not clearly explained when they opened the card. Complaints about bonus points or miles programs, cash back programs, and travel benefits programs were especially common in these complaints.

Consumers expressed frustration with various fees and additional costs associated with their credit cards. For example, although consumers appear to understand why late fees are assessed to their accounts, many felt that the fees should not be applied when an automatic payment failed or when a billing statement did not arrive in a timely manner.

3.7 Consumers' consumer loan complaints

Figures 12 and 13 and Table 8 show the types of consumer loan complaints, such as complaints about installment loans, vehicle loans and leases, personal lines of credit, and pawn and title loans reported by consumers for the approximately 16,400 consumer loan complaints handled by the CFPB. Approximately 9,800 (or 60%) of all consumer loan complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (28%), found to be incomplete (7%), or are pending with the consumer or the CFPB (1% and 4%, respectively).

FIGURE 12: TYPES OF CONSUMER LOANS CONSUMERS COMPLAIN ABOUT



FIGURE 13: TYPES OF CONSUMER LOAN COMPLAINTS REPORTED BY CONSUMERS

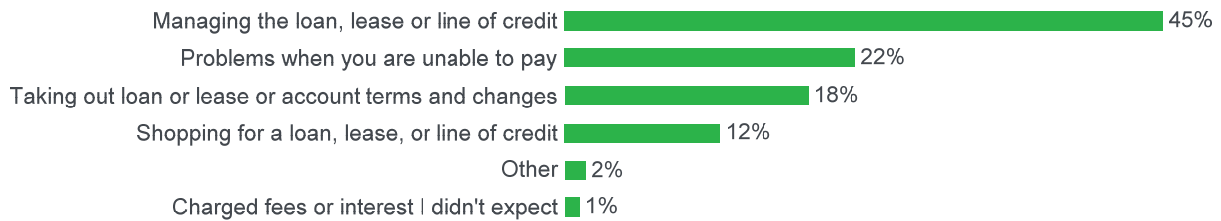


TABLE 8: TYPES OF CONSUMER LOAN COMPLAINTS REPORTED BY CONSUMERS

Types of consumer loan complaints	%
Managing the loan, lease, or line of credit (Billing, late fees, damage or loss, insurance (GAP, credit, etc.), credit reporting, privacy)	45%
Problems when you are unable to pay (Debt collection, repossession, set-off from bank account, deficiency, bankruptcy, default)	22%
Taking out the loan or lease / Account terms and changes (Term changes (mid-deal changes, changes after closing, rates, fees, etc.), required add-on products, trade-in payoff, fraud)	18%
Shopping for a loan, lease, or line of credit (Sales tactics or pressure, credit denial, confusing advertising or marketing)	12%
Other	2%
Charged fees or interest I didn't expect	1%
Total Consumer Loan Complaints	100%

The table illustrates that the most common type of consumer loan complaint pertains to managing the loan, lease, or line of credit. Other common types of complaints address problems consumers have when they are unable to pay—including issues related to debt collection, bankruptcy, default, and problems when taking out the loan or lease, such as term changes. Consumers continued to complain that they experienced a “bait and switch” where the lenders offers favorable terms to attract their interest in a product and then changes those terms right before the contract is consummated. This behavior was described as confusing and often led to consumers paying much more for a loan than they were initially told.

In 2016, consumer loan complaints with the sub-product of vehicle loan were submitted more frequently than other sub-products. In these complaints, consumers complained about payment processing issues, including not having their payments applied to their accounts in a timely and correct manner. Consumers also complained of inaccurate debiting of their bank accounts for monthly payments. Some consumers complained that they did not understand why their account balances were not decreasing after making a larger number of monthly payments. These consumers indicated that they did not fully understand the effects of fees and high interest rates on the total cost of their loans.

3.8 Consumers’ student loan complaints

Figure 14 and Table 9 show the types of student loan complaints as reported by consumers for the approximately 12,300 student loan complaints handled by the CFPB¹¹. Approximately 8,300 (or 68%) of all student loan complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (17%), found to be incomplete (12%), or are pending with the consumer or the CFPB (2% and 2%, respectively).

¹¹ The Bureau began handling Federal student loan servicing complaints on February 25, 2016. The Bureau does not handle complaints about financial aid eligibility or Federal student loan origination (getting a loan).

FIGURE 14: TYPES OF STUDENT LOAN COMPLAINTS REPORTED BY CONSUMERS



TABLE 9: TYPES OF STUDENT LOAN COMPLAINTS REPORTED BY CONSUMERS

Types of student loan complaints	%
Dealing with lender or servicer (Making payments, getting information about my loan. Managing my account)	67%
Can't repay my loan (Fees, default, bankruptcy, billing, deferment, forbearance, fraud, credit reporting)	30%
Getting a loan (Confusing terms, rates, denial, confusing advertising or marketing, sales tactics or pressure, financial aid services, recruiting)	2%
Total Student Loan Complaints	100%

The most common type of student loan complaint is related to dealing with a lender or servicer and includes issues such as making payments, getting information about a loan, and managing an account. Borrowers continued to report issues involving loan servicing, including payment processing problems, difficulty in obtaining documented loan account history, inaccurate account status, and customer service experiences when inquiring on repayment options.

More frequently than other issues, non-federal and federal student loan borrowers expressed their concerns relating to trouble with how payments are handled. Borrowers complained of misapplied payments and inaccurate accounting of payments. Some borrowers complained of misapplication of payments and reported that payments were not applied to specified accounts, but rather applied to all accounts managed by the servicer.

Some federal student loan borrowers reported that when contacting their loan servicers regarding financial distress, servicers provided them with information on hardship forbearance or deferment, instead of more beneficial options like income-driven repayment plans. Also, confusion on the difference between forbearance and deferment options was expressed by

borrowers of private and federal loans.

Federal student loan borrowers complained of difficulty enrolling in income-driven repayment plans. Borrowers reported lost documentation, extended application processing times, and unclear guidance when seeking to switch from one income-driven repayment plan to another.

Additionally, federal student loan borrowers described their experiences when trying to obtain guidance in completing annual income recertification for their income-driven repayment plan. These borrowers reported receiving insufficient information from their servicers to meet recertification deadlines and lengthy processing times.

Non-federal and federal student loan borrowers reported issues of incorrect reporting of their loans to the credit reporting companies. Borrowers stated that their loan accounts were paid in full or not in a delinquent status but were being reported negatively. Some borrowers reported being contacted by collection companies for accounts that had been paid in full or for debts that were not owed.

3.9 Consumers' payday loan complaints

In addition to the 7,300 payday loan related debt collection complaints reported in section 3.2, figures 15 and 16 and Table 10 show the types of payday loan complaints reported by consumers for the approximately 4,400 payday loan complaints the CFPB has handled. Approximately 1,800 (or 41%) of all payday complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (41%), found to be incomplete (13%), or are pending with the consumer or the CFPB (1% and 4%, respectively).

FIGURE 15: TYPES OF PAYDAY LOAN COMPLAINTS REPORTED BY CONSUMERS

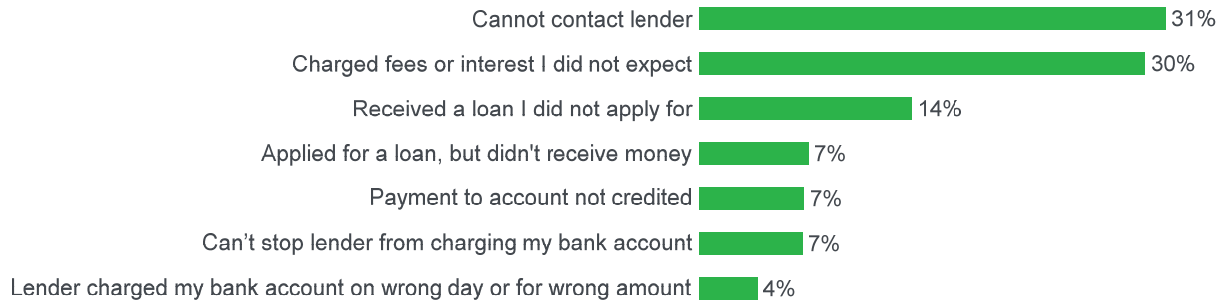


FIGURE 16: TYPES OF PAYDAY LOANS CONSUMERS COMPLAIN ABOUT



Of the 4,400 payday loan complaints submitted by consumers, approximately 56% were about problems consumers reported experiencing after obtaining (or attempting to obtain) a payday loan online. Approximately 14% reported problems when obtaining a payday loan in person or at a store. For the remaining approximately 30% of complaints, the consumer did not indicate how the loan was obtained.

TABLE 10: TYPES OF PAYDAY LOAN COMPLAINTS REPORTED BY CONSUMERS, BY TYPE OF LOAN

Types of Payday Complaints	In person / at the store	Online	Not stated	Total
Cannot contact lender	13%	44%	43%	31%
Charged fees or interest I did not expect	14%	70%	17%	30%
Received a loan I did not apply for	7%	41%	52%	14%
Applied for a loan, but didn't receive money	11%	65%	24%	7%
Payment to account not credited	29%	53%	18%	7%
Can't stop lender from charging my bank account	21%	67%	12%	7%
Lender charged my bank account on wrong day or for wrong amount	29%	61%	10%	4%

The most common type of payday loan complaint received in 2016 is about problems with contacting the lender. Consumers also commonly complained about being charged unexpected fees or interest and receiving loans for which they did not apply. Table 10 illustrates the types of issues reported by consumers based on the reported source of the loan.

The remaining complaints involved issues identified in 2015 that continued into 2016, such as payment issues surrounding check holding and electronic debit authorization that hands control of the consumer's bank account over to the lender. Some consumers complained that the payday lender re-presented a check several times, causing their account to incur multiple insufficient funds or overdraft fees.

Consumer confusion relating to repayment terms was frequently expressed. These consumers complained of the lack of clarity about repayment of the loan using automatic withdrawal features on a bank card, on a prepaid card, or by direct deposit. Consumers with multiple advances stated their difficulty managing a short repayment period and more often rolled-over the loan, resulting in an inflated total cost of the loan.

The cost and structure of a particular loan can make it difficult for consumers to repay. Consumers raised concerns such as the risk of being unable to repay the loan while still having

enough money left over for other expenses, the high cost of the loan, and aggressive debt collection practices in the case of delinquency or default.

3.10 Consumers' prepaid card complaints

Figure 17 and Table 11 show the types of prepaid card complaints reported by consumers for the approximately 2,500 prepaid card complaints the CFPB has handled. Approximately 1,300 (or 50%) of all prepaid complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (37%), found to be incomplete (8%), or are pending with the consumer or the CFPB (1% and 4%, respectively).

FIGURE 17: TYPES OF PREPAID CARD COMPLAINTS REPORTED BY CONSUMERS

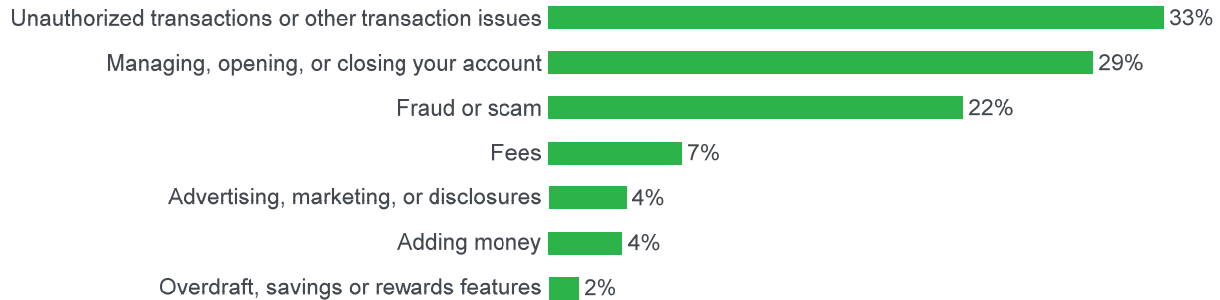


TABLE 11: TYPES OF PREPAID CARD COMPLAINTS REPORTED BY CONSUMERS

Types of prepaid card complaints	%
Unauthorized transactions or other transaction issues	33%
Managing, opening, or closing your account	29%
Fraud or scam	22%
Fees	7%
Advertising, marketing, or disclosures	4%
Adding money	4%
Overdraft, savings or rewards features	2%
Total Prepaid Card Complaints	100%

The most common type of prepaid card complaint involved unauthorized transactions or other transaction issues. Another common type of complaint was about managing, opening, or closing a prepaid card account.

Consumers complained that they were unable to access funds loaded on their prepaid cards for extended periods of time. Frequently, these consumers also expressed hardships resulting from the lack of access to their funds. Some consumers stated that after disputing a particular charge, the company would often freeze the entire available balance to prevent further loss while the claim was under review. During the review process, companies sometimes requested additional information—such as purchase receipts or original packaging—which the consumer often stated was no longer in their possession.

Consumers reported difficulty using prepaid cards. Some of these consumers stated that their cards were cancelled without notification. Consumers stated that they had to contact the company numerous times before a new card was issued.

Consumers who received a prepaid card as a refund complained that they were unable to activate the card, access the funds, or both. Subsequently, for some of these consumers, dormancy fees were assessed, depleting the card balance.

Consumers reported that companies sometimes issued cards without proper verification resulting in theft of their funds. These consumers stated they experienced prolonged investigations of their claims, leaving them without access to their money for extended periods of time.

Consumers raised issues involving the management of prepaid card accounts. In some of these complaints, consumers reported balance discrepancies for cards, especially if they were unable to check their balance and transaction history online or were not provided with statements. Consumers also complained of delayed credits to their prepaid card after notifying the company of a fraudulent or unauthorized charge or after a purchase had been cancelled or returned.

3.11 Consumers’ money transfer complaints

Figures 18 and 19 and Table 12 show the types of money transfer complaints reported by consumers for the approximately 2,300 money transfer complaints the CFPB has handled. Approximately 1,600 (or 68%) of all money transfer complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (22%), found to be incomplete (7%), or are pending with the consumer or the CFPB (0.9% and 3%, respectively).

FIGURE 18: TYPES OF MONEY TRANSFERS CONSUMERS COMPLAIN ABOUT



FIGURE 19: TYPES OF MONEY TRANSFER COMPLAINTS REPORTED BY CONSUMERS

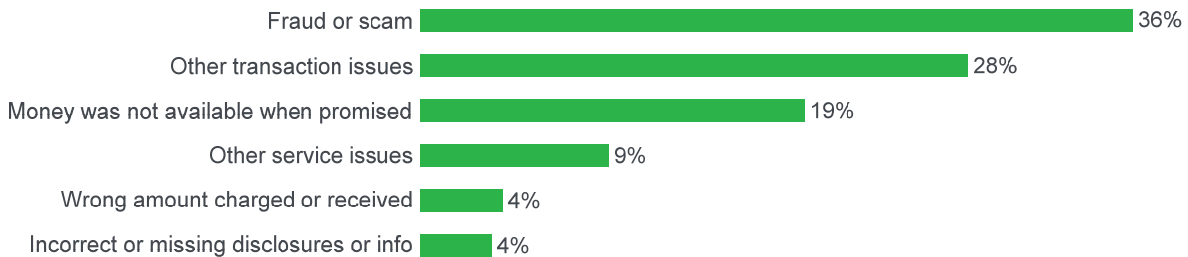


TABLE 12: TYPES OF MONEY TRANSFER COMPLAINTS REPORTED BY CONSUMERS

Types of money transfer complaints	%
Fraud or scam	36%
Other transaction issues (Unauthorized transaction, cancellation, refund, etc.)	28%
Money was not available when promised	19%
Other service issues	9%
Wrong amount charged or received	4%
Incorrect or missing disclosures or info	4%
Total Money Transfer Complaints	100%

The most common type of money transfer complaint is about fraud or scams. Many of these consumers complained that they sent money to a seller but did not receive the items they purchased in return. Other complaints involved consumers who frequently remit money to family members both domestically and internationally. A number of these consumers stated that they regularly used money transfers to provide for family members' basic living expenses. They often reported that the transfer recipients did not receive the money transfer, the amount received was smaller than expected, or the transfer encountered significant and unanticipated delays.

Consumers attempting to complete transactions through an online money transfer service often reported encountering problems with the dispute resolution process. Sellers describe several scenarios where they did not receive payments after sending the item to the buyer. This often occurred when the seller was told that the payment had been accepted, but was later cancelled. Cancellation was done either by the buyer due to a dispute or by the financial institution because of insufficient funds in the buyer's account.

Consumers reported that money transfer service providers placed holds on accounts without providing them with an explanation. Companies commonly reported that the hold was placed as a result of a risk-based model that will hold reserves on accounts in order to cover potential

losses arising from reversals or chargebacks.

Consumers who submitted complaints about international money transfers commonly reported delays and restrictions when attempting to make transfers. Many of these complaints are the product of company risk-based assessments, reviewed for compliance with United States regulations administered by the Office of Foreign Assets Control and consumer identification efforts. Consumers often complained that companies did not provide an adequate explanation of the process.

3.12 Other financial services complaints

Figure 20 and Table 13 show the types of other financial service complaints reported by consumers for the approximately 2,100 other financial services complaints the CFPB has handled. Approximately 500 (or 22%) of all other financial services complaints handled by the CFPB in 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (57%), found to be incomplete (13%), or are pending with the consumer or the CFPB (1% and 7%, respectively).

FIGURE 20: TYPES OF OTHER FINANCIAL SERVICE COMPLAINTS REPORTED BY CONSUMERS

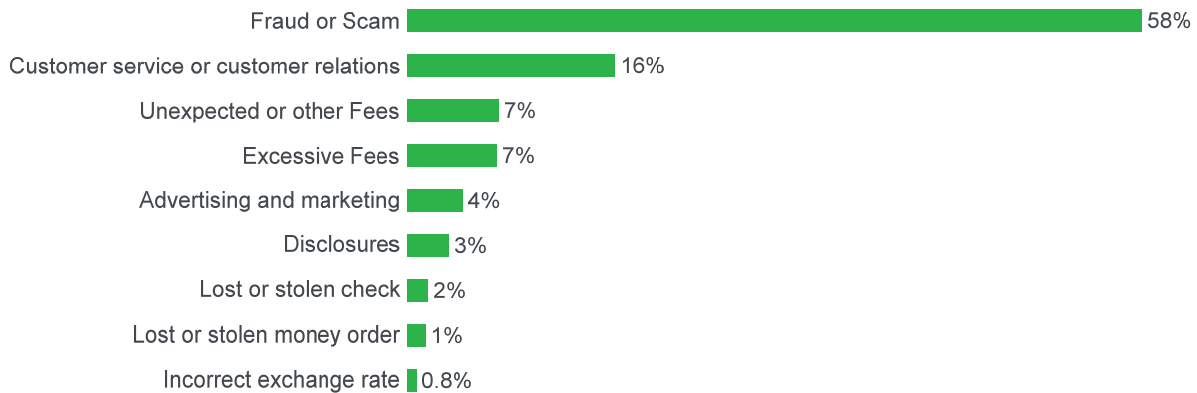


TABLE 13: TYPES OF OTHER FINANCIAL SERVICE COMPLAINTS REPORTED BY CONSUMERS

Types of other financial service complaints	%
Fraud or Scam	58%
Customer service/Customer relations	16%
Unexpected/Other Fees	7%
Excessive Fees	7%
Advertising and marketing	4%
Disclosures	3%
Lost or stolen check	2%
Lost or stolen money order	1%
Incorrect exchange rate	0.8%
Total other financial services	100%

The majority of the other financial service complaints were about debt settlement, refund anticipation check, and credit repair. Some consumer complaints about debt settlement are related to debt collection and consumers' attempts to reduce their debt balance with their original creditor. Many of these complaints involved consumer reports of possible fraud or scams. Consumers reported making good faith payments to debt relief companies to pay off existing debt to creditors. Some of these consumers state that the payments were never forwarded to their creditors and they are now facing lawsuits for accounts they presumed were paid.

Consumers who submitted check cashing complaints frequently mentioned the high costs. This was especially common for consumers who don't have a bank account at the institution where they were attempting to cash the check. A number of these consumers also complained about being unable to cash checks. In many instances, these checks were not cashed because of recommendations made by check authorization and warranty companies.

Consumers also complained about difficulties redeeming money orders and about problems

encountered when money orders were lost. In many of these complaints, consumers expressed dissatisfaction with the error resolution processes available to them and the length of time required to resolve errors.

Money order, traveler's check/cashier's check, and foreign check complaints frequently involved consumers who believed that they were victims of a scam. These complaints involved common scams, such as those that involve providing advance payment before goods are delivered or services are rendered. Scam victims may be unable to secure redress from their financial institutions.

Consumers looking to repair their credit expressed concern of being scammed by credit repair companies after no relief was provided and requests for reimbursement went unacknowledged.

3.13 How companies respond to consumer complaints

Approximately 196,900 (or 68%) of all complaints handled by the CFPB between January 1, 2016, and December 31, 2016, were sent by Consumer Response to companies for review and response.¹² Table 14 shows how companies responded to these complaints during this time period. Company responses include descriptions of steps that have been or that will be taken, communications received from the consumer, any follow-up actions or planned follow-up actions, and a categorization of the response. Response category options include "Closed with monetary relief," "Closed with non-monetary relief," "Closed with explanation," "Closed," "In progress," and other administrative options. "Monetary relief" is defined as objective, measurable, and verifiable monetary relief to the consumer as a direct result of the steps that have been or that will be taken in response to the complaint. "Closed with non-monetary relief"

¹² The remaining complaints have been referred to other regulatory agencies (21%), found to be incomplete (8%), or are pending with the consumer or the CFPB (1% and 2%, respectively).

indicates that the steps taken by the company in response to the complaint did not result in monetary relief to the consumer that is objective, measurable, and verifiable, but may have addressed some or all of the consumer’s complaint involving non-monetary requests. “Non-monetary relief” is defined as other objective and verifiable relief to the consumer as a direct result of the steps that have been or that will be taken in response to the complaint. “Closed with explanation” indicates that the steps taken by the company in response to the complaint included an explanation that was tailored to the individual consumer’s complaint. For example, this category would be used if the explanation substantively meets the consumer’s desired resolution or explains why no further action will be taken. “Closed” indicates that the company closed the complaint without relief – monetary or non-monetary – or explanation. Consumers are given the option to review and provide feedback about all company closure responses.

Companies have responded to approximately 94% of complaints¹³ sent to them and report having closed 90% of the complaints sent to them in 2016. Table 14 shows how companies have responded.

¹³ Companies have responded to approximately 185,900 of the 196,900 sent to them for response.

TABLE 14: HOW COMPANIES HAVE RESPONDED TO CONSUMER COMPLAINTS

	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Closed (without relief or explanation)	Administrative response	Company reviewing	Company did not provide a timely response
Debt collection	<1%	12%	70%	3%	3%	4%	8%
Credit reporting	<1%	22%	70%	<1%	3%	4%	<1%
Mortgage	3%	3%	82%	2%	3%	5%	2%
Bank account or service	18%	8%	62%	2%	1%	5%	4%
Credit card	20%	10%	63%	<1%	2%	4%	1%
Consumer loan	5%	7%	72%	2%	2%	5%	6%
Student loan	3%	6%	85%	<1%	<1%	3%	2%
Payday loan	3%	2%	66%	3%	14%	2%	10%
Prepaid	21%	6%	64%	2%	2%	4%	1%
Money transfer	9%	5%	76%	1%	<1%	5%	3%
Other financial service	10%	2%	63%	5	1%	6%	12%
All	6%	11%	72%	2%	3%	4%	3%

Companies have the option to identify their responses to particular complaints as being “Closed with non-monetary relief” when they provide non-monetary relief in response to complaints. In such cases, consumers have received a range of non-monetary relief, such as:

- providing mortgage foreclosure alternatives that do not have direct monetary value to the consumer, but that help them keep their home;
- stopping harassment from debt collectors;
- cleaning up consumers’ credit reports by correcting submissions to credit bureaus; restoring or removing a credit line from a credit file;
- correcting account information, including in credit reports; and
- addressing formerly unmet customer service issues.

Companies also have the option to report an amount of monetary relief, where applicable. In 2016, companies provided relief amounts in response to 11,330 complaints. For companies which have reported monetary relief, the median amount of relief reported was \$141; however, the amount varies by product, ranging from a median of \$500 in relief for mortgage complaints to \$29 in relief for credit reporting complaints.

TABLE 15: MONETARY RELIEF REPORTED BY COMPANIES

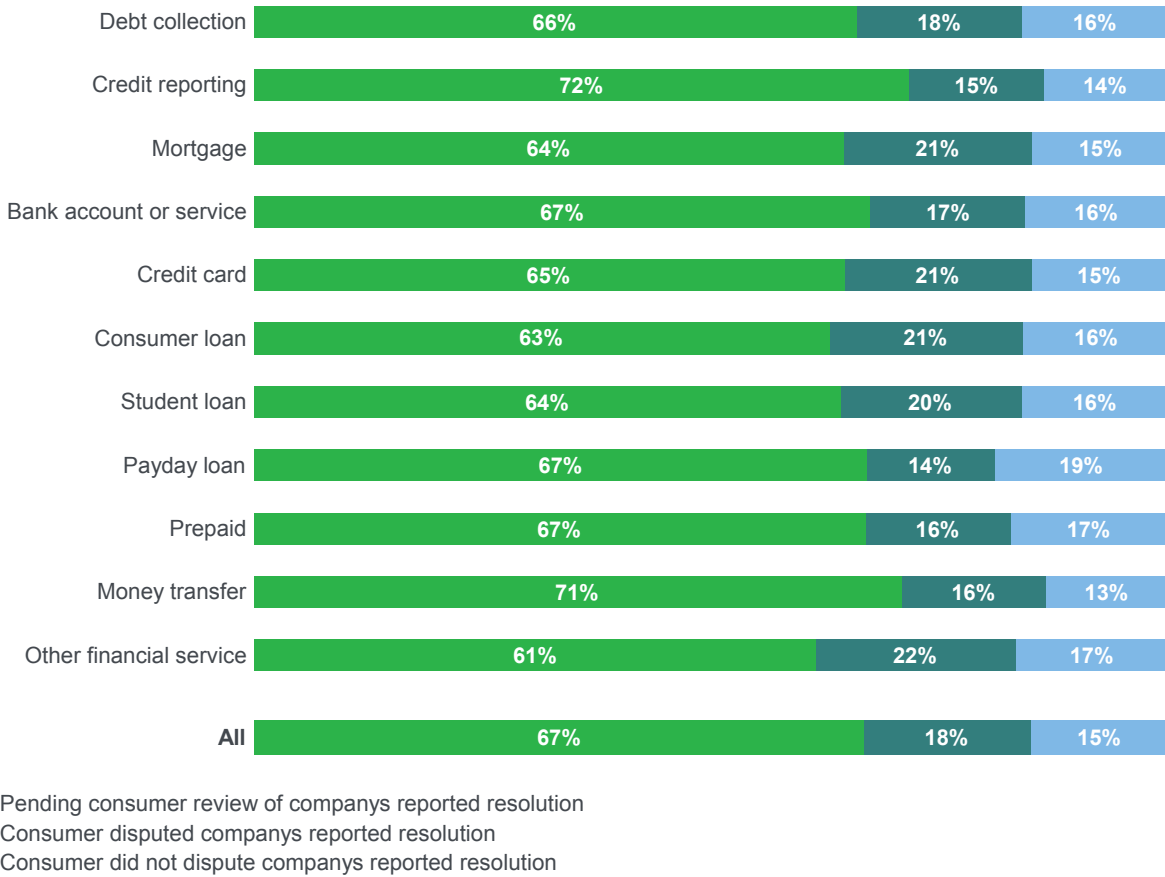
Product	Number of complaints	Median amount
Debt collection	360	\$316
Credit reporting	150	\$29
Mortgage	1,190	\$500
Bank account or service	4,060	\$108
Credit card	4,250	\$105
Consumer loan	530	\$200
Student loan	250	\$245
Payday loan	60	\$375
Prepaid	270	\$200
Money transfer	150	\$205
Other financial service	50	\$323
Overall	11,330	\$141

3.14 Consumers’ feedback about companies’ responses

Once the company responds, the CFPB provides the company’s response to the consumer for review. Where the company responds “Closed with monetary relief,” “Closed with non-monetary relief,” “Closed with explanation,” or “Closed,” consumers are given the option to provide feedback on the company’s response. Figure 21 shows how consumers responded to the approximately 176,800 complaints where they were given the option to provide feedback.

Approximately 18% of consumers disputed the response provided by the company, while approximately 67% did not dispute the response during the feedback period. The rest were pending with consumers at the end of December 31, 2016.

FIGURE 21: CONSUMER FEEDBACK ABOUT COMPANY RESPONSES



3.15 Consumer Response investigation and analysis

Consumer Response analyzes consumer complaints, including the accuracy, completeness, and timeliness of a company’s responses as well as consumers’ feedback about that company’s responses, to ensure that consumers receive timely responses to their complaints and that the Bureau and other regulators, consumers, and the marketplace have the complaint information needed to improve the functioning of the consumer financial markets for such products and services. Consumer Response uses a variety of approaches to analyze consumer complaints including, for example, cohort and text analytics to identify trends and possible consumer harm.

Complaint analysis may prompt investigation of individual complaints or groups of complaints and possible referral to colleagues in the CFPB's Division of Supervision, Enforcement, and Fair Lending & Equal Opportunity for further consideration.

Consumer Response shares complaint data, analyzes, and offers insights to other offices to help the Bureau:

- Understand problems consumers are experiencing in the marketplace and the impact of those experiences on their lives;
- Develop tools to empower people to know their rights and protect themselves;
- Scope and prioritize examinations and ask targeted questions when examining companies' records and practices;
- Identify and stop unfair practices before they become major issues; and
- Investigate issues and take action when we find problems.

3.16 Conclusion

Listening to consumers and reviewing and analyzing their complaints is an integral part of the CFPB's work in understanding issues in the financial marketplace, and helping the market work better for consumers. The information shared by consumers and companies throughout the complaint process informs the Bureau about business practices that may pose risks to consumers and helps the Bureau in its work to supervise companies, to enforce Federal consumer financial laws, to write better rules and regulations, and to educate and engage consumers.

