

Consumer Complaints on the Rise - CFPB's Annual Complaint Report

April 29, 2021 | [Eric L. Johnson](#)

As required by the Dodd-Frank Act, the Consumer Financial Protection Bureau recently provided to Congress its Consumer Response Annual Report for 2020. The report's introduction notes that, in 2020, the CFPB received more than half a million consumer complaints. This number represents a nearly 54% increase over the number of consumer complaints the CFPB received in 2019. As you might expect, the global pandemic, state and local stay-at-home orders, and businesses closing drove up consumer complaints in 2020. These complaints play an integral and central role in informing the CFPB's policy and enforcement priorities.

The report includes analyses of complaints across multiple consumer financial products and services. Credit/consumer reporting, debt collection, credit card, checking or savings accounts, and mortgage were the most complained about consumer financial product and service categories, comprising approximately 92% of all complaints the CFPB received in 2020. A vehicle "loan" or lease product accounted for only 2% of the complaint volume. By vehicle "loan," I assume the CFPB includes a retail installment contract.

The CFPB sent approximately 456,100 complaints to approximately 3,300 companies for review and response in 2020. Companies provided timely responses to 99% of the complaints received. However, approximately 4,600 complaints did not receive a timely response from companies. Timely responses are those provided within 15 calendar days of receipt and, if applicable, when a company provides a final response, within 60 calendar days.

According to the CFPB report:

- credit and consumer reporting complaints accounted for more than 58% of complaints received, followed by debt collection (15%), credit card (7%), checking or savings (6%), and mortgage (5%);
- beginning in April 2020, consumers began to submit more than 3,000 complaints mentioning coronavirus keywords nearly every month, and consumers submitted approximately 32,100 complaints mentioning coronavirus or related keywords in 2020;

- consumers from the great state of Florida submitted more complaints per capita than consumers from any other state (309 complaints submitted per 100,000 in population); and
- the CFPB received 40,800 complaints from self-identified servicemembers, veterans, and military families.

The report also highlights multi-year complaint trends that pre-date the pandemic, as well as how companies responded to complaints. The report claims that:

- the CFPB received more complaints from consumers about inaccurate information on their credit and consumer reports in 2020 than in 2019, and incorrect information on credit reports was the most common credit and consumer report issue for 2020;
- consumers primarily submitted these complaints about the three largest nationwide credit reporting agencies (CRAs): Equifax, Experian, and TransUnion;
- while the CRAs typically provided substantive and comparatively detailed responses to the majority of complaints in prior years—including details of dispute investigations and steps taken for consumers who are attempting to address identity theft—this year, the CFPB claimed that the CRAs stopped providing complete and accurate responses to many of these complaints;
- the CRAs provided closure responses noting that a dispute would be filed on the consumer's behalf, but they allegedly did not address the issues consumers raised in their complaints; and
- the CRAs mentioned suspected third-party activity in their responses to consumers, but they allegedly did not detail steps taken to authenticate consumers or to address the issues raised in their complaints.

Of the vehicle "loans" or lease complaints, the CFPB reported that companies responded to approximately 98% of the complaints sent to them for review and response. The companies closed 86% of complaints with an explanation, 8% with non-monetary relief, and just 3% with monetary relief. Reportedly, companies did not provide a timely response for 2% of complaints.

In 95% of the submitted vehicle "loans" or lease complaints, consumers reported that they first attempted to resolve their issue with the company before filing a complaint with the CFPB. If that percentage is accurate, that's a real opportunity for businesses to resolve the complaint with a consumer before he or she complains to the CFPB.

For vehicle "loans" or lease complaints, the options consumers had to describe the problem they experienced included: getting a loan or lease; managing the loan or lease; problems at the end of the loan or lease; problems with credit report or credit score; and struggling to make payments. The most common issue was managing the loan or lease (33% of complaints).

In these complaints, consumers often reported issues involving billing problems associated with their vehicle "loan." Consumers complained about automatic payments, problems incurred while navigating creditor websites and payment portals, and changes in payment due dates. Some consumers also reported that the creditor was trying to repossess or disable their vehicles.

Companies responded by providing an account history and details of dates and times a customer service representative communicated with a consumer concerning a billing dispute and details of online account usage.

The CFPB also indicated that it continues to analyze complaint data to understand and detail "disparities observed in complaints submitted by consumers from Black, Brown, and Indigenous communities and will publish these analyses to inform the marketplace." However, the report doesn't make clear how the CFPB will be able to flag and log consumer complaints from those communities.

The CFPB plans to issue a separate report later this year regarding complaints submitted about the CRAs that are related to incomplete or inaccurate information on consumers' credit reports in keeping with its reporting requirements under the Fair Credit Reporting Act.

Finally, David Uejio wraps up his "Message from the Acting Director" with the following statement: "Going forward, the Bureau will work to amplify consumer voices so that they are heard at every level of this organization. From rulemaking to COVID education to increasing racial equities to punishing bad actors, the Bureau will seek out, listen to, and integrate consumer voices via complaints into Bureau priorities."

These consumer complaints are a window into the soul of the CFPB and its priorities. Pay attention to them, and govern yourself accordingly.

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