

March 2018

Consumer Response Annual Report

January 1 – December 31, 2017



Consumer Financial
Protection Bureau

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1. Introduction

One of the primary functions of the Bureau of Consumer Financial Protection (“Bureau”) is collecting, investigating, and responding to consumer complaints.¹ Created as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Office of Consumer Response (“Consumer Response”)² hears directly from consumers³ about the challenges they face in the marketplace, answers their inquiries about consumer financial products and services, brings their concerns to the attention of companies, and assists in addressing their complaints.⁴

When consumers call the Bureau through its single, toll-free telephone number, representatives at the U.S.-based contact center answer their inquiries, provide complaint status updates, and more.⁵ Bureau representatives provide clear, unbiased answers to consumers’ inquiries and point them to Bureau-created tools like [AskCFPB](#) and “[Buying a House](#).” The Bureau provides

¹ See Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203 (“Dodd-Frank Act”), Section 1021(c)(2).

² *Id.* § 1013(b)(3)(A).

³ *Id.* § 1002(4) (“The term ‘consumer’ means an individual or an agent, trustee, or representative acting on behalf of an individual.”).

⁴ 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.

⁵ See Dodd-Frank Act, *supra* note 1, § 1013(b)(3)(A).

services to consumers in more than 180 languages and to consumers who are deaf, have hearing loss, or have speech disabilities. In 2017, the Bureau received an average of more than 24,000 telephone calls per month.

In addition to providing consumers with timely and understandable information over the telephone to help them make responsible decisions that will serve their own goals,⁶ Consumer Response facilitates the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products and services.⁷

The Bureau receives complaints through its website, by referral from the White House, congressional offices, and other federal and state agencies, and by telephone, mail, email, and fax.⁸ When consumers submit complaints, the Bureau's complaint form prompts them to select the consumer financial product or service with which they have a problem as well as the type of problem they are having with that product or service. This provides information that can be used to group complaints to understand the financial products and services about which consumers complain to the Bureau. The complaint form also requires consumers to affirm that the information provided in their complaint is true to the best of their knowledge and belief. The Bureau routes complaints about financial products and services directly to financial companies and works with them to get consumers a timely response, generally within 15 days. Where appropriate, the Bureau routes complaints to other federal agencies.⁹ Secure, web-based Company and Consumer Portals make the process efficient and user-friendly. Consumers can also call and speak with a Bureau representative about their complaint. For companies, the

⁶ *See id.* § 1021(b)(1).

⁷ *Id.* § 1013(b)(3)(A).

⁸ *See id.* § 1013(b)(3).

⁹ *Id.* § 1013(b)(3)(A) ("The Director shall coordinate with the Federal Trade Commission or other Federal agencies to route complaints to such agencies, where appropriate.").

Company Portal provides a secure channel for communicating directly with dedicated Bureau staff.

Consumer Response analyzes consumer complaints, company responses, and consumer feedback to accomplish two primary goals. First, these analyses enable Consumer Response to assess the accuracy, completeness, and timeliness of company responses. Second, these analyses ensure that the Bureau, other regulators, consumers, and the marketplace have reliable and useful information about consumer financial products and services. Consumer Response uses a variety of approaches to analyze consumer complaints, including cohort and text analytics, to identify trends and possible consumer harm.

The Bureau also shares consumer complaint information with prudential regulators, the Federal Trade Commission, other federal agencies, and state agencies.¹⁰ In 2017, the Bureau received approximately 320,200 consumer complaints.

In keeping with the Bureau's statutory responsibilities and its commitment to accountability, this report provides information and analysis about complaints received by the Bureau from January 1 through December 31, 2017, including information and analysis about complaint numbers, complaint types, and, where applicable, information about the resolution of complaints.¹¹

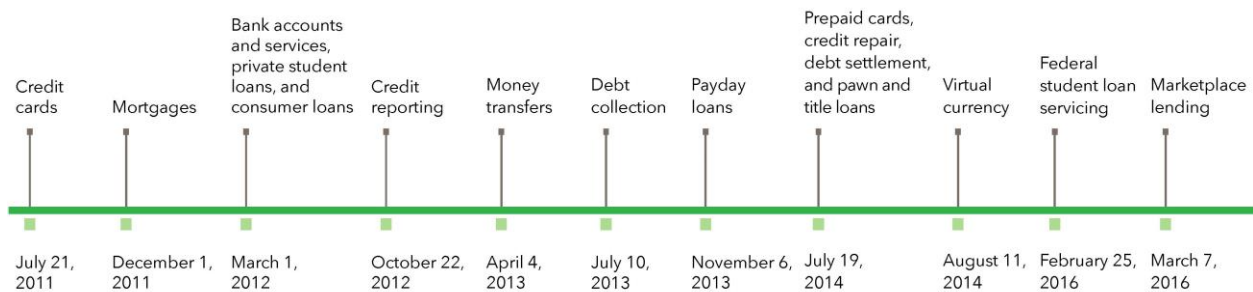
¹⁰ *Id.* § 1013(b)(3)(D).

¹¹ This report fulfills the reporting requirements of Dodd-Frank Act Section 1013(b)(3)(C), which instructs the Bureau to report on the complaints received by the Bureau in the prior year. This report includes information and analysis about complaint numbers, complaint types, and, where applicable, information about resolution of complaints. Complaints received includes those sent to companies for a response and those routed to other federal agencies as required by Section 1013(b)(3)(A). This report also fulfills the reporting requirements of Fair Credit Reporting Act Section 611(e), 15 U.S.C. § 1681i(e).

2. Complaint Numbers

The Bureau received approximately 320,200 consumer complaints in 2017.¹² Consumers submitted approximately 81% of these complaints through the Bureau’s website and 5% via telephone calls. Referrals from other federal and state agencies accounted for 8% of all complaints received by the Bureau in 2017. Consumers submitted the remainder of complaints by mail, email, and fax.

FIGURE 1: TYPES OF COMPLAINTS ACCEPTED BY THE BUREAU OVER TIME

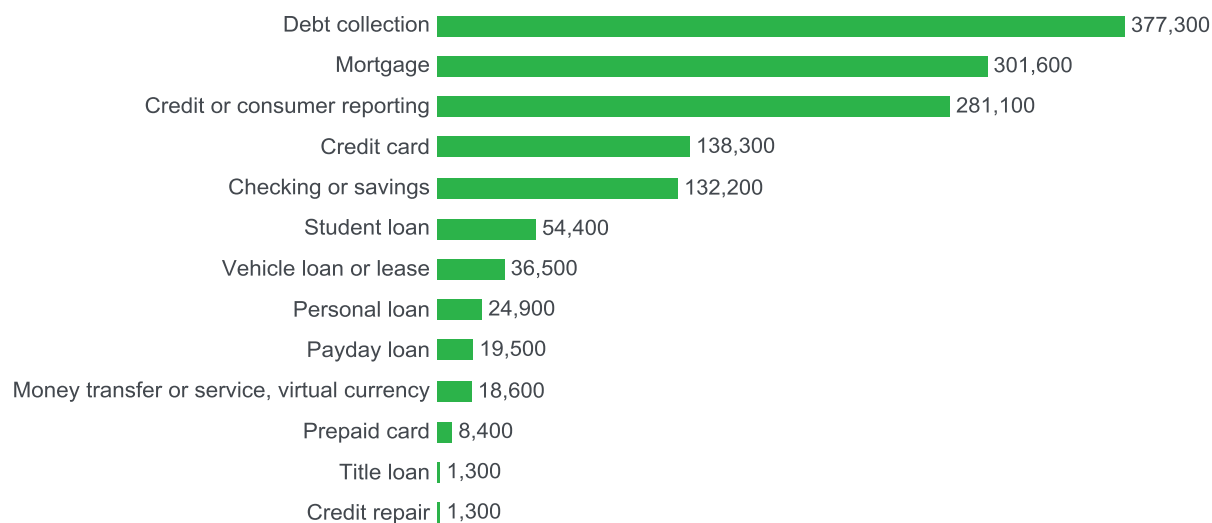


Since it began receiving complaints in July 2011, the Bureau has used a phased-in approach to expand the types of complaints it accepts. The Bureau now accepts consumer complaints across

¹² This report excludes some complaints that the Bureau received, including multiple complaints submitted by a given consumer on the same issue (i.e., duplicates), whistleblower tips, and complaints the Bureau finds were submitted without the consumer’s authorization. Complaint data in this report is current as of January 1, 2018. Percentages throughout this report may not sum to 100% due to rounding.

a range of financial products and services, including credit or consumer reporting, debt collection, mortgages, credit cards, checking and savings accounts, student loans¹³, vehicle loans and leases, money transfers and services, virtual currencies, personal loans, payday loans, prepaid cards, credit repair, and title loans.

FIGURE 2: COMPLAINT VOLUME BY PRODUCT OR SERVICE JULY 21, 2011 TO DECEMBER 31, 2017¹⁴



As shown in Figure 2, debt collection, mortgage, and credit or consumer reporting complaints are the most-complained-about consumer financial products and services. Complaints submitted to the Bureau about these products and services account for approximately 960,000 (68%) of the approximately 1,404,300 complaints received since inception.

¹³ The Department of Education handles complaints about financial aid eligibility or issues related to receiving money from a federal student loan.

¹⁴ This figure excludes approximately 8,800 complaints where the consumer did not select a specific consumer financial product or service.

FIGURE 3: COMPLAINT VOLUME BY PRODUCT OR SERVICE 2015, 2016, AND 2017

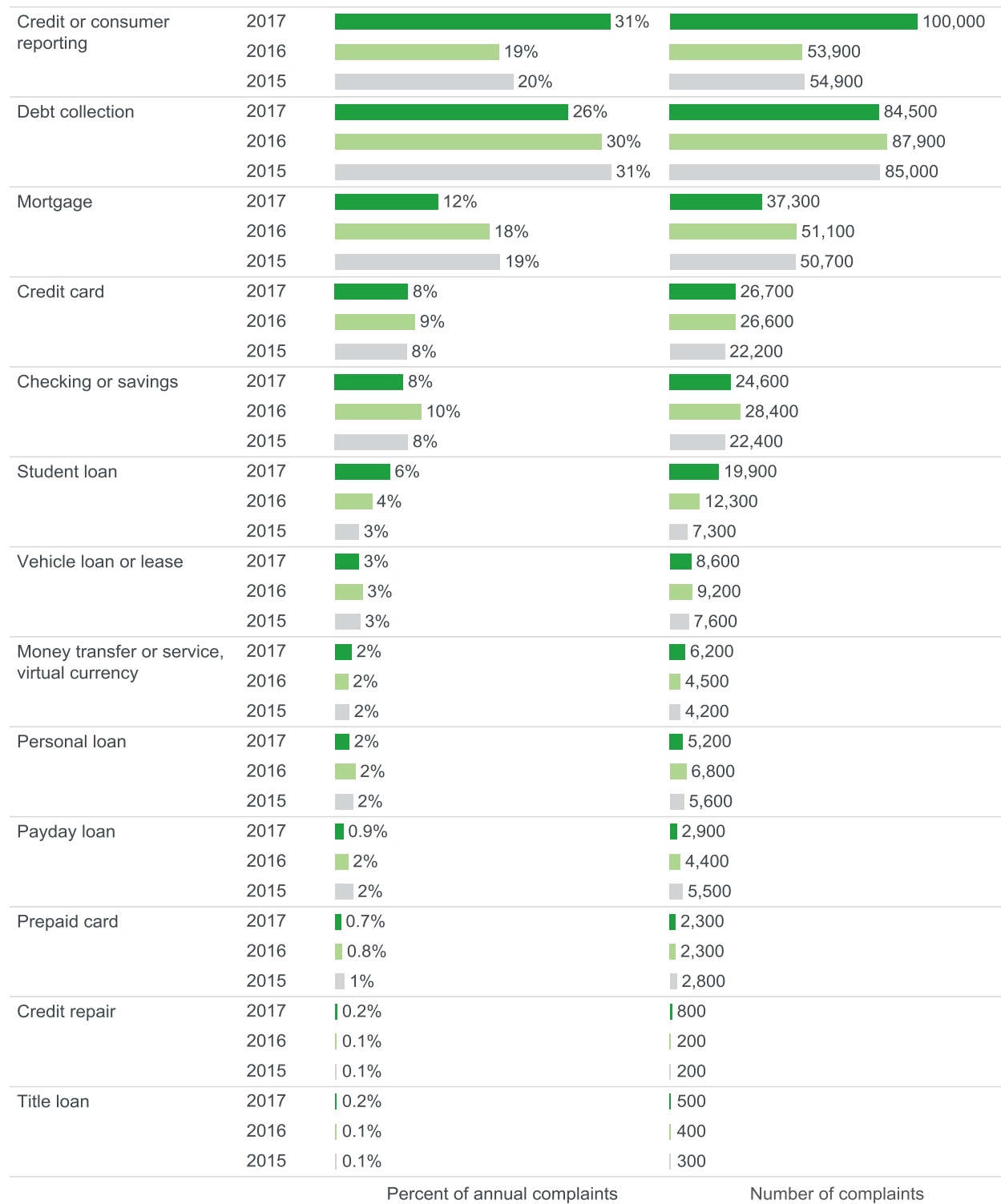


Figure 3 shows¹⁵ that consumers submitted more complaints about credit or consumer reporting than any other product or service in 2017. By contrast, in the previous two years consumers submitted more complaints about debt collection than any other product or service.

¹⁵ Percentages throughout this report may not sum to 100% due to rounding.

3. Complaint Types

This section provides information about and analyses of the types of complaints consumers submitted to the Bureau in 2017. The Bureau dedicates a sub-section to each type of consumer financial product or service about which consumers have submitted complaints. Each sub-section includes both a breakdown of the type of problem consumers selected as the problem they had with that product or service and an analysis of the problems consumers described in the complaints submitted to the Bureau.

The Bureau has long recognized that providing additional context alongside complaint data could be helpful.¹⁶ Where the Bureau or other federal regulators have published recent reports that may provide such context, the Bureau references some of those reports in the specific product or service sub-section.

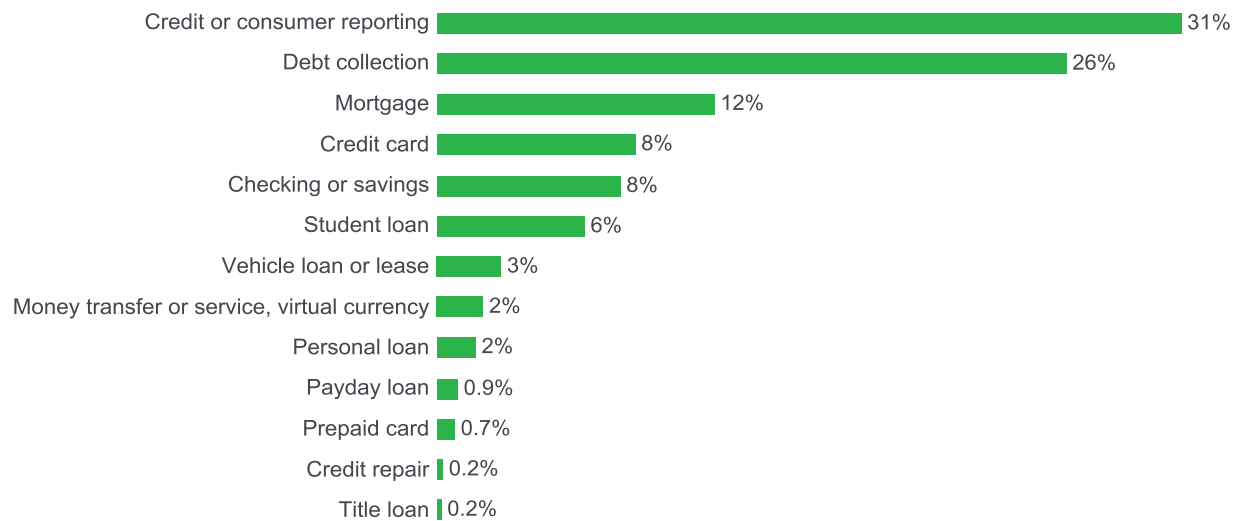
These references—or the lack thereof—should not be interpreted as an approach adopted by the Bureau. Stakeholders have provided some suggestions specific to a particular product or service. To date, the Bureau has not identified an approach to contextualize multiple products and services and markets without imposing a significant burden on companies to provide data. The Bureau continues to welcome specific suggestions or best practices from interested parties for complaint reporting, including whether the Bureau should provide more, less, or the same

¹⁶ The Bureau previously published a request for information on data normalization. *See* Request for Information Regarding the Consumer Complaint Database: Data Normalization, 80 FR 37237 (June 30, 2015).

amount of context for complaint information, particularly with regard to product or service market size and company share.¹⁷

3.1 Complaint types received in 2017

FIGURE 4: CONSUMER COMPLAINTS BY FINANCIAL PRODUCT OR SERVICE



The tables and figures presented on the following pages provide information about complaints submitted to the Bureau in 2017, including what products and services consumers complained about and the types of problems consumers selected.¹⁸

¹⁷ Request for Information Regarding Bureau Public Reporting Practices of Consumer Complaint Information, 83 FR 9499 (Mar. 6, 2018).

¹⁸ Percentages throughout this report may not sum to 100% due to rounding.

3.2 Credit or consumer reporting

The Bureau received approximately 100,000 credit or consumer reporting complaints in 2017. The Bureau sent approximately 92,500 (or 92%) of these complaints to companies for review and response. The Bureau referred 5% of the credit or consumer reporting complaints received to other regulatory agencies and found 2% to be incomplete. At the end of 2017, 0.3% of credit or consumer reporting complaints were pending with the consumer and 0.4% were pending with the Bureau.¹⁹

Complaint data can be better understood when considered in context of other data. For example, when analyzing credit or consumer reporting complaints, one possible factor to consider is the number of consumers who have a credit report. According to a 2015 Bureau report on limited credit histories, Bureau estimates suggested that approximately 208 million Americans had credit records at one of the national consumer reporting agencies, representing more than 88% of the adult population.²⁰

FIGURE 5: TYPES OF CREDIT OR CONSUMER REPORTING COMPLAINTS SUBMITTED BY CONSUMERS



¹⁹ Percentages throughout this report may not sum to 100% due to rounding.

²⁰ See Kenneth Brevoort, Philipp Grimm & Michelle Kambara, Office of Research, Consumer Fin. Prot. Bureau, *CFPB Data Point: Credit Invisibles* 12 (May 2015), available at http://files.consumerfinance.gov/f/201505_cfpb_data-point-credit-invisibles.pdf.

The majority of the credit or consumer reporting complaints consumers submitted to the Bureau involved perceived inaccuracies on consumers' credit reports. Consumer reporting companies generally handled the complaints sent to them by the Bureau like they handle trade line disputes received from consumers directly. Consumers sometimes mentioned having already attempted to resolve the inaccuracies by contacting a consumer reporting company and submitting a dispute, by contacting the company that furnished the information to the consumer reporting company, or both.

In some complaints, consumers asserted that they were victims of identity theft. Consumers also stated that they did not recognize accounts or credit inquiries on their reports and some consumers asserted that these inaccuracies were the result of identity theft. Consumers' complaints described the difficulties they encountered as they tried to resolve their identity theft claims, even when they provided—to the consumer reporting company, to the company that furnished the information to the consumer reporting company, or to both—the appropriate identity theft documentation, such as a police report.

When submitting complaints about credit inquiries, some consumers asserted that the inquiries were unauthorized or were the result of fraud. Consumers complained that they were frustrated with the consumer reporting companies' responses to their concerns about these credit inquiries. These responses generally stated that inquiries are factual records of account access and redirected consumers to dispute inquiries with creditors.

Complaints about credit scores sometimes reflected consumer confusion about different scoring ranges and methodologies. Consumers received different types of credit scores, including promotional and simulated scores, as well as scores from widely used scoring models. Consumers sometimes complained when these scores did not match scores used by their creditors. Additionally, consumers sometimes complained about the negative effects that changes to their credit reports had on their credit scores.

In 2017, a breach of consumers' data at Equifax resulted in the submission of a large volume of complaints. Some consumers complained about being affected by the breach based on the notification they had received from Equifax. Consumers also complained about the customer service they received when they attempted to set up security freezes and alerts. Other consumers complained about the terms of the complimentary identity theft service Equifax offered to affected consumers and security concerns with the breach-related website.

As required by the Fair Credit Reporting Act,²¹ this report includes information about complaints submitted by consumers about a nationwide consumer reporting agency²² related to incomplete or inaccurate information on their credit report. Of the approximately 100,000 credit or consumer reporting complaints the Bureau received in 2017, consumers submitted approximately 76,100 (76%) complaints about the three nationwide consumer reporting agencies—Equifax, TransUnion, and Experian. Tables 1 and 2 provide information about the problems consumers selected when submitting credit or consumer reporting complaints and show that consumers generally complained about the same types of problems across all three of the nationwide consumer reporting agencies.

²¹ 15 U.S.C. § 1681i(e).

²² *Id.* § 1681a(p) (“The term ‘consumer reporting agency that compiles and maintains files on consumers on a nationwide basis’ means a consumer reporting agency that regularly engages in the practice of assembling or evaluating, and maintaining, for the purpose of furnishing consumer reports to third parties bearing on a consumer’s credit worthiness, credit standing, or credit capacity, each of the following regarding consumers residing nationwide: public record information and credit account information from persons who furnish that information regularly and in the ordinary course of business.”).

TABLE 1: COMPLAINTS SENT TO NATIONWIDE CONSUMER REPORTING AGENCIES ABOUT INCORRECT INFORMATION IN CREDIT OR CONSUMER REPORT²³

	Equifax	TransUnion	Experian
Information is not mine	36%	35%	38%
Account status	21%	22%	22%
Account information incorrect	16%	17%	16%
Public record	9%	10%	8%
Personal information	7%	6%	8%
Old information reappears or never goes away	7%	8%	6%
Information is missing that should be on the report	2%	2%	2%
Information is incorrect	0.2%	0.2%	0.1%
Information that should be on the report is missing	0.1%	0%	0%
Total	100%	100%	100%

²³ Percentages throughout this report may not sum to 100% due to rounding.

TABLE 2: COMPLAINTS SENT TO NATIONWIDE CONSUMER REPORTING AGENCIES ABOUT THE COMPANY'S INVESTIGATION²⁴

	Equifax	TransUnion	Experian
Their investigation did not fix an error on your report	58%	62%	63%
Was not notified of investigation status or results	14%	12%	13%
Investigation took more than 30 days	11%	9%	9%
Difficulty submitting a dispute or getting information about a dispute over the phone	9%	9%	8%
Problem with personal statement of dispute	8%	8%	8%
Total	100%	100%	100%

3.3 Debt collection

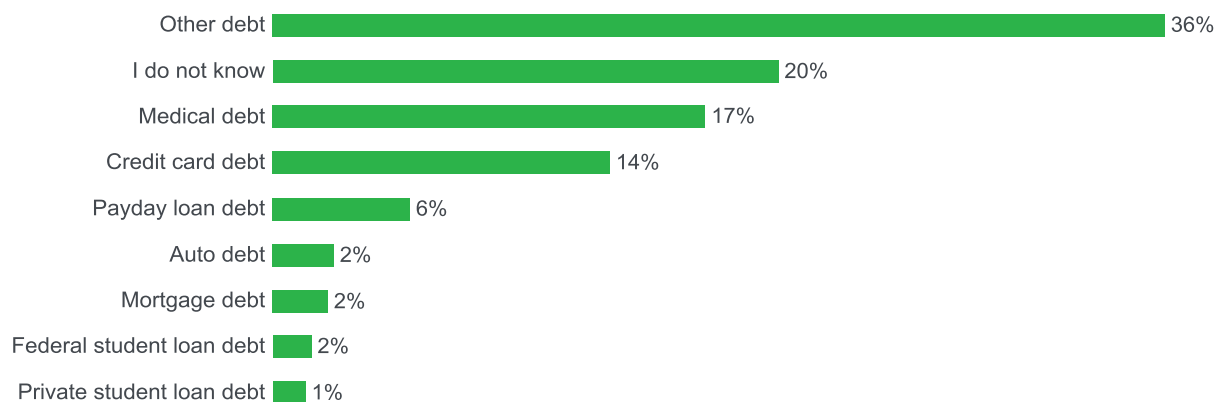
The Bureau received approximately 84,500 debt collection complaints in 2017. The Bureau sent approximately 48,800 (or 58%) of these complaints to companies for review and response. The Bureau referred 30% of the debt collection complaints received to other regulatory agencies and found 10% to be incomplete. At the end of 2017, 1% of debt collection complaints were pending with the consumer and 1% were pending with the Bureau.

Complaints about debt collection can be more meaningful when considered in context of other data, such as the total volume of outstanding debt or the total number of accounts in collection.

²⁴ Percentages throughout this report may not sum to 100% due to rounding.

As the Bureau reported in its 2018 Fair Debt Collection Practices Act Annual Report, consumer debt surpassed its 2008 peak in 2017, and much of that growth has been fueled by non-housing debt, including credit cards, student loans, and auto loans. According to the report, in 2017 alone, credit card debt rose by \$55 billion, student loan debt grew by \$68 billion, and auto loan debt increased by \$64 billion. Similarly, outstanding credit card debt continues to increase, surpassing \$800 billion for the first time ever in 2016. Additionally, about 26% of consumers with a credit file have a third-party collection trade line listed. On average, these consumers have about 3.4 collection trade lines listed on their credit reports.²⁵

FIGURE 6: TYPES OF DEBT ABOUT WHICH CONSUMERS COMPLAINED



When consumers submit debt collection complaints to the Bureau, the Bureau's complaint form requires them to select the type of debt collected. The type of debt is distinct from the type of debt collector. Consumers submitted complaints to the Bureau about creditors collecting on their own debts (i.e., first-party collectors) as well as third-party collectors. For more than half

²⁵ Consumer Financial Protection Bureau, *Fair Debt Collection Practices Act: CFPB Annual Report 2018*, (Mar. 2018), available at https://www.consumerfinance.gov/documents/6346/cfpb_fdcpa_annual-report-congress_03-2018.pdf (citations omitted).

of the debt collection complaints submitted to the Bureau, the consumer either selected *I don't know* (20%) or *other debt* (36%).²⁶

FIGURE 7: TYPES OF DEBT COLLECTION COMPLAINTS SUBMITTED BY CONSUMERS²⁷



Consumers complained about debts appearing on their credit or consumer reports without prior written notice of the existence of the debt. In these complaints, some consumers noted that they recognized neither the company reporting the debt nor the amount in collection. Some of these consumers stated that before submitting a complaint to the Bureau they had asked the debt collector for additional information about the debt and for negative information to be removed from their credit history.

Consumers also complained that they had not received written notifications about the existence of the debt. Other consumers asserted that they wrote to companies and requested additional information, but the companies did not respond. Some of these consumers described being frustrated when companies had not provided information or guidance about how to resolve the debt.

²⁶ The Bureau's complaint form requires consumers to select the type of debt from a list of options: auto debt, credit card debt, federal student loan debt, medical debt, mortgage debt, payday loan debt, private student loan debt, other debt, and I don't know. The other debt category includes types of debt that are not listed on the Bureau's complaint form.

²⁷ Percentages throughout this report may not sum to 100% due to rounding.

Consumers complained about the communication tactics companies used when attempting to collect a debt, such as frequent and repeated calls, calls before 8AM and after 9PM, and calls after the consumer requested no further telephone contact about the debt. Consumers stated in their complaints that they felt uncomfortable disclosing personal information to people who called them asking for it because they were not sure whether the person calling was a legitimate collector.

3.4 Mortgages

The Bureau received approximately 37,300 mortgage complaints in 2017. The Bureau sent approximately 31,800 (or 85%) of these complaints to companies for review and response. The Bureau referred 10% of the mortgage complaints received to other regulatory agencies and found 3% to be incomplete. At the end of 2017, 0.3% of mortgage complaints were pending with the consumer and 0.7% were pending with the Bureau.²⁸ The approximately 37,300 mortgage complaints the Bureau received in 2017 are in addition to the debt collection complaints where the consumer selected mortgage as the type of debt as described in section 3.3.

Complaint data about mortgages can be better understood in the context of other data, such as the number of loans serviced or the volume of new originations. At the end of 2017 there were nearly 96 million mortgage and home equity revolving accounts outstanding.²⁹ Mortgage

²⁸ Percentages throughout this report may not sum to 100% due to rounding.

²⁹ Center for Microeconomic Data, *Quarterly Report on Household Debt and Credit 2017:Q4*, Federal Reserve Bank of New York (Feb. 2018), available at https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/HHD_C_Report_2017Q4.xls.

delinquency rates continued a downward trend in 2017.³⁰ Mortgage originations, by contrast, increased 26.5% year-over-year.³¹

FIGURE 8: TYPES OF MORTGAGE PRODUCTS ABOUT WHICH CONSUMERS COMPLAINED³²

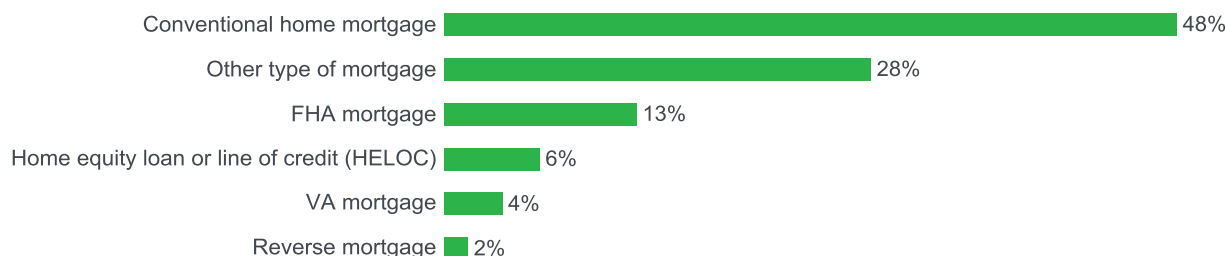
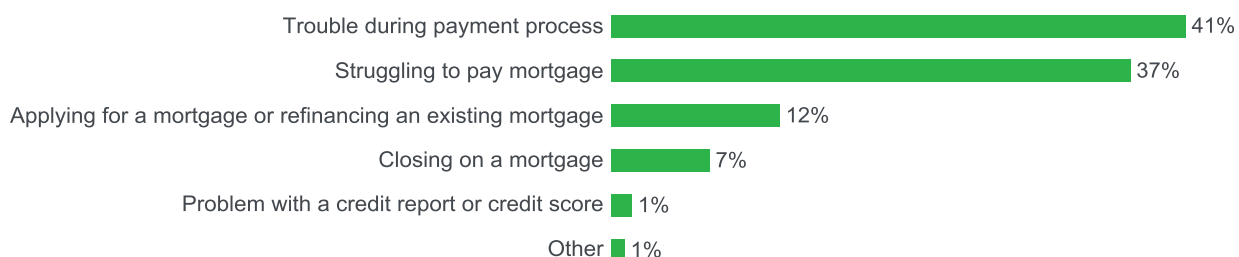


FIGURE 9: TYPES OF MORTGAGE COMPLAINTS SUBMITTED BY CONSUMERS



Consumers who submitted complaints to the Bureau described encountering a variety of problems when attempting to contact their mortgage servicers. Some consumers stated that when they called their servicers, they could not get their single point of contact on the telephone.

³⁰ See Consumer Financial Protection Bureau & Federal Housing Finance Agency National Mortgage Database, <https://www.consumerfinance.gov/data-research/mortgage-performance-trends/> (last visited Mar. 27, 2018).

³¹ See Consumer Financial Protection Bureau Consumer Credit Trends, <https://www.consumerfinance.gov/data-research/consumer-credit-trends/mortgages/> (last visited Mar. 27, 2018).

³² Percentages throughout this report may not sum to 100% due to rounding.

These consumers said that they left messages and that their servicer failed to respond. Other consumers asserted that representatives of the mortgage servicer provided inaccurate or incomplete information, or could not answer questions about their accounts.

Consumers described a range of challenges when attempting to modify their mortgage. Consumers complained that servicers requested the same documentation multiple times throughout the loss mitigation process and offered terms that were unaffordable. In addition to stating that single points of contact were difficult to reach or unresponsive, consumers described that their points of contact would often change. These changes, according to consumers, exacerbated problems with missing paperwork or unclear guidance about the loss mitigation process.

Complaints suggest that payment application and the management of escrow accounts continue to be a challenge for some consumers. Consumers described problems with their automatic payments when escrow shortages and surpluses caused a change in their monthly payment. For example, some consumers noted that their accounts became overdrawn when their monthly payment exceeded the amount expected. Other consumers described a difficult and protracted dispute process once the servicer executed automatic payments for the incorrect amounts.

Consumers also submitted complaints about mortgage servicing transfers. Some consumers described being confused when they received notice that the servicing of their loan was transferring to a new company. Following transfers, some consumers described having difficulty reconciling account balances or obtaining information related to their loan terms, including information related to their Home Equity Loan or Home Equity Line of Credit. These consumers sometimes complained that their loan account balance was inconsistent with the balance before the servicing transfer, or that they received conflicting information when they inquired about their account history.

Older consumers described their experiences with reverse mortgage servicers when trying to navigate the process to retain a property after the death of the borrower. Some non-borrowing spouses complained that after submitting requests to remain in the property following the death of a borrower, servicers were slow to acknowledge their requests and sometimes required the same documentation to be submitted multiple times. Consumers indicated that sometimes these delays resulted in foreclosures being initiated. Successors in interest stated they did not have an opportunity to purchase the property or to market and sell the property after providing documentation of proof of authority to act on behalf of the borrower's estate. Successors in

interest also reported difficulties communicating with servicers and experienced delays in navigating the process, which sometimes resulted in the initiation of foreclosure proceedings.

3.5 Credit cards

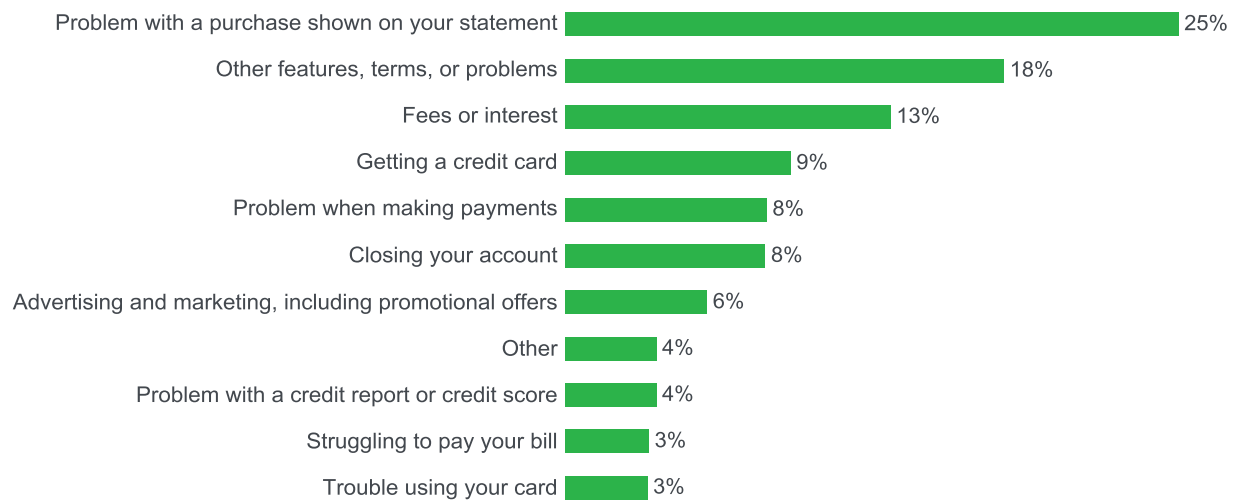
The Bureau received approximately 26,700 credit card complaints in 2017. The Bureau sent approximately 22,100 (or 83%) of these complaints to companies for review and response. The Bureau referred 13% of the credit card complaints received to other regulatory agencies and found 2% to be incomplete. At the end of 2017, 0.3% of credit card complaints were pending with the consumer and 1% were pending with the Bureau.³³ The approximately 26,700 credit card complaints the Bureau received in 2017 are in addition to the debt collection complaints where the consumer selected credit card as the type of debt as described in section 3.3.

Credit card complaint data can be better understood in the context of other data, such as the total number of consumers who have a credit card and the number of credit card accounts. A recent Bureau report on the consumer credit market stated that approximately 169 million consumers hold at least one open credit card, and that there were approximately 659 million open credit card accounts.³⁴

³³ Percentages throughout this report may not sum to 100% due to rounding.

³⁴ Consumer Financial Protection Bureau, *Consumer Credit Card Market Report 48* (Dec. 2017), available at http://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2017.pdf.

FIGURE 10: TYPES OF CREDIT CARD COMPLAINTS SUBMITTED BY CONSUMERS³⁵



Some consumers submitted complaints to the Bureau about a range of concerns related to fraudulent and unauthorized charges on their credit card accounts. Some consumers stated that they contacted the credit card company to initiate reviews of their accounts after seeing unauthorized charges, but complained that these reviews lasted for extended periods of time—sometimes lasting months. Some consumers described receiving calls and texts alerting them that fraudulent activity had been detected; however, these consumers described that they were not sure if the person calling was a representative from the company. Other consumers asserted that they had not been notified by the company of suspected fraudulent activity before the company denied a transaction at the point of sale.

Consumers complained when store-branded credit cards changed from one payment network to another. Some of these consumers stated they were unaware that their credit line would be terminated once the change occurred. Other consumers alleged that companies opened another credit line without their permission. Consumers associated these kinds of changes with observed decreases of their credit scores.

³⁵ Percentages throughout this report may not sum to 100% due to rounding.

Some consumers asserted that their credit card company failed to provide advertised promotional rewards. These reward programs provide benefits to consumers—often in the form of airline miles—once they spend a specific amount after opening their account. Consumers complained that despite reaching these spending thresholds, their credit card company did not credit the rewards to their account. In response to these complaints, companies often either credited consumers with the advertised rewards or explained to the consumer why they were not eligible for the promotion.

Consumers also complained about being billed for credit monitoring and other subscription products without their knowledge or that the company enrolled them without explaining the program and its associated monthly fees and recurring charges. Some older consumers described paying for the unwanted service for months and only learning about the charges when a family member or another trusted third party reviewed their accounts.³⁶

3.6 Checking or savings

The Bureau received approximately 24,600 checking or savings complaints in 2017. The Bureau sent approximately 20,100 (or 82%) of these complaints to companies for review and response. The Bureau referred 13% of the checking or savings complaints received to other regulatory agencies and found 4% to be incomplete. At the end of 2017, 0.3% of checking or savings complaints were pending with the consumer and 0.7% were pending with the Bureau.

Complaint data about checking or savings can be better understood in context. For example, in a 2017 Federal Reserve Bulletin, the Federal Reserve Board reported that 98% of households

³⁶ Consumer Financial Protection Bureau, *Monthly Complaint Report Vol. 23* (May 2017), available at https://www.consumerfinance.gov/documents/4806/201705_cfpb_Monthly_Complaint_Report.pdf.

reported having a checking account, savings account, money market fund, call account, or prepaid debit card in 2016.³⁷

FIGURE 11: TYPES OF CHECKING OR SAVINGS ACCOUNTS ABOUT WHICH CONSUMERS COMPLAINED

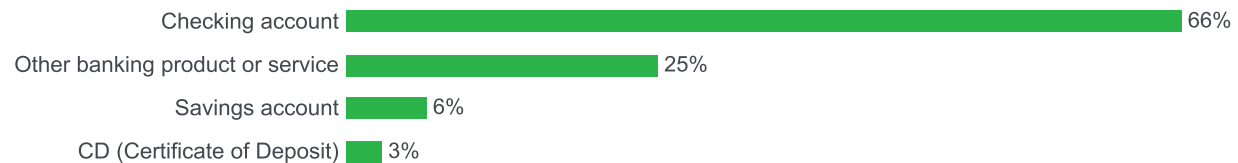
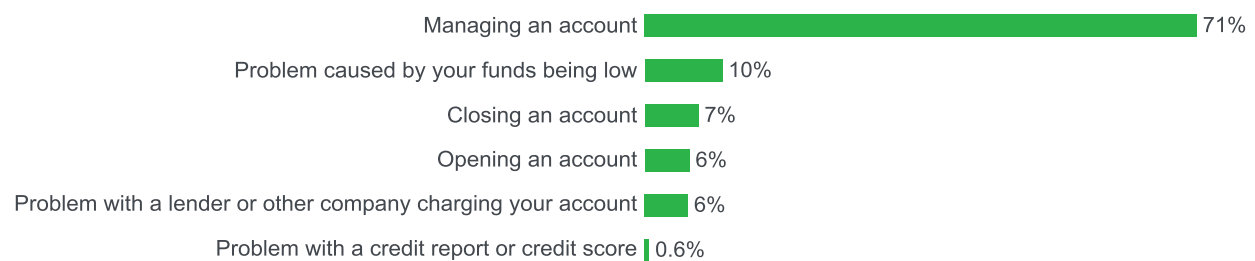


FIGURE 12: TYPES OF CHECKING OR SAVINGS COMPLAINTS SUBMITTED BY CONSUMERS³⁸



Consumers submitted complaints to the Bureau about a variety of problems with checking or savings accounts, including problems with unauthorized fund transfers, provisional crediting of accounts, stop payment of preauthorized electronic fund transfers, and resolving errors. Some consumers asserted that companies did not respond to their concerns in a timely manner. For example, some consumers complained that they did not learn about an unauthorized transfer until they received their monthly statement—at which time, the financial institution considered

³⁷ See Federal Reserve Board, *Changes in U.S. Family Finances from 2013 to 2016: Evidence from the Survey of Consumer Finances*, at 18 (Bulletin Vol. 103, No. 3, 2017), available at <https://www.federalreserve.gov/publications/files/scf17.pdf>.

³⁸ Percentages throughout this report may not sum to 100% due to rounding.

their report of the unauthorized transfer untimely. Other consumers described being frustrated by what they considered to be extensive document requests to substantiate errors.

Like credit card rewards programs, checking and savings accounts sometimes offer incentives to consumers who open accounts and maintain an account balance for some period of time. Some consumers submitted complaints after opening accounts in response to these incentives. These consumers stated that they met all the requirements of the program, but their financial institution did not apply the rewards to their account or delayed application of the rewards.

Older consumers described difficulties when their bank or credit union merged or changed its policies or products. As financial service providers continue to innovate and increase access to consumer accounts through online and mobile technologies, some older consumers expressed reluctance to move away from traditional banking methods. For example, some consumers raised concerns that checks or paper statements were no longer provided for free with their checking accounts. Other consumers raised concerns about accessing their financial information online. Some consumers described dissatisfaction with the acquiring financial institution's new policies and procedures. Older consumers sometimes requested that financial institutions make an exception and honor the terms and conditions of their original accounts.

Representatives of older consumers complained about a variety of challenges using a Power of Attorney (POA) to manage an older consumer's bank account. For example, some representatives asserted that they had to provide their financial institution a POA multiple times because the financial institution could not locate the authorization. Representatives also described financial institutions not honoring a POA unless completed and notarized on company-specific forms.

3.7 Student loans

The Bureau received approximately 19,900 student loan complaints in 2017.³⁹ The Bureau sent approximately 17,300 (or 87%) of these complaints to companies for review and response. The Bureau referred 9% of the student loan complaints received to other regulatory agencies and found 4% to be incomplete. At the end of 2017, 0.2% of student loan complaints were pending with the consumer and 0.3% were pending with the Bureau.⁴⁰ The approximately 19,900 student loan complaints the Bureau received in 2017 are in addition to the debt collection complaints where the consumer selected student loan as the type of debt as described in section 3.3.

Complaint data about student loans can be better understood in the context of other data, such as the number of outstanding loans serviced, the balance of outstanding loans, and rates of delinquency. According to a Bureau statement, student loans are now the second largest consumer credit product, with more than \$1.4 trillion in outstanding loan balances. According to the statement, more than 40 million Americans now have student loans with more than 8 million Americans in default on \$110 billion in outstanding balances.⁴¹

³⁹ Before consumers submit student loan complaints to the Bureau, the Bureau's complaint form requires them to select the type of student loan. When consumers select *federal student loan* and an issue related to financial aid eligibility or related to receiving money from a federal student loan, the Bureau directs consumers to the Department of Education.

⁴⁰ Percentages throughout this report may not sum to 100% due to rounding.

⁴¹ See Student Loan Servicing Market Monitoring Supporting Statement, Consumer Financial Protection Bureau, at 2 (Feb. 23, 2017), available at <https://www.regulations.gov/contentStreamer?documentId=CFPB-2017-0002-0002&contentType=pdf>.

FIGURE 13: TYPES OF STUDENT LOAN COMPLAINTS REPORTED BY CONSUMERS



Student loan borrowers submitted complaints to the Bureau about problems they encountered during the loan repayment process, such as problems with payment application, difficulty enrolling in payment plans and payment deferral programs, and inaccurate information on their credit reports.

Borrowers asserted that when they submitted payments for amounts greater than the balance due, their servicer did not apply the overpayment as expected. For example, some borrowers described that their servicer did not apply overpayments to specified accounts but instead applied the overpayments across all accounts. Others complained that their servicer credited overpayments intended to reduce principal balance as an early payment, resulting in their account reflecting a paid ahead status instead of paying down the principal.

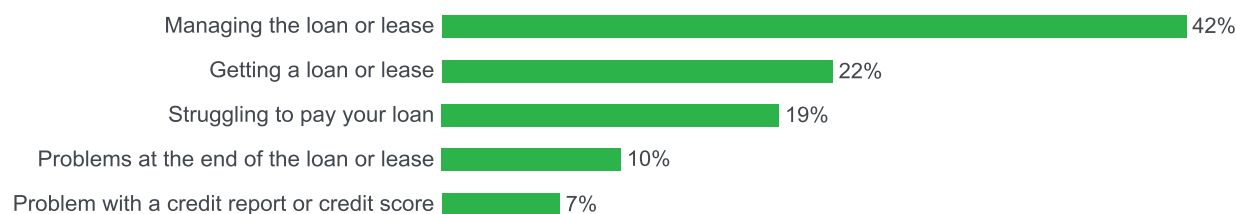
Some borrowers complained that their student loan servicer did not enroll them in a qualifying payment program for loan forgiveness. These borrowers alleged that they only learned this from the servicer after years of making payments. Some borrowers alleged that their servicer declined to enroll them in a qualifying payment program because their loan had been consolidated. Some consumers complained that the servicer's delays in enrollment and recertification in an Income Driven Repayment (IDR) plan meant that the servicer did not count their payments towards the plan's 120-payment requirement. Borrowers who are eligible for other forgiveness programs (e.g., teachers) asserted that the servicer declined to forgive their loans based on inaccurate employment data.

Some older consumers who co-signed private student loans described encountering servicing difficulties that affected their ability to repay the loan. Some co-signers complained that they did not realize that they were liable for multiple loans or that they were having trouble repaying the loan they co-signed for a child or grandchild. Some co-signers described difficulties in obtaining a co-signer release from their servicer despite satisfactory and timely repayment.

3.8 Vehicle loans or leases

The Bureau received approximately 8,600 vehicle loan or lease complaints in 2017. The Bureau sent approximately 6,000 (or 70%) of these complaints to companies for review and response. The Bureau referred 24% of the vehicle loan or lease complaints received to other regulatory agencies and found 4% to be incomplete. At the end of 2017, 0.2% of vehicle loan or lease complaints were pending with the consumer and 1% were pending with the Bureau.⁴² The approximately 8,600 vehicle loan or lease complaints the Bureau received in 2017 are in addition to the debt collection complaints where the consumer selected auto as the type of debt as described in section 3.3.

FIGURE 14: TYPES OF VEHICLE LOAN OR LEASE COMPLAINTS SUBMITTED BY CONSUMERS



Some consumers complained to the Bureau about problems related to late fees and payment application. Some consumers stated that they incurred a late fee, but did not receive a notice from their lender informing them of the fee. This lack of awareness created a variety of problems for consumers. For example, some consumers reported submitting what they believed to be full monthly payments, but later learned were partial payments—not enough to satisfy the monthly payment and the cost of the late fee. Some consumers described falling into a cycle of partial payments and late fees that cost them thousands of dollars over the course of their loan.

⁴² Percentages throughout this report may not sum to 100% due to rounding.

Consumers complained about lenders applying payments to principal and interest incorrectly. Some consumers alleged that lenders ignored their payment application instructions and applied payments in a manner inconsistent with what they had anticipated. Some consumers asserted that their lender's online payment options made it difficult to specify how payments should be applied. Consumers described needing to call their lender because it did not honor standing instructions for payment application. These consumers noted that payment misapplication resulted in longer repayment terms and a higher total cost for the loan. Some consumers asserted that without monthly paper statements, or because of confusing monthly statements, they found it difficult to manage their loan and determine whether the lender had applied their payments correctly.

3.9 Money transfers, money services, and virtual currencies

The Bureau received approximately 6,200 money transfer, money service, and virtual currency complaints in 2017. The Bureau sent approximately 4,000 (or 64%) of these complaints to companies for review and response. The Bureau referred 27% of the money transfer, money service, and virtual currency complaints received to other regulatory agencies and found 6% to be incomplete. At the end of 2017, 0.6% of money transfer, money service, and virtual currency complaints were pending with the consumer and 2% were pending with the Bureau.⁴³

⁴³ Percentages throughout this report may not sum to 100% due to rounding.

FIGURE 15: TYPES OF MONEY TRANSFERS, MONEY SERVICES, AND VIRTUAL CURRENCIES ABOUT WHICH CONSUMERS COMPLAINED

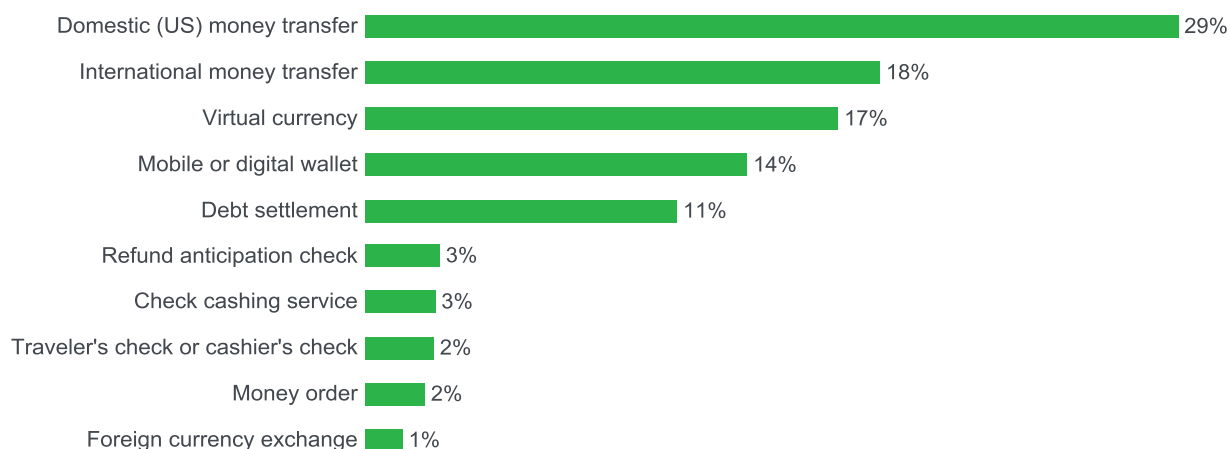


FIGURE 16: TYPES OF MONEY TRANSFERS, MONEY SERVICES, AND VIRTUAL CURRENCIES COMPLAINTS SUBMITTED BY CONSUMERS



Some consumers complained to the Bureau when money remitters placed holds on or cancelled transactions to their family and friends due to suspected fraud. These consumers alleged that money remitters held or cancelled their transactions without providing additional detail.

Consumers submitted complaints about fraudulent transfers as a result of scams. Consumers who were victims of money transfer scams—in particular, consumers who sent money to people with whom they do not have a personal relationship—reported difficulty getting their money back after they initiated the transfer.

Some consumers raised concerns about fees that companies charge for completing money transfers, such as service fees and cancellation fees. Some account holders asserted that although the company advertised transfer fee waivers for account holders, it did not waive those fees. When companies charged fees, some consumers did not understand why the amount of money sent did not equal the amount received by the recipient.

Some consumers also complained about their ability to access their virtual currency accounts. Some consumers described that difficulty logging into their accounts created delays, preventing them from making timely transactions during periods of rapid and large currency value fluctuations. Consumers asserted that although their virtual currency account provider represented that account holders would be able to access their funds within 48 hours following a trade, virtual currency exchanges delayed the release of their funds for longer periods—sometimes for more than one week.

3.10 Personal loans

The Bureau received approximately 5,200 personal loan complaints in 2017. These complaints are about installment loans, personal lines of credit, and pawn loans. The Bureau sent approximately 3,100 (or 59%) of these complaints to companies for review and response. The Bureau referred 33% of the personal loan complaints received to other regulatory agencies and found 6% to be incomplete. At the end of 2017, 0.4% of personal loan complaints were pending with the consumer and 2% were pending with the Bureau.

FIGURE 17: TYPES OF PERSONAL LOANS ABOUT WHICH CONSUMERS COMPLAINED



FIGURE 18: TYPES OF PERSONAL LOAN COMPLAINTS SUBMITTED BY CONSUMERS⁴⁴



Some consumers complained to the Bureau about obtaining personal loans. Consumers described receiving conflicting information from their lender when attempting to obtain personal loans, such as the lender changing the documentation and application requirements during the process. For example, some consumers alleged that the lender told them that they would receive a loan if they obtained a credit-worthy co-signer; however, even after obtaining a qualified co-signer, the lender still denied their application, citing their personal credit histories. Some consumers with limited English proficiency reported difficulty in the application process because lenders did not have staff members who could communicate with non-English speakers.

3.11 Payday loans

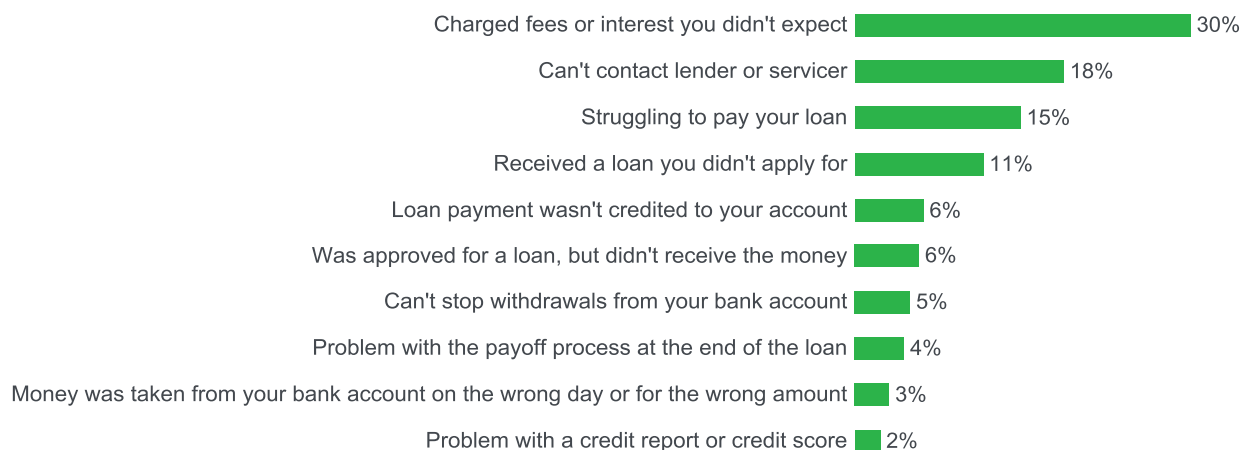
The Bureau received approximately 2,900 payday loan complaints in 2017. The Bureau sent approximately 1,600 (or 54%) of these complaints to companies for review and response. The

⁴⁴ Percentages throughout this report may not sum to 100% due to rounding.

Bureau referred 34% of the payday loan complaints received to other regulatory agencies and found 10% to be incomplete. At the end of 2017, 0.8% of payday loan complaints were pending with the consumer and 2% were pending with the Bureau.⁴⁵ The approximately 2,900 payday loan complaints the Bureau received in 2017 are in addition to the debt collection complaints where the consumer selected payday loan as the type of debt as described in section 3.3.

Complaint data about payday loans can be better understood in context, such as the number of consumers who use payday loans. The Bureau noted that there are various estimates of the number of consumers who use payday loans on an annual basis. One survey cited by the Bureau found that 2.5 million households (2% of U.S. households) used payday loans in 2015. Another report cited by the Bureau estimated the number of individual borrowers, rather than households, was higher at approximately 12 million annually. The Bureau estimated that in 2012, storefront payday lenders held approximately \$2 billion in outstanding single-payment loans.⁴⁶

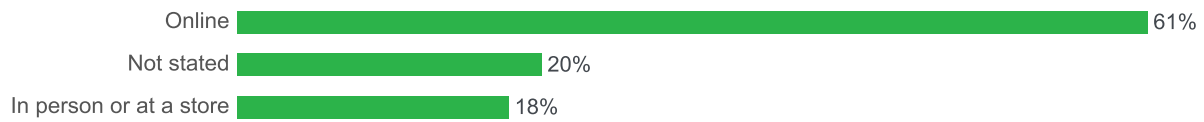
FIGURE 19: TYPES OF PAYDAY LOAN COMPLAINTS SUBMITTED BY CONSUMERS



⁴⁵ Percentages throughout this report may not sum to 100% due to rounding.

⁴⁶ Payday, Vehicle Title, and Certain High-Cost Installment Loans, 82 FR 54472, 54479 (Nov. 17, 2017).

FIGURE 20: TYPES OF PAYDAY LOANS ABOUT WHICH CONSUMERS COMPLAINED⁴⁷



Of the approximately 2,900 payday loan complaints received by the Bureau, 61% were submitted by consumers about problems related to an online payday loan and 18% were about problems related to a storefront or in person loan. For the remaining 20% of complaints, the consumer did not indicate the source of the loan.

⁴⁷ Percentages throughout this report may not sum to 100% due to rounding.

TABLE 3: TYPES OF PAYDAY LOAN COMPLAINTS SUBMITTED BY CONSUMERS BY SOURCE OF LOAN⁴⁸

	Online	In person or at a store	Not stated
Charged fees or interest you didn't expect	70%	16%	14%
Can't contact lender or servicer	49%	17%	33%
Struggling to pay your loan	61%	28%	10%
Received a loan you didn't apply for	43%	9%	47%
Loan payment wasn't credited to your account	63%	25%	12%
Was approved for a loan, but didn't receive the money	71%	9%	20%
Can't stop withdrawals from your bank account	76%	19%	4%
Problem with the payoff process at the end of the loan	71%	24%	6%
Money was taken from your bank account on the wrong	64%	25%	10%
Problem with a credit report or credit score	41%	24%	35%

Some consumers complained to the Bureau about the costs of payday loans. Consumers described being surprised by high interest rates charged on these loans and many claimed to have annual interest rates of up to several hundred percent. Consumers stated that they were unaware of the how the interest would accrue over time when they took out the loans and that

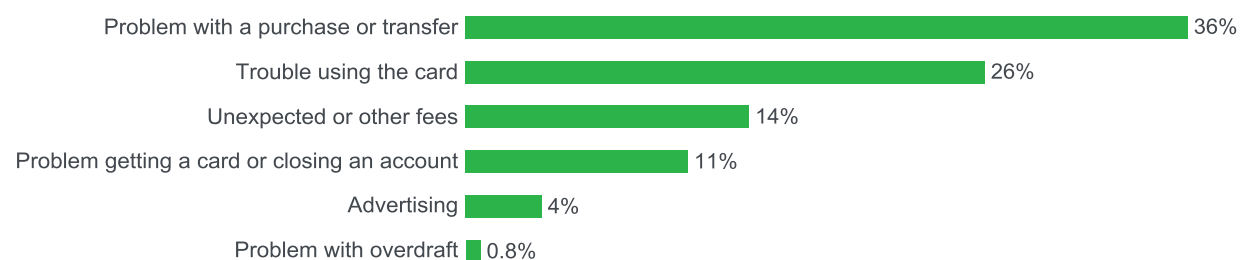
⁴⁸ Percentages throughout this report may not sum to 100% due to rounding.

this made it difficult for them to repay the loans. Some consumers described that they had already paid back multiples of what they had originally borrowed.

3.12 Prepaid cards

The Bureau received approximately 2,300 prepaid card complaints in 2017. The Bureau sent approximately 1,250 (or 54%) of these complaints to companies for review and response. The Bureau referred 37% of the prepaid card complaints received to other regulatory agencies and found 6% to be incomplete. At the end of 2017, 0.7% of prepaid card complaints were pending with the consumer and 2% were pending with the Bureau.⁴⁹

FIGURE 21: TYPES OF PREPAID CARD COMPLAINTS SUBMITTED BY CONSUMERS



Consumers complained to the Bureau about unauthorized transactions on prepaid cards. Some consumers complained about not being able to access funds while they waited for the prepaid card provider to complete its investigation. Other consumers criticized their provider's dispute process and asserted that the provider held them responsible for transactions they did not complete. Consumers who use prepaid cards for payroll, unemployment benefits, and other income to support everyday expenses, described negative consequences of these waiting periods and dispute outcomes in their complaints.

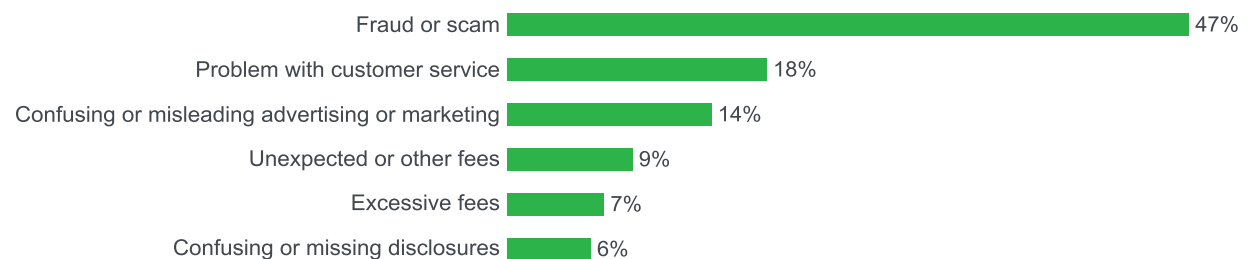
⁴⁹ Percentages throughout this report may not sum to 100% due to rounding.

Consumers submitted complaints about fees their provider charged on their prepaid cards, such as activation fees, monthly inactivity fees, and other service fees. Some consumers stated that the provider did not clearly disclose these fees when they purchased the cards. Consumers described attempting to use the card at a point of sale or checking the value of the card only to discover that fees charged by the provider had depleted most of the card's value.

3.13 Credit repair

The Bureau received approximately 800 credit repair complaints in 2017. The Bureau sent approximately 300 (or 38%) of these complaints to companies for review and response. The Bureau referred 44% of the credit repair complaints received to other regulatory agencies and found 10% to be incomplete. At the end of 2017, 2% of credit repair complaints were pending with the consumer and 5% were pending with the Bureau.⁵⁰

FIGURE 22: TYPES OF CREDIT REPAIR COMPLAINTS SUBMITTED BY CONSUMERS



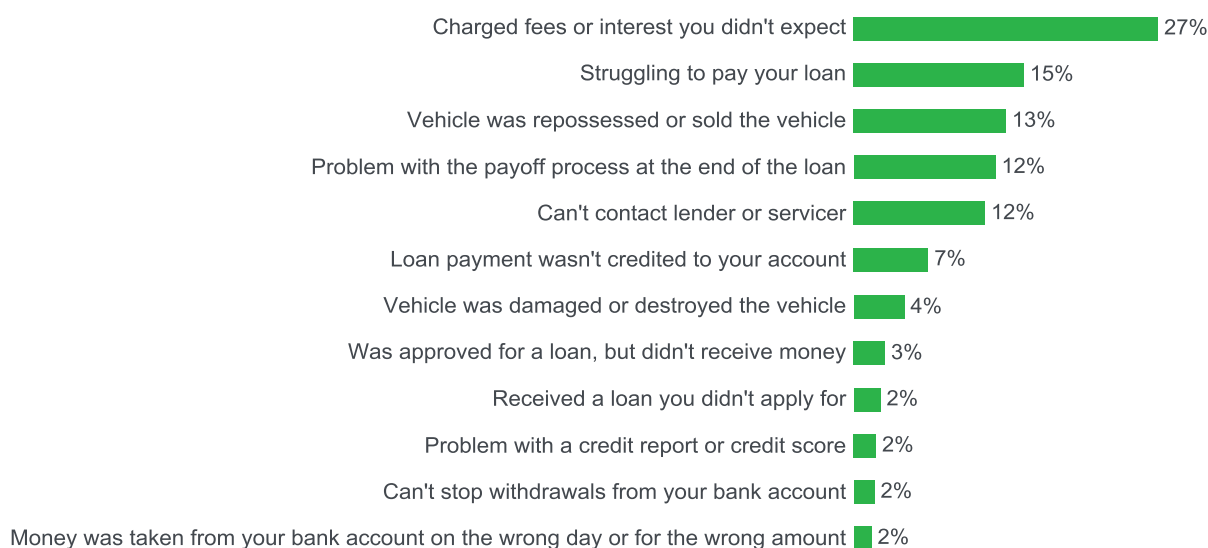
Consumers submitted credit repair complaints to the Bureau asserting that the company did not deliver on its advertised promises to fix credit reports and improve credit scores. These consumers stated that although they paid fees to companies to render these services, the services did not result in improved credit reports or increased credit scores.

⁵⁰ Percentages throughout this report may not sum to 100% due to rounding.

3.14 Title loans

The Bureau received approximately 500 title loan complaints in 2017. The Bureau sent approximately 350 (or 69%) of these complaints to companies for review and response. The Bureau referred 22% of the title loan complaints received to other regulatory agencies and found 5% to be incomplete. At the end of 2017, 1% of title loan complaints were pending with the consumer and 3% were pending with the Bureau.

FIGURE 23: TYPES OF TITLE LOAN COMPLAINTS SUBMITTED BY CONSUMERS⁵¹



Consumers submitted complaints to the Bureau about title loans that described their surprise at the high interest rates charged by their lender and the length of time it would take to repay the loan. Some consumers stated that they had been paying their loans for years, but were making little progress towards paying the loan in full. Consumers asserted that unanticipated fees

⁵¹ Percentages throughout this report may not sum to 100% due to rounding.

charged by their lender contributed to these loans being more expensive than expected, such as late fees that were several percentage points of the loan amount. Consumers also described that after missing a few payments, the lender extended the repayment term. These consumers noted that that they would now pay more over the life of the loan than they had expected.

4. Complaint Resolution

The Bureau sent approximately 249,200 (or 78%) of the approximately 320,200 complaints received in 2017 to companies for review and response. The Bureau referred 16% of the complaints received to other regulatory agencies and found 5% to be incomplete.⁵² At the end of 2017, 1% of the complaints were pending with the consumer or the Bureau. Companies responded to approximately 95% of complaints that the Bureau sent to them in 2017 and reported closing 89% of these complaints. Table 16 shows how companies responded.

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,”⁵³ “In progress,” and 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” indicates that the steps taken by the company in response to the complaint include other objective or verifiable relief to the consumer. “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

⁵² Dodd-Frank Act, *supra* note 1, § 1013(b)(3)(A) (“The Director shall coordinate with the Federal Trade Commission or other Federal agencies to route complaints to such agencies, where appropriate.”).

⁵³ In April 2017, based on feedback from stakeholders, the Bureau discontinued “Closed” as a response category.

the complaint. Examples of non-monetary relief to consumers include: mortgage foreclosure alternatives that help consumers keep their home; stopping unwanted calls from debt collectors; correcting consumers' credit reports; restoring or adjusting a credit line; correcting account information, including in credit reports; and addressing formerly unmet customer service issues.

“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. Companies provide an “Administrative Response” when further review by the Bureau may be needed. The Bureau provides consumers the opportunity to review and share feedback about companies’ responses to their complaints.

TABLE 4: HOW COMPANIES HAVE RESPONDED TO CONSUMER COMPLAINTS⁵⁴

	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Closed	Administrative response	Company reviewing	Company did not provide a timely response
Credit or consumer reporting	<1%	15%	72%	<1%	2%	9%	2%
Debt collection	<1%	10%	77%	2%	2%	4%	5%
Mortgage	3%	3%	84%	<1%	4%	5%	1%
Credit card	16%	10%	66%	<1%	2%	5%	1%
Checking or savings	21%	4%	65%	<1%	2%	5%	3%
Student loan	1%	4%	90%	<1%	<1%	3%	1%
Vehicle loan or lease	5%	7%	78%	1%	1%	4%	4%
Money transfer or service, virtual currency	7%	6%	70%	<1%	2%	12%	2%
Personal loan	7%	5%	73%	<1%	3%	5%	7%
Payday loan	4%	1%	72%	<1%	8%	3%	11%
Prepaid card	29%	2%	61%	<1%	2%	6%	2%
Title loan	3%	11%	73%	<1%	2%	5%	5%
Credit repair	5%	4%	72%	<1%	4%	6%	8%
All	4%	10%	75%	<1%	2%	6%	3%

⁵⁴ Percentages throughout this report may not sum to 100% due to rounding.

5. Conclusion

In 2017, Consumer Response continued to analyze consumer complaints, company responses, and consumer feedback. This work enables Consumer Response to assess the accuracy, completeness, and timeliness of company responses, and also ensures that the Bureau and other regulators have useful information about consumer complaints concerning financial 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. These efforts—and the information shared by consumers and companies throughout the complaint process—informed this analysis. Complaints help the Bureau in its work to regulate consumer financial products and services under existing federal consumer financial laws, enforce those laws judiciously, and educate and empower consumers to make better informed financial decisions.