

Consumer Financial Protection Bureau Announces Final Policy On Publication Of Detailed Consumer Complaints

March 26, 2015

On March 19, the Consumer Financial Protection Bureau ("the Bureau") published a final policy statement ("the Statement") announcing its plans to disclose details of consumer complaints on its public consumer complaint database. Consumers have been able to file complaints with the Bureau since 2011. The Bureau screens them for completeness, determines whether they should be submitted to another regulator, for example, the FDIC or OCC, and submits them to the company for response. A company has 15 days to provide an initial response, including verifying that there is a commercial relationship between it and the consumer, and up to 60 days to provide a final response. Complaints are also reviewed by the Bureau's investigative staff. Thus, many of the Bureau's investigations and subsequent enforcement orders were triggered initially by a volume of consumer complaints against a particular company. The Bureau has processed over 550,000 complaints as of March 1, 2015. The Bureau's web-based [public database](#), launched in 2012, lists complaints about credit cards, mortgages, bank accounts, vehicle and other consumer loans, credit reporting, prepaid cards, and debt collection. If the Bureau finds a complaint is facially complete, it publishes it on the database after the company confirms a business relationship with the consumer, or 15 days after the company was provided with the complaint, whichever occurs first. Complaint data currently published includes basic information, i.e., the company name, product type, consumer's zip code, and a general description of the complaint, for example, "billing dispute," "loan modification/foreclosure," or "transaction issue." The information can be sorted and searched by any of these variables. Thus, all complaints against a particular company can be instantly accessed. Narrative details provided by the consumer of the events leading up to the complaint, are not currently made public, but soon will be, according to the Statement. The Bureau first proposed publishing narrative [detail of consumer complaints in July 2014](#). Comments were accepted for 60 days thereafter. Not surprisingly, consumer groups favored the proposal, subject to the consumer's right to opt in to publication and removal of individual consumer information. Industry opposed it, asserting that publication of

unverified consumer narratives could lead to erroneous conclusions, for example, portraying the complaints as validated by the Bureau, and cause unfair reputational damage. Companies also pointed out that laws restricting their rights to disclose consumer information would hamper their ability to adequately respond publicly. The Bureau concluded in the [Statement](#) that publishing unstructured consumer narrative describing the events that led to the complaint, as well as company responses, would provide consumers with helpful information, improve transparency, and assist in the detection of destructive patterns of, for example, unfair or deceptive practices. To address privacy concerns, the narrative would not be published unless the consumer opts in and his or her personal information is scrubbed. Thus, the identity of the company subject to the complaint and the consumer's version of the events that led to it will be public, but the identity of the consumer will not. Companies will be permitted (but not required) to submit narrative responses to the complaint for publication, with the consumer's personally identifiable information removed. However, the Bureau acknowledged industry concerns that companies would be limited in their ability to provide unstructured responses with adequate detail by legal and business considerations, as well as laws such as Gramm-Leach Bliley and the Fair Credit Reporting Act. To accommodate these concerns, the Bureau intends to develop and provide a "finite list of structured responses" from which a company can choose, at its option, to serve as its public response to be shared on the database. The Bureau opined that giving companies the option to provide a structured response would relieve them of having to assess the level of detail to include in a narrative response while protecting consumer privacy, and reduce the reputational and legal risk of publishing a narrative. Thus, companies will have the option of providing both a private, to consumer, narrative response, and a public-facing structured response. The consumer narrative will not be published on the database until the company provides its public facing response, but no later than 60 days after the company receives the complaint. According to the Statement, publication of narrative complaint data will not begin until 90 days after publication in the Federal Register. The Bureau will add the list of structured responses that companies may use for public responses to the secure web portal where they respond to complaints.

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