

Consumer Complaints Break Records

CFPB Must Take Powerful Action To Protect Consumers In Pandemic

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Introduction

On the 10th anniversary of the Consumer Financial Protection Bureau's (CFPB) establishment as a centerpiece of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (the law passed on 21 July 2010 and the Bureau opened its doors one year later), we look at the latest results from the CFPB's public Consumer Complaint Database.¹ The complaint database is a jewel of the CFPB's available tools to make financial markets work better.

Despite a long-running campaign by CFPB opponents to eliminate the public consumer complaint database, it has survived the change in administrations. In September 2019, CFPB Director Kathy Kraninger announced that the CFPB database would remain public.²

By law,³ two primary missions of the CFPB are providing consumers with "timely and understandable information to make responsible decisions about financial transactions," and ensuring that "markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation." The CFPB's public Consumer Complaint Database helps accomplish both missions.

This snapshot finds that, as the COVID-19 pandemic wreaks havoc on the financial situations of millions of Americans, consumer complaints to the CFPB have spiked to record levels. We note that the CFPB has reported similar results during this time of

¹ Access the database at <https://www.consumerfinance.gov/data-research/consumer-complaints/>

² U.S. PIRG Release, "Good news for consumers: A big database of consumer complaints will stay public," 3 October 2019, available at <https://uspirg.org/blogs/news-briefs/usp/good-news-consumers-big-database-consumer-complaints-will-stay-public>

³ CFPB's "Purpose, objectives and functions," available at [https://uscode.house.gov/view.xhtml?req=\(title:12%20section:5511%20edition:prelim\)](https://uscode.house.gov/view.xhtml?req=(title:12%20section:5511%20edition:prelim))

unprecedented financial uncertainty; the CFPB must take powerful action to protect consumers in the financial marketplace.⁴

Yet, rather than expanding its consumer protection mission, the CFPB has weakened consumer protections since the start of the pandemic. On 7 July, it weakened protections against predatory payday lenders.⁵ The CFPB also issued recent guidances to firms, including consumer reporting agencies, that it will not enforce certain consumer law violations during the pandemic.⁶ Further, the CFPB rejected consumer organization requests to halt all regulatory actions not related to helping consumers during the pandemic, including to halt the work of a deregulatory “Task Force on Federal Consumer Law.” In response, groups including our sister organization U.S. PIRG sued the CFPB over the illegal establishment and structure of that Task Force.⁷

⁴ CFPB Presentation, “Joint Advisory Committee Meeting Presentations,” 1 May 2020, available at https://files.consumerfinance.gov/f/documents/cfpb_presentations_combined-advisory-committee-meeting_2020-05.pdf

⁵ U.S. PIRG Release, “CFPB Greenlights Predatory Payday Loans Amid COVID-19 Pandemic,” 7 July 2020, available at <https://uspirg.org/news/usp/cfpb-green-lights-predatory-payday-loans-amid-covid-19-pandemic>;

CFPB Release, “CFPB Issues Final Rule On Small Dollar Lending,” 7 July 2020, available at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-final-rule-small-dollar-lending/>

⁶ CFPB Release, “CFPB Issues Credit Reporting Guidance During COVID-19 Pandemic,” 1 April 2020, available at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-credit-reporting-guidance-during-covid-19-pandemic/>

⁷ U.S. PIRG Release, “Consumer Advocates Sue CFPB For Granting Financial Services Industry Illegal Influence Over Consumer Protection Policy,” 16 June 2020, available at <https://uspirg.org/news/usp/consumer-advocates-sue-cfpb-granting-financial-services-industry-illegal-influence-over>

Complaint data suggest that the pandemic has created increasing problems for consumers in the financial marketplace

An analysis of the Consumer Complaint Database shows that complaints about financial products have risen dramatically over the last four months — with many complaints explicitly mentioning the COVID-19 pandemic.⁸

Complaints have seen a dramatic increase during the pandemic

Since the beginning of the pandemic in March 2020, public complaints have skyrocketed, each month setting a new record for monthly complaint volume since the launch of the database in 2011.

Table 1. Total complaints for March through June set a new record each month of the pandemic

Month (2020)	Complaints
March	30,326
April	34,930
May	36,971
June	37,286
Total	139,513

⁸ Data analysis based on a July 14th download of consumer complaints from 1 January 2019 - 30 June 2020. Note: Downloads on later dates will yield slightly higher numbers as the Bureau may post additional complaints based on “date received,” after more complained-about firms complete responses to the Bureau. Complaints available in the public database also differ from those assessed by CFPB-produced reports, including the CFPB’s latest Complaint Bulletin report (16 July 2020).

Figure 1. Complaint levels during the pandemic are up 50% over complaint levels March-June 2019.

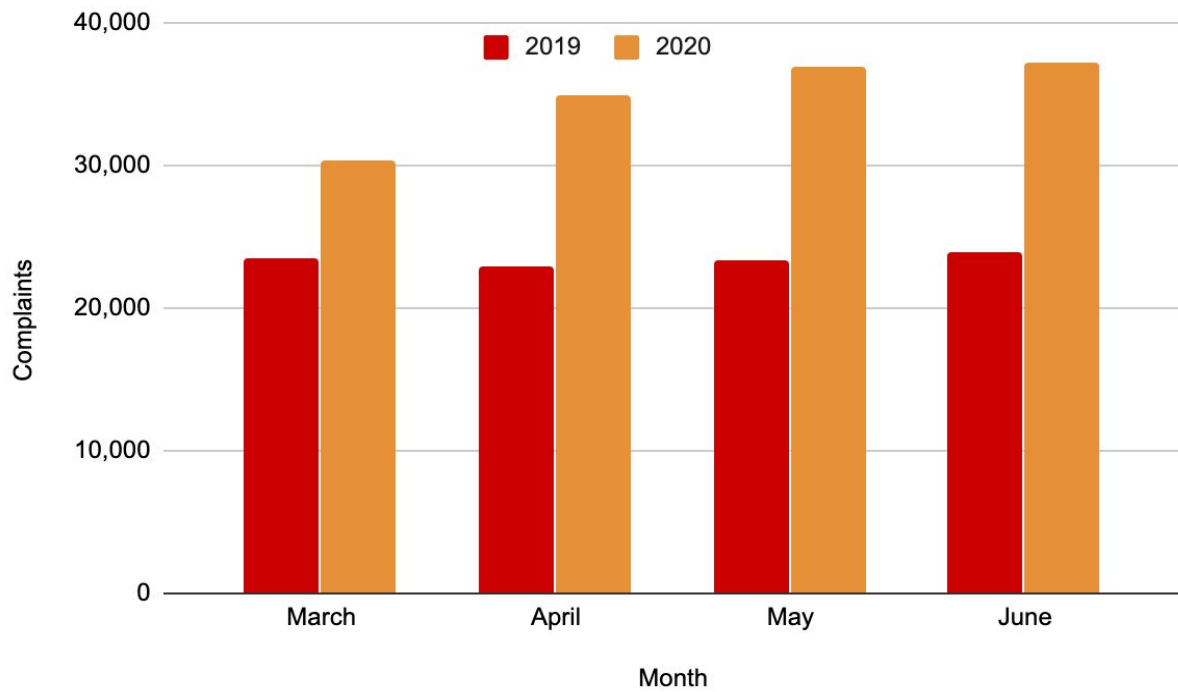
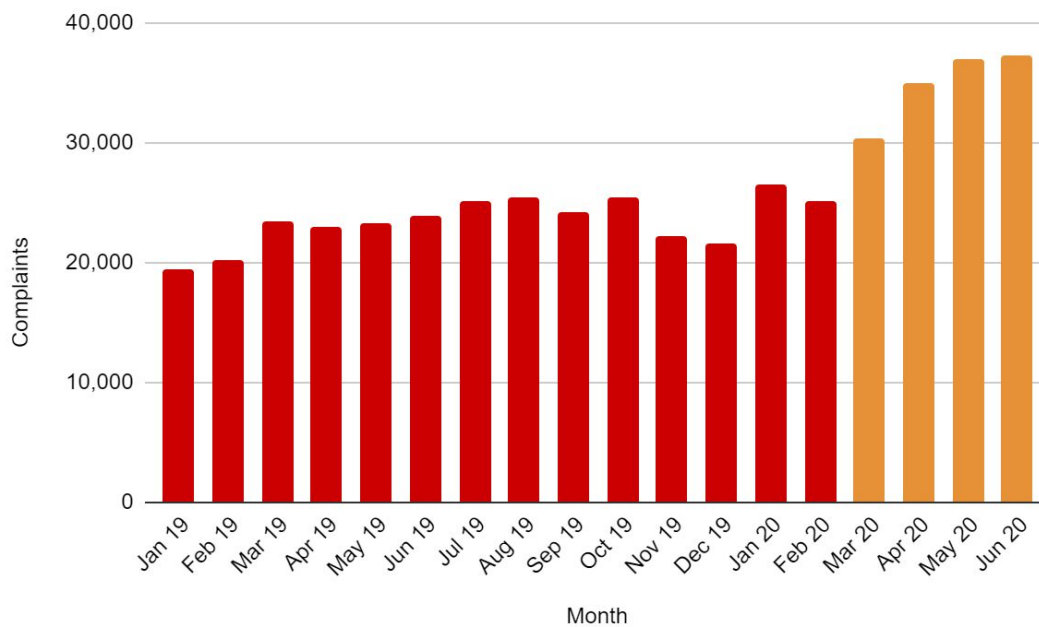


Figure 2. The CFPB received a record number of complaints in March, and complaint volume has increased each month since



Complaints have increased most dramatically compared to 2019 for certain financial products and services. Complaints about credit reporting, the most complained about financial product in the Consumer Complaint Database, increased by 86% from March-June 2019 to March-June 2020 (the pandemic period). The same time period in 2020 has also seen a dramatic increase over 2019 in complaints concerning money transfers and credit cards.

Table 2. Complaints by product for March through June, 2019 and 2020

Product	Complaints for March through June by product		
	2019	2020	Change
Credit reporting, credit repair services, or other personal consumer reports	45,722	85,185	86%
Money transfer, virtual currency, or money service	1,690	2,958	75%
Credit card or prepaid card	8,674	11,753	35%
Vehicle loan or lease	1,907	2,179	14%
Payday loan, title loan, or personal loan	1,396	1,567	12%
Checking or savings account	7,329	7,935	8%
Debt collection	16,396	17,391	6%
Mortgage	7,800	8,093	4%
Student loan	2,614	1,646	-37%

Consumers filing a complaint about a “product” can select the “issue” that best describes their problem with the company. Complaint volumes over the last four months for many issues have increased dramatically compared to March through June of 2019. Among issues with at least 500 complaints in March through June of 2020, five issues had increases of more than 70% compared to 2019, led dramatically by two credit card issues, “Problem getting a card or closing an account” at 608% and “Trouble using the card” at 367%.

Table 3. Top 10 issues by complaint increase over March-June 2019

Product	Issue	2019	2020	Change
Credit card or prepaid card	Problem getting a card or closing an account	98	694	608%
Credit card or prepaid card	Trouble using the card	118	551	367%
Credit reporting, credit repair services, or other personal consumer reports	Incorrect information on your report	28482	59883	110%
Money transfer, virtual currency, or money service	Other transaction problem	300	578	93%
Mortgage	Applying for a mortgage or refinancing an existing mortgage	703	1218	73%
Credit reporting, credit repair services, or other personal consumer reports	Problem with a credit reporting company's investigation into an existing problem	10569	17824	69%
Credit card or prepaid card	Problem with a purchase shown on your statement	2129	3022	42%
Credit reporting, credit repair services, or other personal consumer reports	Problem with fraud alerts or security freezes	809	1104	36%
Credit card or prepaid card	Fees or interest	1030	1352	31%
Credit card or prepaid card	Closing your account	634	803	27%

Complaints often mention the COVID-19 pandemic

Consumer complaint narratives - the story behind a complaint in a consumer's own words - often make explicit mention of the COVID-19 pandemic. Among all complaint narratives published since March, more than 7 percent mention a key word associated with the pandemic.⁹ And more than one in five narratives concerning mortgages, student loans, and vehicle loans and leases mention the pandemic.

⁹ Based on a text search of the Consumer Complaint Database for narratives containing the words COVID, coronavirus, pandemic, or CARES Act.

Table 4. Many consumer complaints make explicit mention of the COVID-19 pandemic¹⁰

Product	Published complaint narratives since 1 March 2020	Complaint narratives containing COVID term	% of narratives mentioning COVID
Mortgage	3276	738	23%
Student loan	695	152	22%
Vehicle loan or lease	865	179	21%
Payday loan, title loan, or personal loan	615	118	19%
Credit card or prepaid card	4537	759	17%
Checking or savings account	2260	308	14%
Money transfer, virtual currency, or money service	931	102	11%
Debt collection	6261	303	5%
Credit reporting, credit repair services, or other personal consumer reports	27819	731	3%
Total	47259	3390	7%

¹⁰ Based on a text search of the Consumer Complaint Database for narratives containing the words COVID, coronavirus, pandemic, or CARES Act.

Results and Recommendations

The record increases in consumer complaints and the number of complaint narratives mentioning the pandemic are cries for help from families hit twice: first, with real fear of the pandemic's health hazards and, second, by its accompanying financial crisis causing massive job layoffs and income losses. These complaints suggest that, even as consumers face this double-punch, consumers continue to face tricks and traps in the financial marketplace and -- and badly need additional protection from unfair or abusive financial practices by companies.

The record number of complaints also indicates a need for the agency established after the last financial crisis to take more powerful actions to protect consumers from unfair financial practices.

We described the power of the database and the complaint tool in a report in April:

“The Bureau’s consumer complaints — a direct glimpse into consumers’ most pressing issues with financial firms’ practices — help inform the Bureau’s supervisory, enforcement, and rulemaking functions. [...] The Bureau also shares complaint data publicly through a dashboard and regular reporting. Through its regular analysis of complaints reported to the CFPB, the Bureau studies the breakdowns that consumers submit to identify patterns that, in turn, directly influence the rest of the Bureau’s work. [...] Consumers, advocates, and government officials can search through the public Consumer Complaint Database to get a better snapshot of problems consumers face as they are captured in the complaints.”¹¹

Recommendations to the CFPB and policymakers

A recent white paper and a recent report provide a roadmap to the CFPB for powerful actions it should take to respond to the pandemic.

¹¹ See report “Putting Consumers First: The Missing Voice in the CFPB’s Coronavirus Response,” U.S. PIRG Education Fund, Student Borrower Protection Center, and Consumer Action, 24 April 2020, available at <https://uspig.org/reports/usp/putting-consumers-first>

A **white paper**¹² to CFPB director Kathy Kraninger from former director Rich Cordray and two former CFPB colleagues makes a series of policy recommendations to address the COVID-19 crisis.

A recent **joint report**¹³ by U.S. PIRG Education Fund, Student Borrower Protection Center, and Consumer Action recommends changes to the CFPB's complaint process, including the public database, to improve its response to the pandemic.

Recommendation to consumers

File a complaint: Submit a complaint at consumerfinance.gov/complaint. Your public complaint will put pressure on the firm to help you; it will also help the CFPB determine patterns and practices of illegal behavior that require enforcement action. It will also help outside researchers determine marketplace trends requiring attention.

Conclusion

On April 6, the CFPB's original director Rich Cordray issued a white paper addressed to current CFPB Director Kathy Kraninger with recommendations for protecting consumers during this crisis.¹⁴ He concluded:

"It is in difficult times that strong consumer protections are needed the most. The CFPB is well positioned to make a difference for large numbers of Americans, but it must confront the circumstances and act immediately to mitigate the harmful effects of this crisis."

We concur. The record number of consumer complaints during the pandemic is more than a warning that families are suffering losses of income; it is a clarion call for the CFPB to take powerful action to protect consumers.

Rather than weakening protections, the CFPB must dramatically ramp up its efforts to enforce rules that keep consumers safe in the financial marketplace, and when appropriate create new rules for ensuring consumers are treated fairly. It should focus on consumers who are most at

¹² Rich Cordray, Diane Thompson and Christopher Peterson, "White Paper: Immediate Actions For CFPB To Address COVID-19 Crisis," 6 April 2020, available at <https://medium.com/@RichCordray/cfpbwhitepaper-193a5aed0d75>

¹³ See footnote 11.

¹⁴ See footnote 12.

risk: Including those at risk of losing their homes, apartments, or vehicles; those who are suffering credit damage that could harm their financial futures; and those who are turning to lenders or other sources of credit to get through difficult financial times. The CFPB was created in the wake of the 2008 financial crisis for times such as these. In this time of unprecedented financial risk for consumers, the CFPB must step up to provide consumers with the help they need.

Appendix: Consumer voices

Looking at consumer narratives tells a story that is different from what the financial industry wants you to hear about its response to the pandemic. The following (verbatim) narratives can also be viewed on the CFPB Consumer Complaint Database by clicking on each footnote.

Credit card customer (6/26):¹⁵ “I called Citibank twice during this pandemic to describe my hardship. I answered 4 phone calls from them when they called to tell me my bill was past due. On each of the 6 conversations I had with them each representative told me it was nothing they could do. The interest is mounting. I dont have the income to pay the bill and its a horrible position to put me in. My credit score went from XXXX to XXXX because of Citibank credit cards reporting and Unwillingness to help me during this difficult time.”

Small business credit card customer (6/10):¹⁶ “We XXXX a XXXX and as of XX/XX/XXXX of this year we were forced to close down due to the COVID-19 pandemic. We had attempted to provide take out and delivery and it was no success at all. We have had no income for 3 months. We have two business credit cards with US Bank and have requested a deferral for the three months we have been closed down. We called and finally reached someone to speak to on XX/XX/XXXX. Before that time the hold times were beyond 45 minutes and we could not reach a live person. When we spoke on XX/XX/XXXX the operator stated she would defer until XX/XX/XXXX. When we called today to discuss the account, we were told it was 78 days in arrears and they would not work with us because the payments were late. They have no programs for deferment. We have a history of paying on time that lasted more than 8 years. All we are asking for is a three month deferment and to take back the negative report on the credit record. We are opening the XXXX on the XXXX of this month. After a couple of weeks we should be back on our feet.”

Homeowner (6/29):¹⁷ “Hello, I entered into a COVID-19 mortgage forbearance agreement with my XXXX XXXX XXXX XXXX, Select Portfolio Service (<https://www.spservicing.com/>) and was told that they would likely add the missed payments to my existing principal. Now, they are requesting a balloon payment, which I am unable to make. I've been in my home for 16 years. I am a XXXX XXXX XXXX, so I know the game well, and understand all of the terms etc. that they are using. Is there something I can do to force them to add this outstanding balance, which represents the late payments, to the principal or can they do whatever they want to me?...”

Homeowner (6/29):¹⁸ “Due to Covid 19 I was laid off by my employer. I contacted Specialized Loan Servicing (SLS) to start a forbearance, but was told that at the end of 90 days I would need to pay the full mortgage amount. (XX/XX/XXXX) I have a XXXX XXXX Loan and according to the CARES ACT this is not correct. I was able to scrape a couple of payments together with the government stimulus, but I am still without work. I called back (XX/XX/XXXX) and was told that a deferment would not be possible. When asked why this is so they said they

¹⁵ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3717065>

¹⁶ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3692550>

¹⁷ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3721689>

¹⁸ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3721510>

were following the mortgage owner guidelines. This is not what the XXXX XXXX site states or the CARES act. I asked to speak with a supervisor and I am awaiting a return call. I feel the SLS is being unreasonable and anything short of a deferment will cause a raise in my mortgage to a level were i wont be able to pay. Thanks,”

Homeowner (6/29):¹⁹ “Wells Fargo offered a COVID-19 payment relief program to borrowers. However, it was deceptive in marketing and execution. I was under the impression that I could suspend my payments 3 months penalty free (but accept the continuation of interests to accrue), however once I learned that this program was a forbearance and came with additional costs such as limitations on the ability to refinance and apply for PMI to be canceled it was too late. As a result, I feel as though I have been financially injured and my future for getting a refinance and PMI removed early limited due to poor and deceptive advertising on the risks and costs of taking advantage of this special program. The records will show that I quickly caught my account up for 2 months and in fact, pre-paid 2 months ahead in advance on this mortgage. I demand Wells Fargo to make me whole as I am now subjected to have to wait an additional 12 months to take advantage of refinancing my home and/or apply for the remove of PMI to further demonstrate I can make my payments timely. Due to Wells Fargo poor marketing I can't lower my interest rate and take advantage of this unprecedented low rate environment.”

Credit card customer (4/26):²⁰ “I would like the collection calls to stop. Ive been making payments towards the balance. I lost my job and became homeless. Thats why I fell behind on my payments. As soon as I got a job, I began to take care of the balance owed. However, Ive been furloughed due to COVID so I am unable to continue making anymore payments. I would like to settle for {\$1500.00}. I have saved this amount and would like to pay it to take care of the account for less than the balance owed.”

Medical debt collection (6/26):²¹ “I had a payment plan worked out with the debt collector, the Law Offices of Edwin Perry. I was to pay {\$75.00} a month for 10 months beginning XX/XX/XXXX. When I set up the arrangement I let the person who called know that my husband is in XXXX and at the time we had not yet been approved for SSI, so we did not have any income coming in because I couldnt find work due to Covid and we were waiting for our tax returns. He called today to let me know I missed my payment date and I told him I hadnt received my taxes yet but my husbands SSI check would be here on the XXXX XXXX so if we could change the payment date to the XXXX I could make that payment. He told me since the payment was missed he couldnt change the date and they would now have to proceed with legal means. I think its absurd they are not willing to work with people, especially during the pandemic. I didnt refuse to pay, I just simply told them the day I would be able to pay”

Payday loan customer (6/23):²² “I have a current loan with cash express in XXXX off of XXXX XXXX and I have asked since covid pandemic for them to accept a payment agreement at a lower amount. I am wanting to negotiate a lower interest rate and a smaller payment per month than {\$190.00}. I have been told repeatedly that if I do not make my payment that they will sue me. I have been affected by the pandemic and now testing positive

¹⁹ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3721407>

²⁰ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3624015>

²¹ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3717545>

²² <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3711047>

for covid recently and I can not afford to pay back on the current terms. I also asked for them to stop the ach withdrawals and I have not recieved any confirmation by way of mail regarding this.”

Payday loan customer (6/3):²³ “On XX/XX/2020, I reached out to 24/7 advance financial to advise that I was currently furloughed from my employer due to COVID, I advised them that because I was furloughed and not laid off, I was not able to obtain unemployment. I also revoked all auto debits from my account and made a small good faith payment. I advised the agent that I was speaking with that I would not be back to work until XXXX at the earliest, but, I had not been given a date as of yet. On XXXX, I received notification from my bank that there was a debit of {\$200.00} and because I have overdraft assistance it was paid. I did not authorize any payments from my account and the agent said that I agreed to a promise to pay that I did not agree too so they could not refund me my money.”

Auto loan customer (6/17):²⁴ “Having trouble due to covid issues and company not working with me at all. Told company suspended repos, however they still call. Made XXXX arrangements for payments and was told the calls would stop, yet they havent. This is a horrible company that says they love and honor veterans, however only the ones who have no financial issues. They harass and dont care about those of us on hard times, and many will soon know.”

Auto lease customer (6/15):²⁵ “Due to Covid-19 & the hardship of my income being depleted unexpectedly, I contacted Kia Finance to extension. payments extended. I was told I would have up to 3 months to extend, but would have to call in every month around the same date to do the extension. They approved me for XXXX & XXXX with little hesitation, but when I called in for the XXXX payment extension, they flat out denied my request. I reminded them that they initially told me I could utilize XXXX for disaster relief, but they said they were no longer offering it, & will not honor the XXXX month extension, even though not all businesses are up and running. I explained that I really needed this last extension, because I have budgeted everything I need to take care of for XXXX based on extending their XXXX payment. I will not have enough money this month to pay the car & insurance payment, because I had already extended the insurance to the limit. Kia is now acting heartless toward my situation. They don't consider I previously completed a 3 1/2 years lease at the beginning of this year with no problem, always paid on time or before the end of grace period & never missed a payment. I continue to have very good credit & do not want to destroy it by turning in the car over needing the one extra month granted they initially stated, but they are leaving me no choice.”

Mobile wallet customer (6/26):²⁶ “PayPal credit was not willing to work with me during this pandemic. When they called I was offered no cares act support. My income has decreased significantly directly from the pandemic. I was told I had to pay over {\$600.00} to bring my account current. I dont have that now. I just saw they closed my account as well. How can you charge {\$150.00} in interest when I dont have the resources to pay. This is ridiculous”

²³ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3681599>

²⁴ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3703645>

²⁵ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3700312>

²⁶ <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3717264>