

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of a Proposed Rulemaking to Amend    )  
4 CSR 240-13 Service and Billing Practices for        )  
Residential Customers                                    )

**Case No. AX-2013-0091**

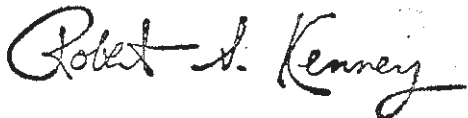
**NOTICE OF COMMUNICATION**

Issue Date: December 3, 2013

I received the attached document from John Coffman, General Counsel for Consumers Council of Missouri. Copies of this document were provided to Commissioners Steve Stoll, William Kenney and Advisors Goldie Tompkins, Mark Hughes and Rachel Lewis.

The Missouri Public Service Commission ("Commission") has promulgated rules denoted as the "Standards of Conduct" at 4 CSR 240-4.010 and 4.020. Section 4 CSR 240-4.20 specifically deals with Ex Parte and Extra-Record Communication Rules. This notice is filed in conformance with the rule.

Respectfully Submitted,



Robert S. Kenney  
Chairman

Dated at Jefferson City, Missouri,  
On this 3rd day of December, 2013.

Chairman Kenney:

It thought it would share  
this report with you. It  
is a recent assessment of  
consumer complaints lodged  
against credit reporting  
agencies.

It hope this would be  
helpful in your deliberations  
regarding Chapter 13, specifically  
Rule 4 CSR 240-13.030(1)(~~B~~)(C)

*John*

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# Big Credit Bureaus, Big Mistakes

The CFPB's Consumer Complaint  
Database Gets Real Results for  
Victims of Credit Reporting Errors

**U.S. PIRG**  
Education Fund

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Victims of Credit Reporting Errors

U.S. PIRG Education Fund

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Fall 2013

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The authors bear responsibility for any factual errors. The recommendations are those of U.S. PIRG Education Fund. The views expressed in this report are those of the authors and do not necessarily reflect the views of our funders or those who provided review.

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# Executive Summary

The Consumer Financial Protection Bureau was established in 2010 in the wake of the worst financial crisis in decades. Its mission is to identify dangerous and unfair financial practices, educate consumers about these practices, and regulate the financial institutions that perpetuate them.

To help accomplish these goals, the CFPB has created and made available to the public the Consumer Complaint Database. The database tracks complaints made by consumers to the CFPB and how they are resolved. The Consumer Complaint Database enables the CFPB to identify financial practices that threaten to harm consumers and enables the public to evaluate both the performance of the financial industry and of the CFPB.

This report is the third of several that review complaints to the CFPB nationally and on a state-by-state level. In this report, we explore consumer complaints about credit bureaus with the aim of uncovering patterns in the problems consumers are experiencing with credit reporting.

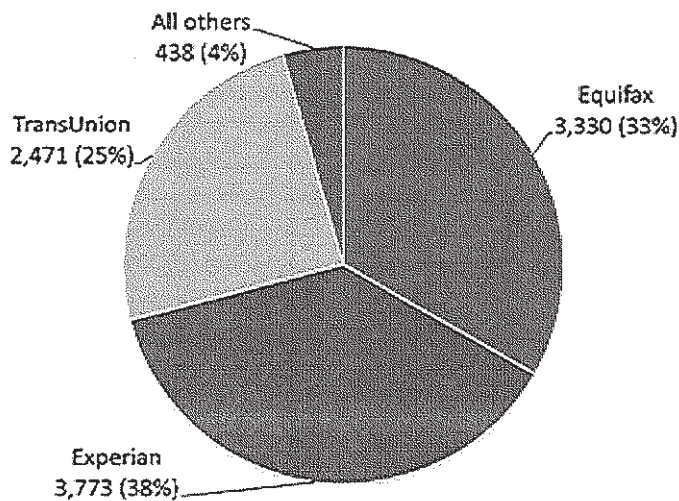
The three nationwide consumer reporting agencies (NCRAs)—Equifax,

TransUnion and Experian—collect, centralize and aggregate information about the credit and repayment records of consumers. They source this information from public databases—including court records, state and federal tax liens, and bankruptcy records—and from a wide variety of private actors, called “furnishers,” who forward consumer credit information to them voluntarily. The NCRAs then distribute the information to “users”—often companies providing financial products, from student loans to credit cards to mortgages—who use the information to evaluate consumers’ eligibility for financial services. Increasingly, reports are also being used for employment and insurance purposes. In addition to the three NCRAs, a large number of “specialty” consumer reporting agencies track a variety of specialized information; for example, some collect information on whether consumers have written bad checks to merchants or left banks with negative balances, while others may screen tenants based on previous evictions, and still others review public records or other histories of employment applicants.

Since the Consumer Financial Protection Bureau began collecting complaints about credit reporting in October 2012, the CFPB has recorded more than 10,000 complaints about credit reporting.<sup>1</sup>

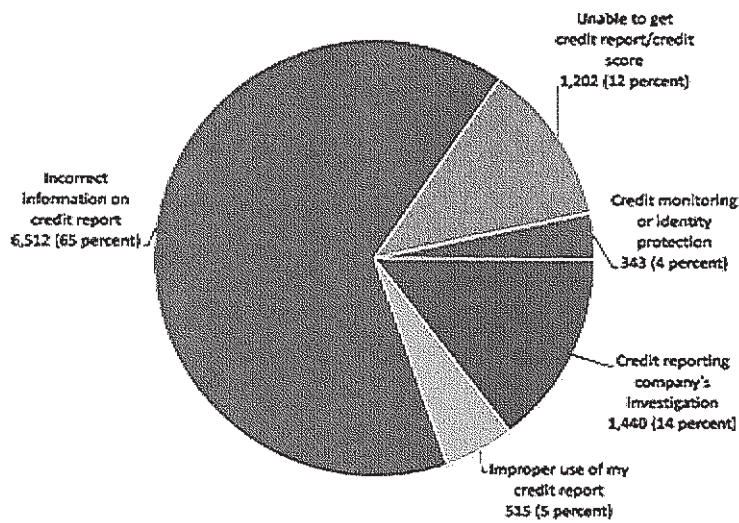
- The so-called “Big Three” NCRAs—Equifax, TransUnion and Experian—were the subject of 96 percent of all consumer complaints. Experian was the subject of 38 percent of consumer complaints to the CFPB about credit reporting, Equifax was the subject of 33 percent, and TransUnion was the subject of 25 percent.
- Hundreds of consumer complaints concerned institutions other than the NCRAs, including specialized credit reporting agencies, banks and other financial institutions.
- Consumers complained most frequently about incorrect information appearing on their credit report regarding the status of an account, with such complaints accounting for roughly one-quarter of all credit reporting complaints to the CFPB. About one in five complaints came from consumers who felt that information on their credit reports was not actually theirs, followed by complaints concerning incorrect information about account terms, and trouble getting a legally mandated free annual credit report.
- There were only slight variations among the three major credit bureaus in the types of issues that drew complaints from consumers.

Figure ES-1. The Three NCRAs Account Collectively for 96 Percent of Complaints to the CFPB About Credit Reporting





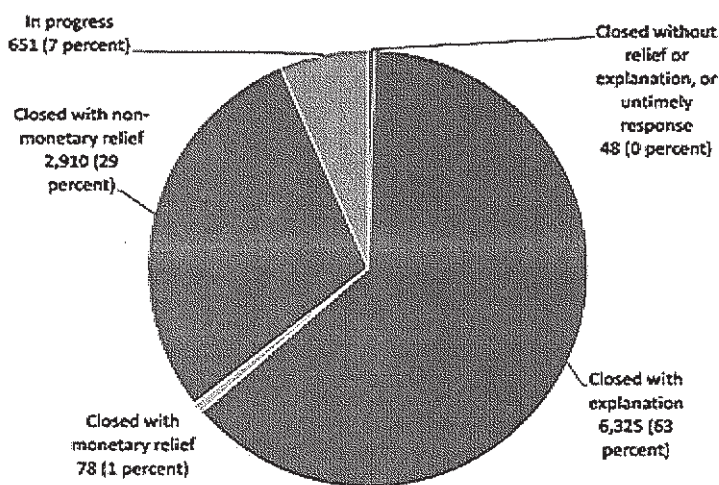
**Figure ES-2. Consumers Are Most Likely to Complain about Having Incorrect Information on Their Credit Report**



- Nearly 3,000 consumers received monetary or non-monetary relief from credit bureaus through the CFPB complaints process. Non-monetary relief includes actions such as a credit bureau fixing incorrect information, ensuring that consumers receive the annual credit report to

which they are entitled, or correcting incorrect account status information. About 30 percent of all complaints resulted in monetary or non-monetary relief, while 63 percent of all consumer complaints regarding credit reporting were closed with an explanation to the consumer.

**Figure ES-3. Nearly 3,000 Consumers Received Relief after Complaining to the CFPB**



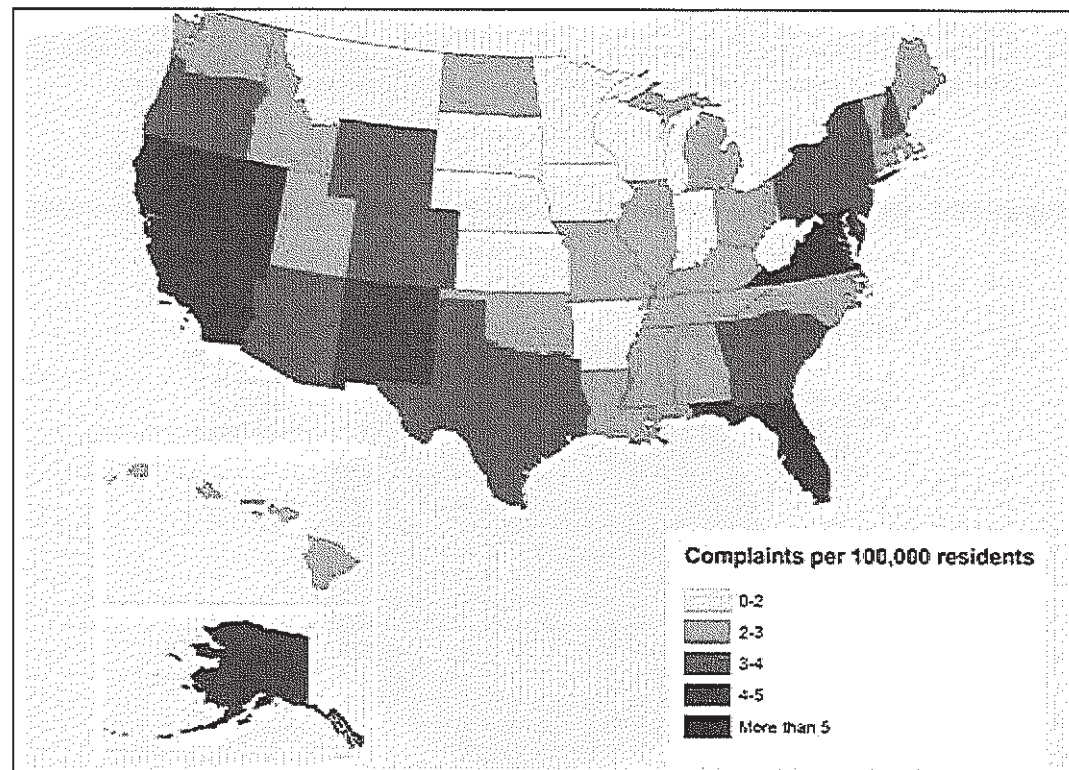
The three NCRAs reported very different responses to consumer complaints.<sup>2</sup>

- Equifax responded to 63 percent of its complaints with non-monetary relief, while Experian did so in only 5 percent of cases and TransUnion in 22 percent.
- Equifax provided monetary or non-monetary relief nearly three times as often as TransUnion and more than 10 times as often as Experian. Equifax alone accounted for 72 percent of all complaints closed with non-monetary relief.
- Consumers disputed the companies' responses to about 18 percent of all complaints. The NCRAs differed slightly in the percentage of

complaints disputed by consumers. Equifax had consumers dispute its responses 21 percent of the time, while consumers disputed 15 percent of Experian's responses and 18 percent of TransUnion's.

- Consumers across the country varied in their tendency to complain to the CFPB about credit reporting. Consumers in the District of Columbia, whose residents were most likely to complain, complained more than 20 times more frequently per capita than did residents of Nebraska, whose citizens were least likely to complain. After D.C., the states in which consumers were most likely to complain were Florida, Maryland, Nevada, Virginia, Alaska, California, New Mexico and Georgia.

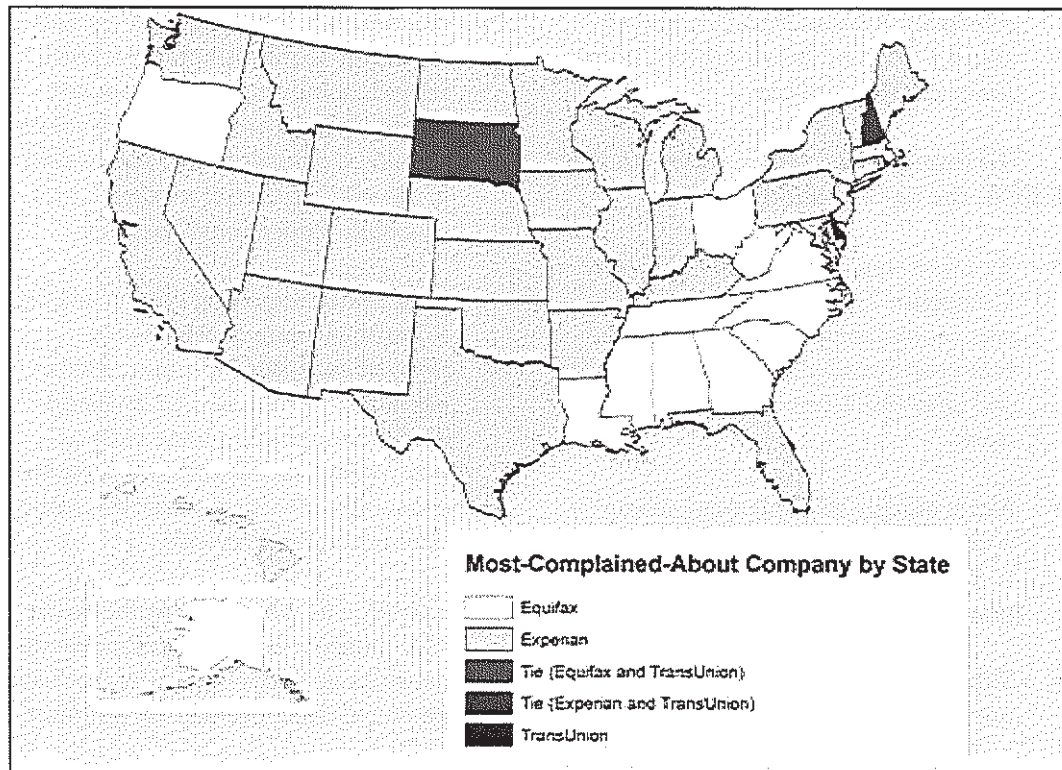
Figure ES-4. Credit Reporting Complaints per 100,000 Residents



- Experian was the most complained-about company in 35 states, while Equifax received the most complaints of any company in 12 states, primarily in the South, and in the District of Columbia. TransUnion was the most complained-about company in Delaware. Equifax

and TransUnion received the same number of complaints in South Dakota, while Experian and TransUnion tied in New Hampshire. Differences in regional complaint levels may reflect variances in market share derived from each credit bureau's history.

**Figure ES-5. Most Complained-about Credit Bureau by State**



The Consumer Financial Protection Bureau's Consumer Complaint Database is a key resource for consumer protection. To enhance the effectiveness of the CFPB in addressing consumer complaints:

- The CFPB should make the Consumer Complaint Database more user-friendly by adding, among other data, more detailed informa-

tion about consumer complaints, including how they were resolved, and the reasons for and outcomes of any disputes. The CFPB should also conduct more frequent analyses of trends and give users the tools to undertake their own analyses of the data. In addition, the CFPB should make it easier for analysts to link the Consumer Complaint Database to other public databases.

- The CFPB should expand public awareness of how to file complaints and access the Consumer Complaint Database through a continuing publicity campaign targeted to the consumers most likely to face difficulties with credit reporting.
- The CFPB should develop free applications (apps) for consumers to download to smartphones to access information about how to complain about a firm and how to review complaints in the database.

**To improve the effectiveness of the CFPB, the agency should:**

- As a first step, expand the Consumer Complaint Database to include discrete complaint categories for high-cost credit products such as payday and auto title loans and prepaid cards.
- Move quickly to implement strong consumer protection rules in order to protect consumers from predatory practices.
- Where problems are identified, use the information gathered from

the database, from supervisory and examination findings, and from other sources to continue to require a high, uniform level of consumer protection to ensure that responsible industry players can better compete with those who are using harmful practices.

- Eliminate artificial distinctions created by industry lobbying that have prevented free credit reports provided by law from routinely including credit scores. All credit reports should include a consumer's most recent credit scores, and those scores should be comparable to scores sold in the marketplace to creditors (not so-called "educational" scores).
- Enact rules requiring credit bureaus to conduct manual reinvestigations of consumer disputes, involving actual verification of disputed items through telephone calls or other communications and review of consumer-provided materials, rather than automated reviews.
- Consider, as it has done in the credit card industry, imposing enforcement penalties upon major players that have marketed deceptive add-on products.

# Introduction

Nearly every American adult has one—or more. It affects how much you pay for insurance, and whether you can get a credit card, a mortgage, a student loan or an automobile loan. It can determine the interest rates you pay, the type of insurance coverage you receive, the apartment in which you live, and even whether you are hired for a job.

Yet the process that goes into the creation of this crucial piece of your life—your credit report—can be complex, confusing and opaque. Every year, billions of what the credit reporting industry calls “trade lines”—packets of data about individual consumer financial behavior—are trafficked by banks, lenders and other financial players, called “furnishers,” who supply your information to companies hoping to evaluate your economic behavior. Nearly every thread of your financial life—from public court records to the repayment history of your college student loans to the monthly rent payments on your apartment five years ago—can be separated, collected, and eventually woven into a credit report from one of the three nationwide consumer reporting agencies, or NCRAs: Experian, Equifax and TransUnion.

As intricate as this process is, however, it can be just as hard to untangle when things go wrong.

Rahul Sharma of College Station, Texas, spent six years and had to hire a specialized lawyer before clearing his name from erroneously filed credit reports that included the wrong Social Security number and bank accounts that weren’t his.<sup>3</sup> In a case widely covered by the media this July, a Portland, Oregon, jury awarded Julie Miller \$18.6 million in compensation from Equifax, which the jury decided had failed to correct false information on Miller’s credit report.<sup>4</sup> In the end, it turned out that Equifax had included credit information from the wrong Julie Miller, but the damage had already been done. And as *Business Insider* and the *Columbus Dispatch* reported, Sandra Cortez of Denver, Colorado, even had her credit report confused with information from a suspected international terrorist; it was more than five years before she could set the record straight.<sup>5</sup>

The scale of the consumer reporting market can make matters even worse. Each of the NCRAs, as of 2012, had more than 200 million active files on individual

consumers.<sup>6</sup> According to the Consumer Financial Protection Bureau, the average credit file contains 13 past and current credit obligations, nine bank and retail cards, and four installment loans (including auto loans, mortgage loans and student loans). In a typical month, each NCRA receives updates on over 1.3 billion trade lines. “With this much information included in and added to their databases,” concludes the CFPB, “the NCRAs face technical and operational challenges in attributing information to the proper consumer’s file.”<sup>7</sup>

A February 2013 report, required by 2003 amendments to the Fair Credit Reporting Act and released by the Federal Trade Commission (FTC), found that “five percent of consumers had errors on one of their three major credit reports that could lead to them paying more for products such as auto loans and insurance.” While five percent may seem low, five percent of 200 million files is 10 million consumers whose ability to participate in the financial services marketplace could be affected by credit reporting errors.<sup>8</sup> And since employers can use personal credit history as a criterion in employee hiring and selection, credit errors can even damage job prospects—posing risks not simply for access to financial products, but for access to employment itself.

Only this year, possibly due to a combination of the CFPB’s new authority over them and a February *60 Minutes* story based on the FTC report, have the bureaus begun to share detailed information provided by consumers (including receipts, statements and letters) with furnishers as part of their reinvestigation of consumer disputes. Most advocates believe that this information sharing has been required since the 1996 amendments to the FCRA took effect, but because the FTC (the previous lead regulator of credit bureaus) had neither rulemaking nor supervisory authority, the NCRAs ignored the law.

The challenges consumers face with their credit reports—buttressed by evidence of the credit reporting industry’s long track record of erroneous information, failure to help consumers with disputes, and other problems—demonstrate the need for a watchdog whose sole purpose is to look out for the interests of consumers, both in the realm of credit reporting and throughout the financial marketplace. Consumers need a watchdog with the power to work on consumers’ behalf in disputes with financial services firms, clear up disputes with credit bureaus and the companies that supply them information, and stop the most egregious anti-consumer practices.

Today, in the form of the Consumer Financial Protection Bureau (CFPB), consumers have that watchdog. Created in 2010, the CFPB has already made a big difference for consumers in many areas of consumer financial protection. The agency has cracked down on illegal kickbacks from mortgage insurers to mortgage companies.<sup>9</sup> It has investigated abusive “overdraft protection” policies by banks that can result in consumers paying hundreds of dollars in fees for a single overdraft. It has exposed the sale of inaccurate credit scores to consumers that differ from the scores used by lenders to make credit decisions.<sup>10</sup> It has imposed more than \$800 million in civil enforcement penalties and restitution to consumers for unfair practices by four large credit card companies.<sup>11</sup> And much more.

In addition to rulemaking and enforcement authority, both common tools for federal regulators, Congress gave the CFPB authority previously granted only to bank regulators: the power to supervise certain non-bank institutions and examine their books at any time. By statute, the CFPB can examine payday lenders, private student lenders and non-bank mortgage companies of any size, at any time. CFPB was also granted power to write

rules to self-define additional authority to supervise the “larger participants” of other non-bank markets. Recognizing the role the three NCRAs play as powerful gatekeepers to financial opportunity, its first rule completed under this provision gave it authority to supervise the Big Three NCRAs as well as other large consumer reporting agencies.<sup>12</sup>

In this, the third of a series of analyses of the CFPB’s Consumer Complaint Database, we focus on complaints regarding credit reporting and credit bureaus.

Roughly 1,000 consumers each month have complained to the CFPB about problems with credit reporting. By reviewing patterns of consumer complaints, citizens can determine which credit bureaus in their region have been subject to the most complaints and which have been the most effective at resolving consumer complaints.

The consumer complaints reviewed in this report indicate that America is a long way from having a financial marketplace that serves consumers. America needs a strong CFPB.

# The Consumer Financial Protection Bureau: A Watchdog for Consumers

The U.S. financial crisis of 2008 was the product of an under-regulated financial system run amok. Millions of consumers were lured into mortgages whose terms they could not understand and which they had little hope of ever being able to repay. Easy credit inflated the housing bubble which, when it collapsed, brought down the fortunes of millions of families as well as the broader economy.

The mortgage crisis highlighted the need for more stringent financial regulations and better consumer education. But the problem extended far beyond mortgages—for decades, consumers had increasingly fallen prey to a growing list of predatory financial practices, from payday loans to exorbitant credit card and bank fees—with little help from Washington, D.C.

In 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which created the Consumer Financial Protection Bureau (CFPB), whose mission is to “make markets for consumer financial products and services work for Americans—whether they are applying for a mortgage, choosing among credit cards, or using any number of other consumer financial products.”<sup>13</sup>

The bureau started work on July 21, 2011.

The CFPB is a critical asset for consumers: educating the public about financial practices, enforcing consumer protection laws, and analyzing available data to keep track of current trends in the consumer marketplace.<sup>14</sup> To fulfill these roles, the CFPB maintains a strong connection with the public it serves, including by receiving and acting upon consumer complaints about financial institutions.

## The Consumer Complaint Database: A Critical Part of the CFPB’s Mission

The CFPB engages in many tasks as part of its mission to protect consumers. According to the agency’s website, the CFPB:

- Writes rules, supervises (or examines) companies, and enforces federal consumer financial protection laws;
- Restricts unfair, deceptive or abusive acts or practices;



- Takes consumer complaints;
- Promotes financial education;
- Researches consumer behavior;
- Monitors financial markets for new risks to consumers; and
- Enforces laws that outlaw discrimination and other unfair treatment in consumer finance.<sup>15</sup>

Collecting and responding to consumer complaints is a key part of the CFPB's mission, one that contributes to achieving several of the above goals. In particular, consumer complaints enable the CFPB to:

- **Learn about new threats to consumers:** The complaint process is designed to engage consumers when they believe that they have been wronged. The CFPB Office of Consumer Response “hears directly from consumers about the challenges they face in the marketplace, brings their concerns to the attention of companies, and assists in addressing their complaints.”<sup>16</sup>
- **Identify trends in issues and potential unfair practices:** The CFPB can use the complaint data in the aggregate to identify common issues or sectors where more enforcement is needed.
- **Hold financial services firms accountable:** Making complaint data available to the public increases the accountability of financial institutions. Ideally, these institutions will be less likely to engage in unfair practices out of the fear that they will be held accountable by the public through a resulting increase in complaints. The complaint data also alert the agency about potential enforcement actions that may need to be taken.

## How the Consumer Complaint Process Works

When a consumer believes that he or she has been subject to an unfair financial practice, he or she may file a complaint with the CFPB. Filing a complaint triggers a process through which the CFPB passes the complaint along to the relevant financial institution, and later follows up with the consumer to ensure the resolution was adequate.

The steps are as follows:<sup>17</sup>

1. **Filing**—The consumer submits a complaint via the CFPB's consumer complaint website ([www.consumerfinance.gov/complaint](http://www.consumerfinance.gov/complaint)) or by phone (at 855-411-2372). Consumers can track the progress of their complaints using a variety of tools, including e-mail updates.
2. **Review and routing**—CFPB staff review the complaint and, if appropriate, send it to the relevant company (or, if the issue is outside of the CFPB's jurisdiction, to another government agency).
3. **Company response**—The company that is the subject of the complaint responds to the consumer and the CFPB and proposes a resolution to the complaint. The consumer can then provide any response or feedback to the company and the CFPB.
4. **Investigation**—CFPB staff review the complaint, the company's response and the consumer's feedback to prioritize any complaints for investigation or enforcement action.
5. **Analysis and reporting**—The CFPB aggregates data about consumer complaints in its complaint database, analyzes those data for trends, and reports regularly to Congress and the public.

# The Consumer Complaint Database

Maintaining the Consumer Complaint Database is a key part of the CFPB's mission. The database provides the agency, the media and consumers with the information needed to monitor trends in consumer complaints and industry's response to those complaints.

The CFPB's complaints program and the Consumer Complaint Database have gradually expanded in scope over the two years since the agency began collecting consumer complaints in July 2011. Initially, the CFPB received complaints about credit cards, and has gradually added banks, student loans, credit reporting and other financial services to the complaints program. In July 2013, the agency began accepting complaints about debt collection practices.<sup>18</sup> The agency has also gradually expanded the amount of

data available to the public through the database—in May 2013, for instance, the CFPB enabled complaints to be identified by state.

Complaints submitted to the CFPB include information on a variety of topics, including:

- The specific issue or problem the consumer had with that service,
- The company (or bank) that provided the service,
- The date on which the complaint was filed and state from which it was filed, and
- Several data points associated with the complaint's resolution (including the steps taken to resolve the complaint and whether the outcome was disputed by the consumer).

Figure 1. Screenshot of the CFPB's Consumer Complaint Database

Complaint ID	Product	Subject	Issue	Submitter	State	CFPB Role	Submitted via	Date received	Date sent to you
100253	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100254	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100255	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100256	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100257	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100258	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100259	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100260	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100261	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100262	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100263	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100264	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100265	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100266	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100267	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
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100269	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100270	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100271	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100272	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100273	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100274	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100275	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100276	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100277	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100278	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100279	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100280	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100281	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100282	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100283	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
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100288	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
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100291	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100292	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100293	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	
100294	Credit Reporting	Unable to get credit report	Unable to get credit report	Account terms	IL	2012	Web	10/24/2012	

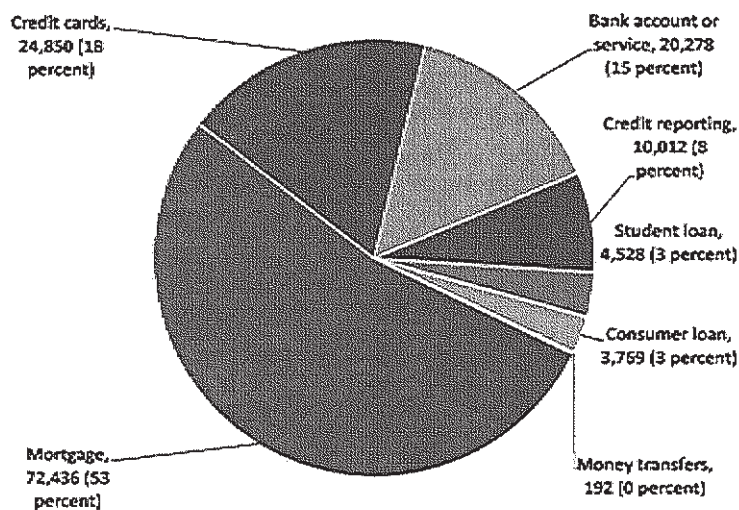
The Consumer Complaint Database is updated nightly and includes a breakdown of complaints by financial sector. The CFPB also publishes quarterly summaries of patterns in consumer complaints.

The CFPB began accepting complaints about credit cards first, on July 21, 2011. The bureau began accepting mortgage complaints on December 21, 2011; banking, private student loan and consumer loan complaints on March 1, 2012; credit reporting complaints on October 22, 2012; money transfer complaints on April 4, 2013; and debt collection complaints on July 10, 2013.<sup>19</sup> As of August

26, 2013, the CFPB had published data on approximately 136,000 complaints.<sup>20</sup> Of these complaints, roughly 10,000 were related to credit reporting. More than half of the complaints related to mortgages, with credit cards, student loans and consumer loans also attracting thousands of complaints each.

This report is the third in a series of reports tracking trends in consumer complaints to the CFPB. Each report will review a specific sector of the financial services industry. In this third report, we focus on an issue of vital importance to many Americans: credit reporting.

Figure 2. Overall Complaints Received by the CFPB by Issue<sup>21</sup>



# Consumer Complaints about Credit Reporting

The Consumer Financial Protection Bureau has recorded more than 10,000 complaints about credit reporting since it began accepting those complaints in October 2012. The CFPB's Consumer Complaint Database provides a rich source of information about the aspects of credit reporting that most frequently cause problems for consumers, as well as which companies are the most frequent subjects of consumer dissatisfaction.

## Complaints by Issue

The CFPB classifies complaints in five general categories by issue (see Figure 3):

- **Credit monitoring or identity protection** (including account terms and changes, billing disputes, problems cancelling or closing accounts, problems with fraud alerts, and receiving unwanted marketing/advertising): **343 complaints** (3.4 percent).
- **Credit reporting company's investigation** (including inadequate help over the phone, investigations taking too long, no notice of investigation status/result, and problems with statements of dispute): **1,440 complaints** (14.4 percent).
- **Improper use of credit report** (including receiving marketing after opt-out, improper sharing of the credit report by the credit reporting agency, and sharing with employer without consent): **515 complaints** (5 percent).
- **Incorrect information on credit report** (including account status, account terms, incorrect/misattributed information, personal information, public record, and reinsertion of previously deleted info): **6,512 complaints** (65 percent).
- **Unable to get credit report/credit score** (including problems getting free annual credit reports and problems getting other reports or credit scores): **1,202 complaints** (12 percent).

The CFPB Consumer Complaint Database often includes only general information about the nature of consumers' complaints about financial services. How-

ever, in the case of credit reporting, the CFPB collects much more detailed information about the types of issues that spark consumer complaints.

Figure 3. Complaints to the CFPB by General Issue Area

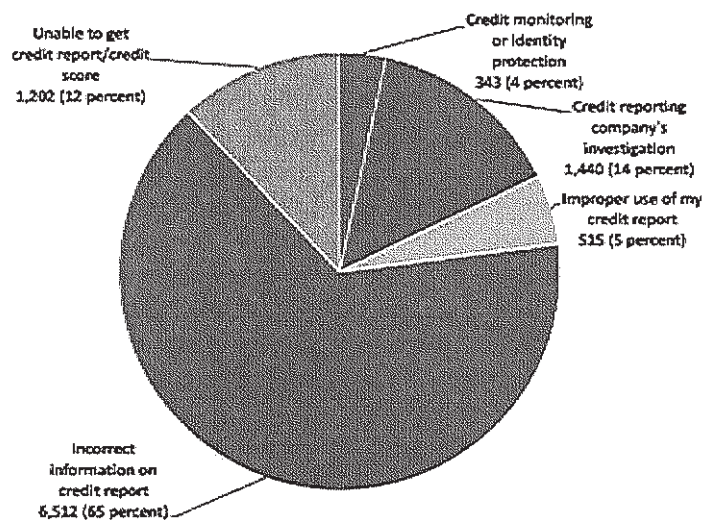


Table 1. Complaints Received by the CFPB by Detailed Issue Area<sup>22</sup>

	Issue	Number of Complaints	Percentage of Overall Complaints
1	Incorrect information about account status	2,626	26.2%
2	Information is not mine	1,856	18.5%
3	Incorrect information about account terms	884	8.8%
4	Problem getting my free annual report	649	6.5%
5	Problem with statement of dispute during company investigation	637	6.4%
6	Incorrect public record information	553	5.5%
7	Problem getting report or credit score	553	5.5%
8	No notice of company investigation status/result	500	5.0%
9	Report improperly shared by credit reporting company	469	4.7%
10	Incorrect personal information	310	3.1%
11	Reinserted previously deleted information into credit report	283	2.8%
12	Company investigation took too long	177	1.8%
13	Problem with fraud alerts	132	1.3%
14	Inadequate help over the phone during company investigation	126	1.3%
	Other	257	2.6%

About one in four consumers complaining to the CFPB believed that the status of their accounts was reported incorrectly on their credit report. Just under one in five consumers believed that information on their credit report was not theirs. And 649 consumers, or about 6 percent of all consumers who complained to the CFPB about credit reporting, complained about difficulty acquiring the free annual credit report provided for by law under the Fair Credit Reporting Act (FCRA).

These complaints about incorrect information are consistent with decades of consumer complaints about inaccurate information on credit reports.<sup>23</sup> They are also consistent with consumer complaints filed through the dispute process established under the FCRA—a process separate from the complaint process run by the CFPB. In February 2013, the Federal Trade Commission (FTC) released its fifth interim report on accuracy in the credit reporting market, finding that approximately 20 percent of consumers had at least one material error on their credit report, and that about 5 percent of consumers had errors significant enough to move them into a different risk tier, which could result in less favorable terms and prices for loans. About 10 percent of consumers using the FCRA dispute resolution process believed that accounts listed on their credit report were not theirs, while one in five had at least one change made to their credit report as a result of the dispute.<sup>24</sup>

## Complaints by Credit Bureau

The CFPB database also enables consumers to compare the number of complaints filed against each credit bureau or institution—providing a window into consumers' level of overall satisfaction with consumer

reporting agencies, the users who purchase the information the agencies gather, and the furnishers who provide consumer information in the first place.

The vast majority of complaints from consumers to the CFPB concerned the three major U.S. nationwide consumer reporting agencies (NCRAs): Experian, Equifax and TransUnion. All three NCRAs collect information on individuals across the country, and consumers will generally have a credit report available from all three agencies whether they like it or not—meaning that consumers have no power to choose their credit bureau. Consumers' lack of control over the credit reporting process makes it even more imperative that individual credit bureaus be held accountable for properly managing the information they collect about consumers.

These three companies collectively accounted for 96 percent of consumer complaints regarding credit reporting. As such, our analysis will focus primarily upon these entities.

The remaining 4 percent of complaints were in the following categories (see Table 2):

- complaints about “furnishers” of information (creditors or debt collectors) to the NCRAs, generally for disputes over the accuracy of information in a consumer's file or the length of time a reinvestigation (a company-level examination of a consumer's complaint) was taking;
- complaints about users of credit reports, for alleged misuse; and
- complaints about smaller specialized credit reporting agencies, including check acceptance and employment bureaus.

**Table 2. Top Sources of Non-NCRA Complaints to the CFPB**

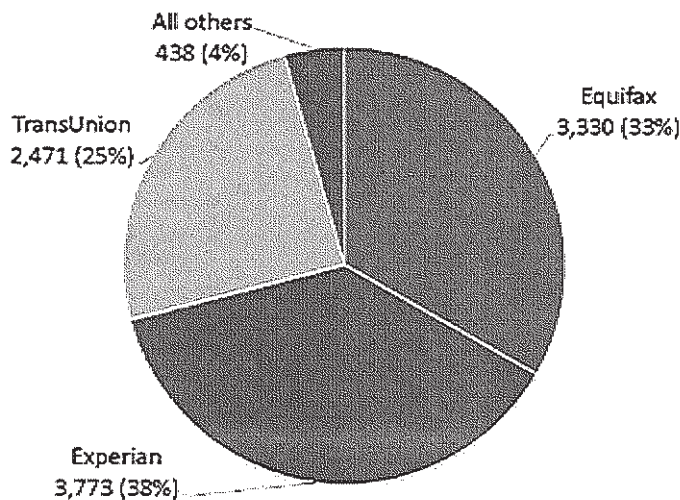
	Company	Number of Complaints
1	FIS Global <sup>25</sup>	54
2	Capital One	46
3	Citibank	33
4	Wells Fargo	22
5	LexisNexis <sup>26</sup>	21
6	Bank of America	17
7	CoreScore Report by CoreLogic Credco <sup>27</sup>	15
8	GE Capital Retail	13
9	U.S. Bancorp	11
10	First Advantage Corporation	9
10	First Data Corporation	9

**Total Complaints**

Experian received the most complaints of the three NCRAs, with 38 percent of all credit reporting complaints filed, or 3,773 complaints overall. Equifax received about

a third of all credit reporting complaints, and TransUnion received one-quarter. All other institutions received a combined total of 438 complaints, or 4 percent of all complaints filed.

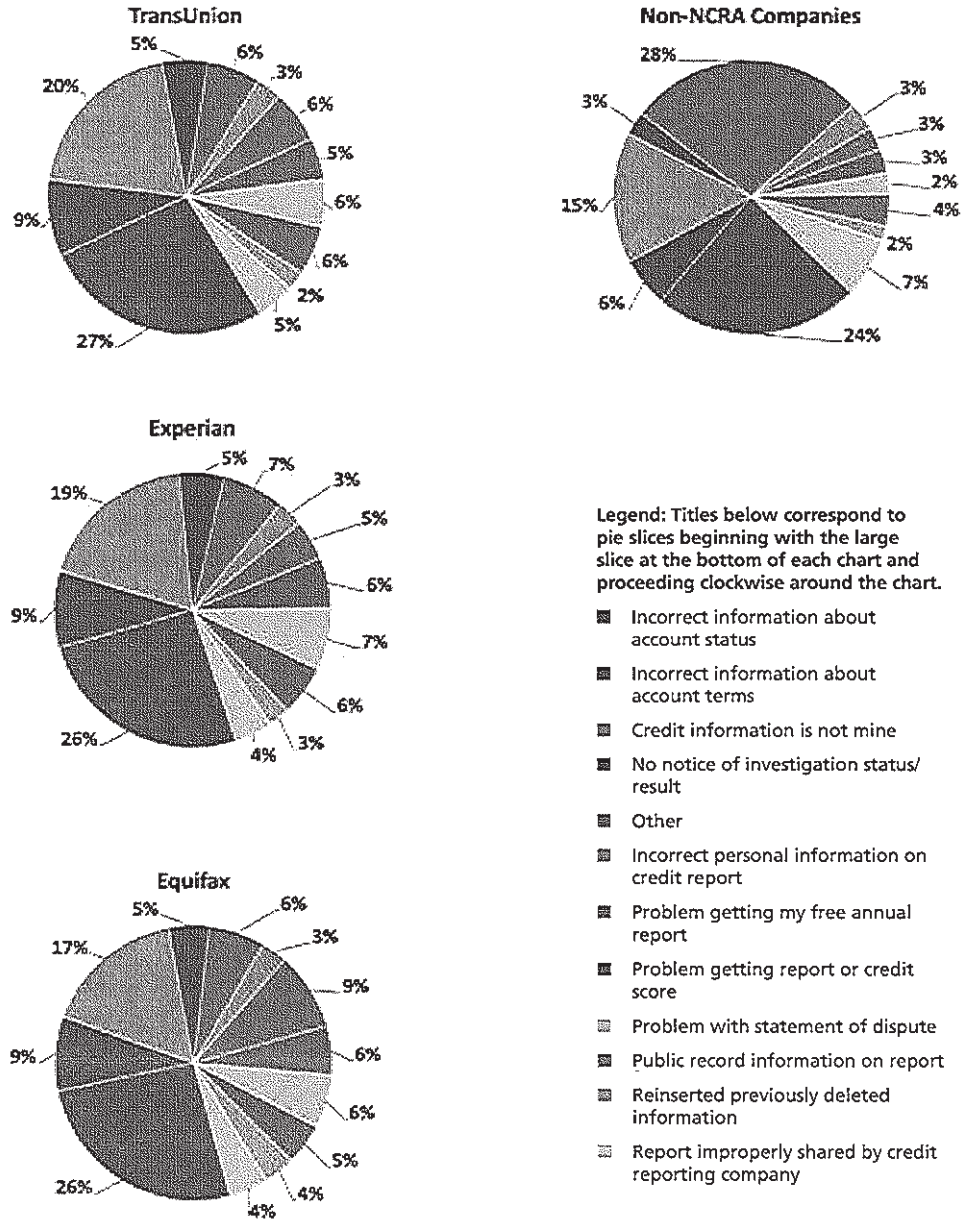
**Figure 4. The Three NCRAs Account for 96 percent of All Credit Reporting Complaints**



Equifax received a significantly higher proportion of complaints regarding consumer problems getting a free annual report than did the other two NCRA's. About 9 percent of all consumers who complained about Equifax (305 complaints overall)

had problems obtaining their free annual report, making it Equifax's third-most complained-about issue. Only 6 percent of TransUnion complaints and 5 percent of Experian complaints concerned consumers' free annual credit reports.

Figure 5. Complaints by Issue by Credit Bureau





## Responses to Complaints

Nearly 3,000 consumers have received monetary or non-monetary relief from credit bureaus through the CFPB's consumer complaint process. The category in which the company's response is placed is based upon self-reporting by the company, meaning that it is possible that the same type of response may be categorized differently by different companies.

Nearly 30 percent of all complaints were resolved with some sort of relief to the consumer. Most monetary relief was granted in relatively small amounts of \$100 or less, generally to refund credit reporting-related fees and service charges. While less than 1 percent of all complaints resulted in monetary relief to the consumer, an additional 29 percent of complaints were resolved with non-monetary relief. Equifax was responsible for 72 percent of all non-monetary relief granted to consumers.

On average, companies responded to 63 percent of all credit reporting complaints to the CFPB with an explanation from the company to the consumer, while another 7 percent of complaints were still in progress as of August 26, 2013.

The NCRAs varied greatly in their response patterns to consumer complaints.

- Experian closed over 80 percent of its complaints with an explanation to the complaining consumer.
- Equifax closed 63 percent of complaints with non-monetary relief and only a third with an explanation to the consumer.
- TransUnion closed three-quarters of its complaints with explanation and 22 percent with non-monetary relief.

Figure 6. Resolution of Consumer Complaints to the CFPB about Credit Reporting

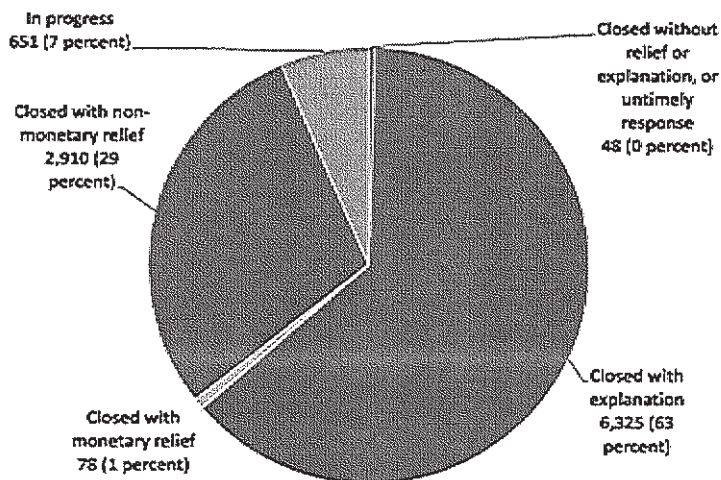
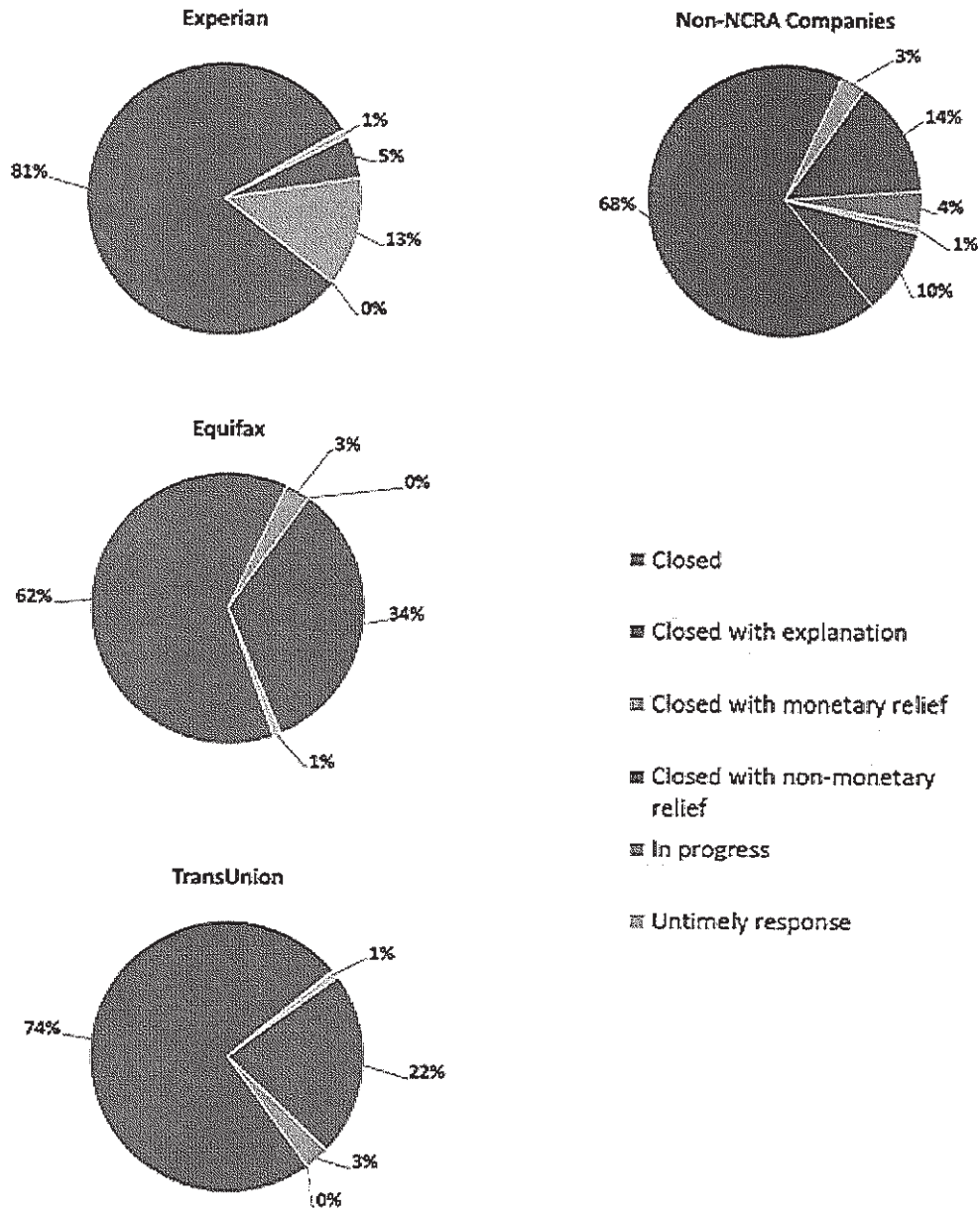


Figure 7. Complaint Response by NCRA



Equifax's high levels of relief, however, do not appear to be matched by high levels of consumer satisfaction with the company's complaint response. While Equifax was about three times as likely as TransUnion, and more than 10 times as likely as Experian, to offer non-monetary relief to consumers, the company was *most* likely of the three to have consumers dis-

pute its complaint responses (see Figure 8, page 22). This varies from the pattern documented in the authors' two previous reports reviewing data from the Consumer Complaint Database (as well as in the figures for the entire credit reporting industry) in which consumers were less likely to dispute complaint resolutions in which companies offered monetary or

non-monetary relief.<sup>28</sup>

Non-NCRA companies provided relief less frequently than did the three large NCRAs; non-NCRA companies closed 10 percent of complaints without any relief or explanation to the consumer.

CoreLogic Credco's CoreScore Report closed an exceptionally high percentage of complaints without either relief or explanation to the consumer. Of its 15 complaints, Corelogic Credco closed 11 of them, or 73 percent, without relief or explanation.

Capital One closed nine of its 46 cases (approximately 20 percent) without relief or explanation to the consumer.

Collectively, Capital One and Corelogic Credco accounted for 45 percent

of all complaints closed without relief or explanation, including complaints to the three NCRAs.

Hundreds of consumers received help to resolve problems such as failure to receive their legally required free annual report, or incorrect information on a credit report, as a result of their use of the CFPB complaints process. (See Table 3).<sup>29</sup> Nearly half of complaints regarding problems getting a free annual report were granted relief, while only 15 percent of complaints about improper credit report sharing were. Equifax accounted for both the majority of complaints granted relief and the highest percentage of complaints regarding problems getting a free annual report.

**Table 3 – Issue by Percentage of Complaints Granted Relief<sup>30</sup>**

<b>Issue</b>	<b>Complaints</b>	<b>Percent Granted Relief</b>
Incorrectly reinserted previously deleted information	283	42.8%
Incorrect personal information on report	310	34.5%
Public record information on report	553	31.8%
Incorrect information about account status	2,626	30.6%
Incorrect information about account terms	884	30.2%
Problem with statement of dispute	637	28.1%
Credit information is not mine	1,856	27.1%
Problem getting report or credit score	553	26.4%
Problem with fraud alerts	132	25.0%
No notice of company investigation status/result	500	24.4%
Inadequate help over the phone	126	23.8%
Company's investigation took too long	177	23.7%
Report improperly shared by credit reporting agency	469	14.3%

## Consumer Disputes

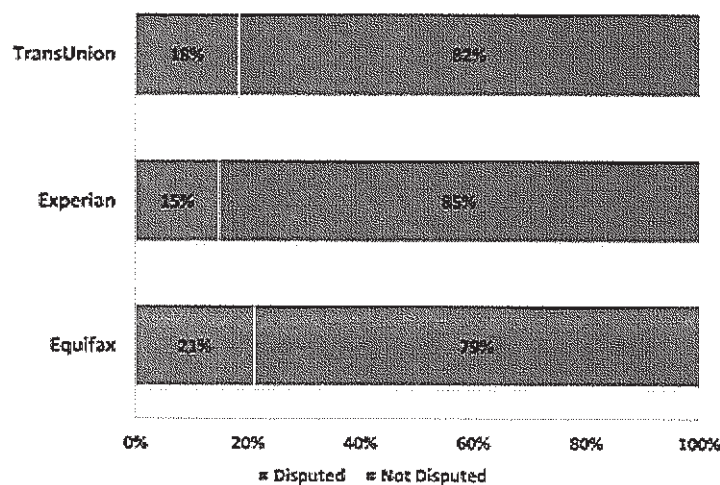
In about 18 percent of cases, a consumer is sufficiently dissatisfied with the company's response to the complaint that he or she disputes it via the CFPB. Consumers disputed approximately 21 percent of all responses from Equifax, 15 percent of responses from Experian, and 18 percent of all responses from TransUnion. Of non-NCRA companies, FIS Global, parent of subsidiary ChexSystems, was most frequently disputed: the company saw 23 of its 54 complaints disputed for a dispute rate of 42 percent, well above the overall average of 18 percent.

Consumers disputed a lower proportion of complaints closed with monetary relief than they did complaints resolved in any other manner. While the sample size is small—less than 1 percent of credit reporting complaints were closed with monetary relief to the consumer—these data are consistent with information on complaint resolution from the authors' previous two reports on consumer banking

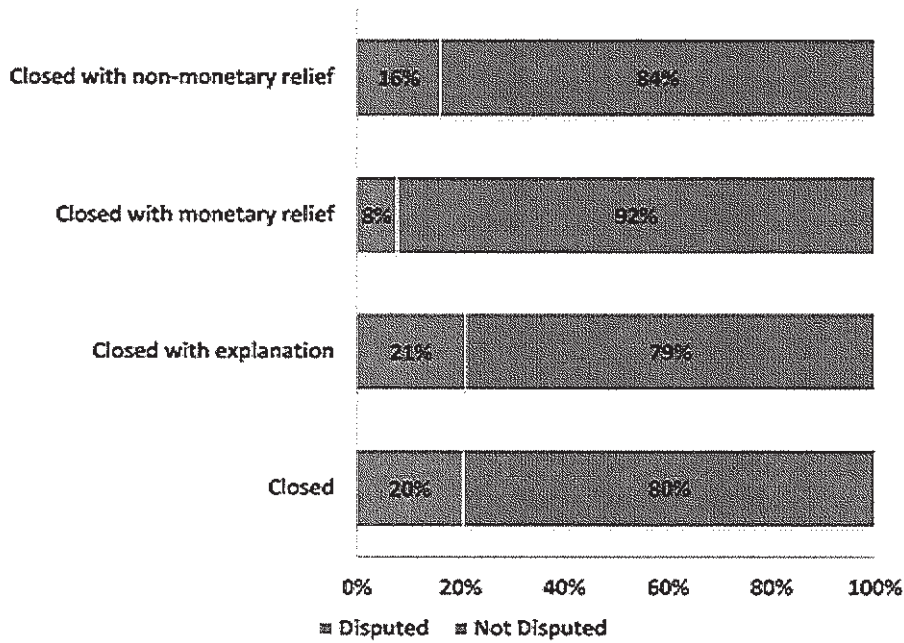
and private student loans.<sup>31</sup> Only about 8 percent of complaints closed with monetary relief to the consumer were disputed further. Consumers were most likely to dispute responses in which the company provided an explanation, but no relief; consumers did so in 21 percent of such cases (see Figure 9).

Consumers also varied in their tendency to dispute the company's response based on issue type. Consumers most frequently disputed responses regarding improper credit report use, and were least likely to dispute responses concerning credit monitoring or identity protection (see Figure 10). Consumers disputed 14 percent of responses involving credit monitoring or identity protection and about 25 percent of responses involving improper credit report use, such as complaints about receiving a marketing offer after opting out, the consumer's credit report being improperly shared by the credit reporting agency, or the consumer's credit report being shared with an employer without their consent.

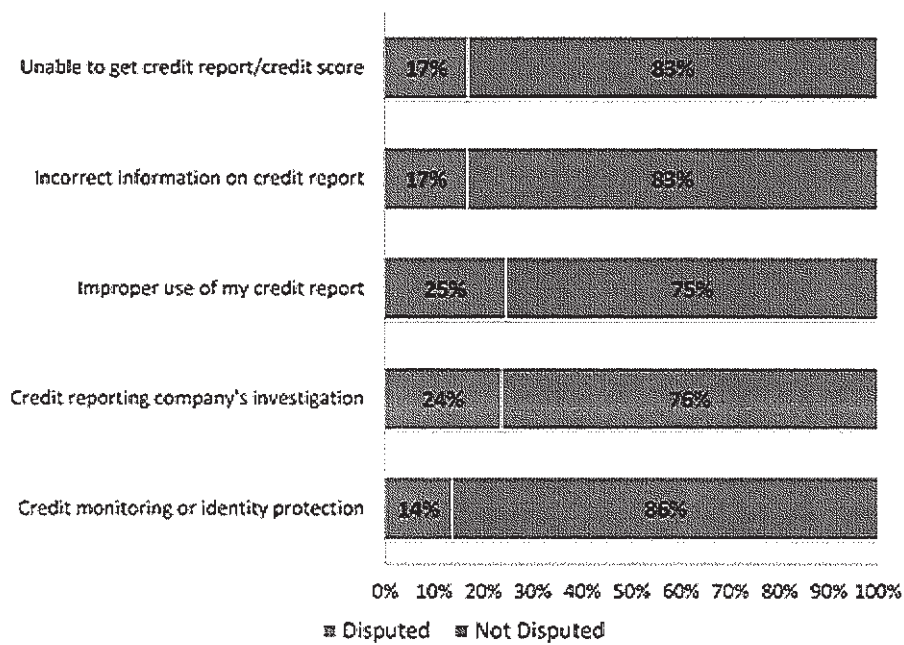
Figure 8. Disputed Responses by NCRA as a Percentage of Overall Complaints



**Figure 9. Percentage of Responses Disputed by Company Response Type**



**Figure 10. Percentage of Responses Disputed by Issue**



## Complaints by State

The most populous states tended to generate the greatest number of total complaints. However, there is significant variation among states in the number of complaints about credit bureaus per capita.

The states from which the most complaints were filed were California with 1,526 complaints, Texas with 953, Florida with 928, New York with 692, and Pennsylvania with 384.

To correct for the varying sizes of state populations, we also normalized the number of complaints filed in each state by that state's population.

The states with the highest number of complaints per capita are the District of Columbia, Florida, Maryland, Nevada, Virginia and Alaska. The states with the fewest complaints per capita are West Virginia, South Dakota and Nebraska. (See Figure 12 and Table 5.)

**Table 4. Residents of Large States File More Complaints about Credit Reporting**

Rank	State	Number of complaints
1	CA	1,526
2	TX	953
3	FL	928
4	NY	692
5	PA	384
6	GA	367
7	VA	342
8	IL	330
9	OH	319
10	NJ	305

**Figure 11. Total Credit Reporting Complaints by State**

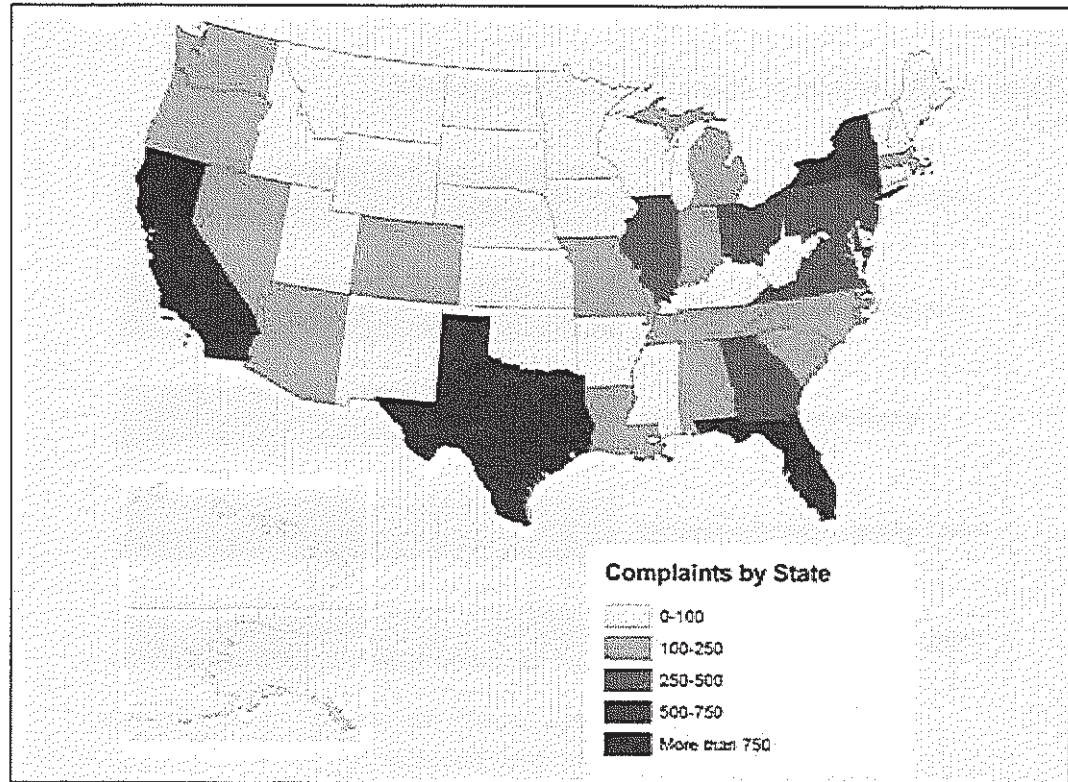
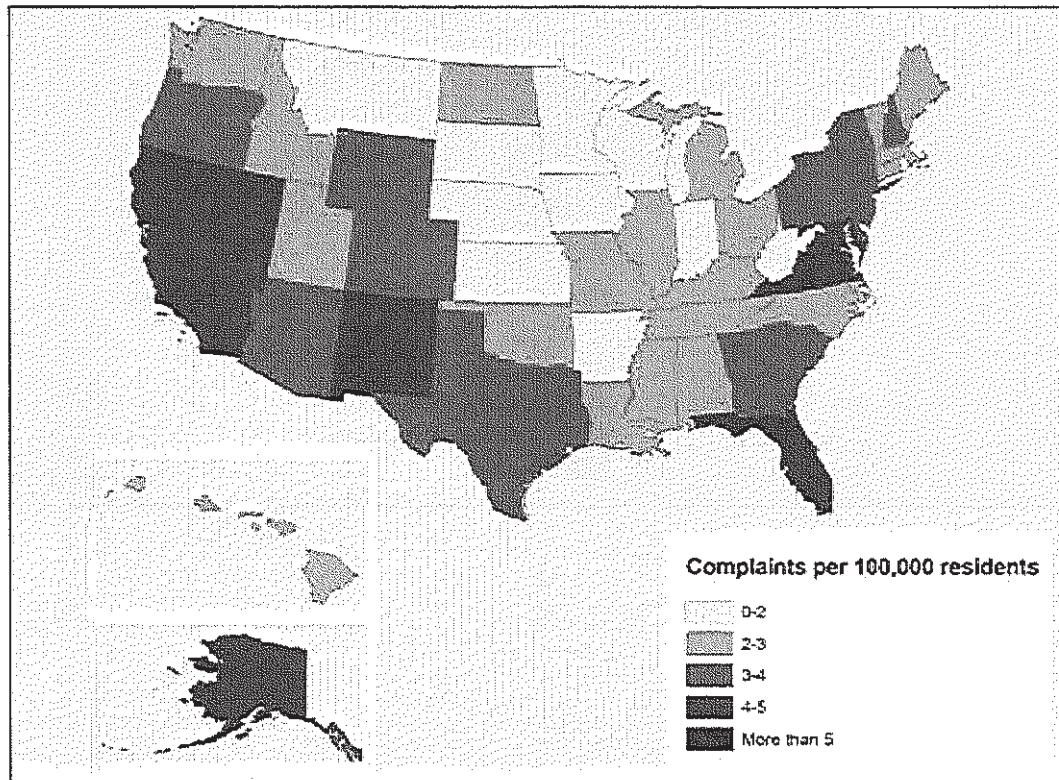


Table 5. Complaints by State per 100,000 Residents

Rank	State	Complaints per 100,000 residents	Rank	State	Complaints per 100,000 residents	Rank	State	Complaints per 100,000 residents
1	DC	17.8	18	OR	3.0	35	KY	2.2
2	FL	4.9	19	NH	3.0	36	MS	2.2
3	MD	4.7	20	PA	3.0	37	TN	2.2
4	NV	4.4	21	WA	3.0	38	MI	2.2
5	VA	4.3	22	OH	2.8	39	UT	2.1
6	AK	4.2	23	ID	2.7	40	OK	2.1
7	CA	4.1	24	ND	2.7	41	RI	2.0
8	NM	4.0	25	LA	2.7	42	IN	2.0
9	GA	3.8	26	NC	2.6	43	IA	2.0
10	TX	3.8	27	IL	2.6	44	MT	1.9
11	WY	3.7	28	MA	2.5	45	KS	1.8
12	CO	3.6	29	ME	2.4	46	AR	1.7
13	NY	3.6	30	MO	2.4	47	WI	1.7
14	NJ	3.5	31	VT	2.4	48	MN	1.7
15	SC	3.3	32	CT	2.3	49	WV	1.5
16	DE	3.2	33	HI	2.3	50	SD	1.3
17	AZ	3.1	34	AL	2.2	51	NE	0.9

Figure 12. Credit Reporting Complaints per 100,000 Residents

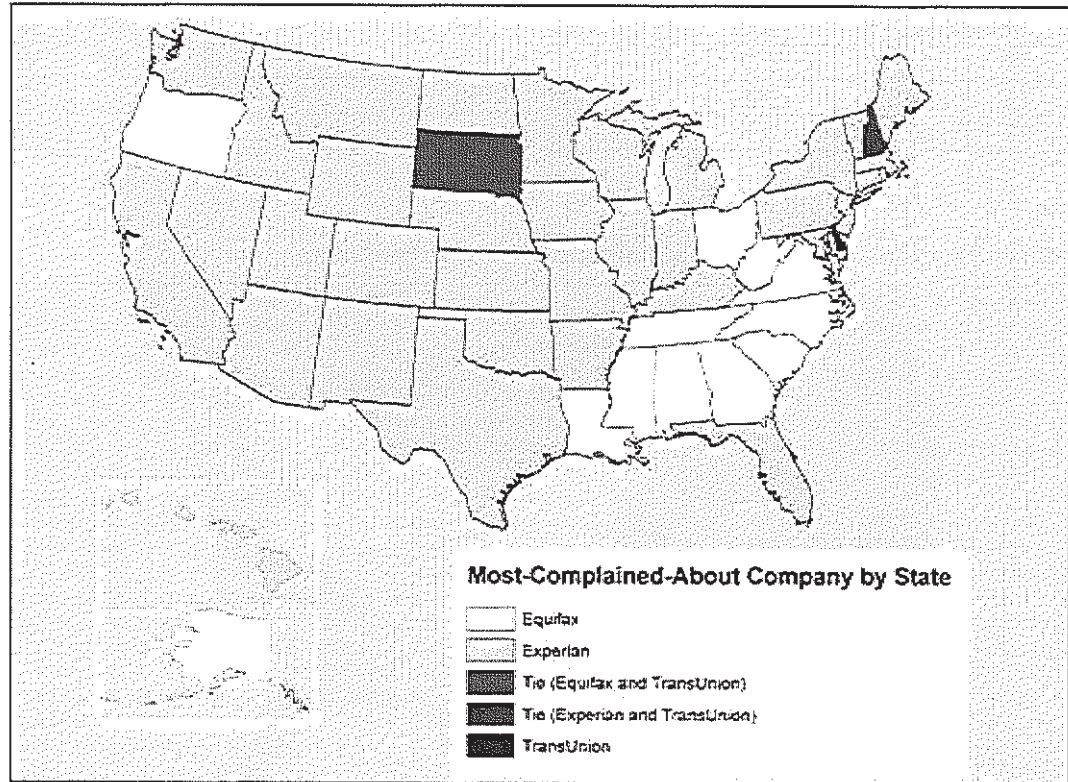


### Most Complained-about NCRA's by State

Experian was the most complained-about company in 35 states, while Equifax received the most complaints of any company in 12 states, primarily in the South, and in the District of Columbia (see Figure 13). TransUnion was the most complained-about company in Delaware. Equifax and TransUnion received the same number of complaints in South Dakota, while Experian and TransUnion tied in New Hampshire.

Variations in regional complaint levels may stem in part from differences in market share and each NCRA's company history. Equifax was founded in Atlanta, Georgia, TransUnion started in Chicago, and Experian has acquired large regional bureaus in Ohio, Texas, and California. While exact data on market share by state are not available, variations in complaints by state and region may reflect geographic and historical trends in addition to differences in NCRA performance.

Figure 13. Most Complained-about NCRA by State



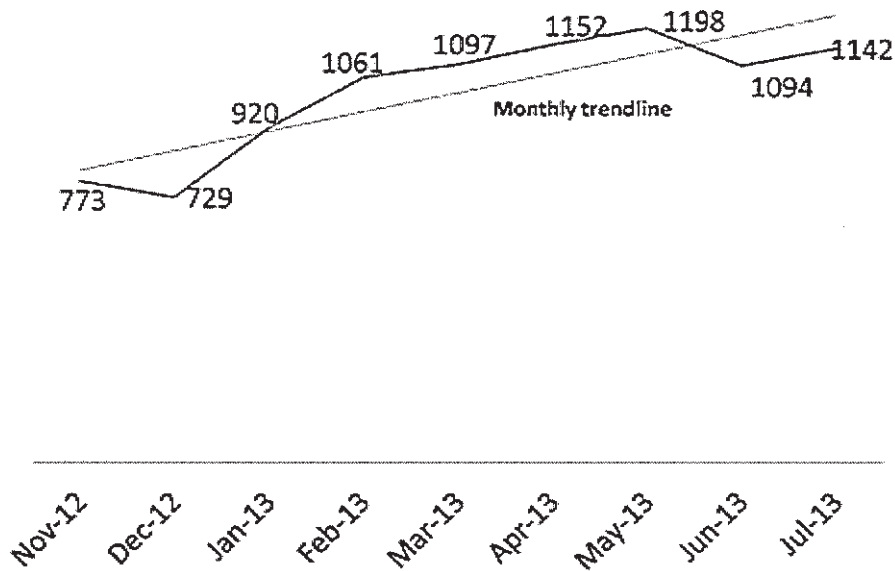


### Trends in Complaints over Time

Consumers have filed an average of 1,018 complaints about credit reporting per month since the CFPB began accepting complaints about credit reporting in October 2012, not including the partially cata-

logued first and last months of October and August. Over the nine complete months that the CFPB has been accepting credit reporting complaints from consumers, the number of complaints filed per month has gradually but consistently increased.

Figure 14. Consumer Complaints about Credit Reporting over Time



# Conclusions and Recommendations

The Consumer Financial Protection Bureau's Consumer Complaint Database provides a rich source of information about the issues facing consumers in the financial marketplace. An analysis of the Consumer Complaint Database for complaints about credit reporting reveals that:

- More than 10,000 complaints—an average of more than 1,000 complaints per month—have been processed by the CFPB regarding credit reporting.
  - Three U.S. credit reporting agencies account for 96 percent of consumer complaints.
  - Incorrect information on the credit report is by far the most frequent subject of consumer complaints to the CFPB, accounting for about 65 percent of all complaints filed.
  - The CFPB helped about 3,000 consumers receive monetary or non-monetary relief from credit bureaus in response to their complaints.
- Consumers dispute about one in every five responses to their complaints about credit reporting.

The Consumer Complaint Database is an essential tool in the effort to protect consumers from deceptive and abusive practices in the financial marketplace.

To improve the quality of the Consumer Complaint Database, the CFPB should:

- Make the database more user-friendly by:
  - Adding a field describing the specific company within a larger firm with which the consumer does business. For example, the database lists a number of credit reporting complaints about a “company” called FIS Global, but none about its subsidiary ChexSystems, which is the market-leading checking account “bounced check activity” firm about which consumers most likely complained. A consumer seeking information about oth-

ers' experiences with ChexSystems would not often be able to untangle the corporate web leading to FIS Global.

- Adding more detailed information to the database, such as actual complaint narratives; detailed complaint categories and subcategories; complaint resolution details including the specific relief offered, moving beyond the broad categories of monetary and non-monetary relief; consumer dispute details; and data regarding membership in classes protected from discrimination by law (without personal information). Expansion of complaint-level details should include more information about amounts and types of monetary and non-monetary relief. Software and other techniques should be used to protect consumer privacy by preventing the release of personally identifiable information or the re-identification of consumers. It is critical that the bureau achieve the disclosure of more individual complaint details while simultaneously making every reasonable effort to protect personal data.
- Adding features such as definitions of terms and instructions.
- Providing regular trend analyses and monthly detailed reports on complaint resolutions and disputes.
- Simplifying the interfaces that allow users to summarize complaint database reports in graphical and printable formats.

- Work with other regulators to ensure that information about contacting the CFPB appears on regulator websites and other materials as appropriate.
- Develop more outreach mechanisms for consumer education about the database and its services for consumers, including through the distribution of educational materials on- and off-line, through more events outside Washington, D.C., and through non-profit organizations, including through software interfaces that would enable consumers to access the database directly from partner organization sites.
- Develop free applications (“apps”) for consumers to download to smartphones to access information regarding how to complain about a firm and how to review complaints in the database.

To improve the effectiveness of the CFPB, the agency should:

- As a first step, expand the Consumer Complaint Database to include discrete complaint categories for high-cost credit products such as payday and auto title loans, and prepaid cards.
- Continue to use the information gathered from the Consumer Complaint Database, from supervisory and examination findings, and from other sources to require a high, uniform level of consumer protection, through guidance and rules, to protect consumers and ensure that responsible industry players can better compete with those who are using harmful practices.

- Use information from supervisory activities and trends identified in the Consumer Complaint Database to both improve the accuracy of credit reports and improve the accountability of the consumer reporting industry to the consumers who are the subjects of their reports. Among the improvements that the bureau could make to improve the activities of consumer reporting agencies are the following.
  - The bureau, as it has done in the credit card industry, should consider imposing enforcement penalties upon major players that have marketed deceptive add-on products. While Experian paid modest civil penalties for deceptive marketing of credit monitoring and credit score subscription products in 2005 and 2007,<sup>32</sup> the other major firms have not—yet these firms offer similar products that also appear to be a significant source of complaints in the database.
  - The FTC, from 1989-2012, imposed only one other civil penalty, totaling \$2.5 million across the three credit reporting firms, and only for failing to have enough employees to answer the phone.<sup>33</sup> The FTC has, at least since 1989, never imposed any civil penalties for failure of the three major credit bureaus to comply with the law’s accuracy or dispute reinvestigation provisions. This is an area ripe for CFPB enforcement or supervisory action. Civil penalties for failing to comply with the law’s standards could help to make markets work better and make more consumers eligible for the credit they deserve at the prices for which they qualify.
  - While recent legislation has increased the availability of free credit scores, the CFPB should eliminate artificial distinctions created by industry lobbying that have prevented free credit reports provided by law from routinely including credit scores. All credit reports should include a consumer’s most recent credit scores, and those scores should be comparable to scores sold in the marketplace to creditors (not so-called “educational” scores).
  - The CFPB should enact rules requiring that whenever a consumer faces a denial or other adverse action based on a credit report, she also receive a copy of the identical report obtained by the subscriber creditor or employer.
  - The CFPB should enact rules requiring credit bureaus to conduct manual reinvestigations of consumer disputes, involving actual verification of disputed items through telephone calls or other communications and review of consumer-provided materials, rather than the automated reviews that pass for reinvestigations today, during which one computer simply confirms to another computer that it has the same information, without determining if it is wrong or about the wrong consumer.

# Methodology

The Consumer Financial Protection Bureau (CFPB) maintains a database of complaints submitted by customers about financial institutions. The database is available for download at [www.consumerfinance.gov/complaintdatabase/](http://www.consumerfinance.gov/complaintdatabase/). Our analysis of credit reporting focuses on the distribution of complaints by state, by company, and by “issue” and “sub-issue.” It includes complaints posted to the database through August 26, 2013.

The CFPB has received and processed complaints concerning credit reporting since October 2012. The CFPB has jurisdiction to oversee both NCRAs and many “furnishers” that provide them data. The NCRAs also have their own automated system for resolving consumer com-

plaints, which received about 8 million contacts from consumers in 2011. This system generally results in 15 percent of consumer complaints being handled by the NCRAs directly and 85 percent being forwarded to data “furnishers” for resolution. The CFPB advises consumers to use internal NCRA complaint mechanisms before turning to the CFPB for help.<sup>34</sup> If the consumer is dissatisfied with the NCRA’s internal complaint resolution, however, the CFPB has jurisdiction to hear consumer complaints.

Population data were taken from U.S. Census apportionment data for 2010. We then divided the number of consumer complaints by individual state populations to normalize for state population size.

# Appendix A: Detailed Data Tables for Complaints Regarding Credit Reporting

Table A-1. Complaints per State, Total and per 100,000 Residents

State	Complaints	2010 Population	Complaints per 100,000 Population
AK	30	721,523	4.16
AL	108	4,802,982	2.25
AR	51	2,926,229	1.74
AZ	202	6,412,700	3.15
CA	1,526	37,341,989	4.09
CO	183	5,044,930	3.63
CT	84	3,581,628	2.35
DC	107	601,723	17.78
DE	29	900,877	3.22
FL	928	18,900,773	4.91
GA	367	9,727,566	3.77
HI	31	1,366,862	2.27
IA	60	3,053,787	1.96
ID	43	1,573,499	2.73
IL	330	12,864,380	2.57
IN	128	6,501,582	1.97
KS	51	2,863,813	1.78
KY	97	4,350,606	2.23
LA	121	4,553,962	2.66
MA	167	6,559,644	2.55
MD	274	5,789,929	4.73
ME	32	1,333,074	2.40
MI	216	9,911,626	2.18
MN	88	5,314,879	1.66
MO	144	6,011,478	2.40
MS	66	2,978,240	2.22
MT	19	994,416	1.91
NC	249	9,565,781	2.60
ND	18	675,905	2.66
NE	16	1,831,825	0.87
NH	40	1,321,445	3.03
NJ	305	8,807,501	3.46
NM	83	2,067,273	4.01
NV	119	2,709,432	4.39
NY	692	19,421,055	3.56
OH	319	11,568,495	2.76
OK	79	3,764,882	2.10
OR	117	3,848,606	3.04
PA	384	12,734,905	3.02
RI	21	1,055,247	1.99
SC	153	4,645,975	3.29
SD	11	819,761	1.34
TN	139	6,375,431	2.18
TX	953	25,268,418	3.77
UT	59	2,770,765	2.13
VA	342	8,037,736	4.25
VT	15	630,337	2.38
WA	201	6,753,369	2.98
WI	98	5,698,230	1.72
WV	27	1,859,815	1.45
WY	21	568,300	3.70

Table A-2. Complaints by Issue

Issue/Sub-Issue	Number of Complaints	Percentage of Overall (top level) or Category (second level)
<b>Credit monitoring or identity protection</b>	<b>343</b>	<b>3.4%</b>
Account terms and changes	60	17.5%
Billing dispute	79	23.0%
Insurance terms	2	0.6%
Problem cancelling or closing account	48	14.0%
Problem with fraud alerts	132	38.5%
Receiving unwanted marketing/advertising	22	6.4%
<b>Credit reporting company's investigation</b>	<b>1,440</b>	<b>14.4%</b>
Inadequate help over the phone	126	8.8%
Investigation took too long	177	12.3%
No notice of investigation status/result	500	34.7%
Problem with statement of dispute	637	44.2%
<b>Improper use of my credit report</b>	<b>515</b>	<b>5.1%</b>
Received marketing offer after opted out	20	3.9%
Report improperly shared by credit reporting agency	469	91.1%
Report shared with employer w/o consent	26	5.0%
<b>Incorrect information on credit report</b>	<b>6,512</b>	<b>65.0%</b>
Account status	2,626	40.3%
Account terms	884	13.6%
Information is not mine	1,856	28.5%
Personal information	310	4.8%
Public record information on report	553	8.5%
Reinserted previously deleted information	283	4.3%
<b>Unable to get credit report/credit score</b>	<b>1,202</b>	<b>12.0%</b>
Problem getting my free annual report	649	54.0%
Problem getting report or credit score	553	46.0%
<b>Grand Total</b>	<b>10,012</b>	<b>100.0%</b>

**Table A-3. Company Responses by Number and Percentage of Issue**

(Columns may not add up to 100% as table excludes complaints in progress and those with an untimely response.)

ISSUE	RESPONSE TYPE			
	Closed <sup>35</sup>	Explanation	Monetary Relief	Non-Monetary Relief
Account terms and changes	1	39	6	10
Percentage of complaint category	2%	65%	10%	17%
Billing dispute	0	43	21	12
%	0%	54%	27%	15%
Insurance terms	1	1	0	0
%	50%	50%	0%	0%
Problem cancelling or closing account	0	28	14	4
%	0%	58%	29%	8%
Problem with fraud alerts	0	96	0	33
%	0%	73%	0%	25%
Receiving unwanted marketing/advertising	0	16	2	4
%	0%	73%	9%	18%
Inadequate help over the phone	1	85	1	29
%	1%	67%	1%	23%
Investigation took too long	1	127	0	42
%	1%	72%	0%	24%
No notice of investigation status/result	0	335	0	122
%	0%	67%	0%	24%
Problem with statement of dispute	0	403	0	179
%	0%	63%	0%	28%
Received marketing offer after opted out	0	15	1	4
%	0%	75%	5%	20%
Report improperly shared by credit reporting agency	3	382	1	66
%	1%	82%	0%	14%
Report shared with employer w/o consent	0	22	0	4
%	0%	85%	0%	15%
Account status	10	1,562	8	796
%	0%	60%	0%	30%
Account terms	3	554	5	262
%	0%	63%	1%	30%
Information is not mine	13	1,218	6	497
%	1%	66%	0%	27%
Personal information	2	192	1	106
%	1%	62%	0%	34%
Public record information on report	5	350	0	176
%	1%	63%	0%	32%
Reinserted previously deleted information	2	141	1	120
%	1%	50%	0%	42%
Problem getting my free annual report	0	328	5	304
%	0%	51%	1%	47%
Problem getting report or credit score	2	388	6	140
%	0%	70%	1%	25%



**Table A-4. Most Complained-about Company by State**

State	Most Complained-about Company
AK	Equifax
AL	Equifax
AR	Experian
AZ	Experian
CA	Experian
CO	Experian
CT	Experian
DC	Equifax
DE	TransUnion
FL	Experian
GA	Equifax
HI	Experian
IA	Experian
ID	Experian
IL	Experian
IN	Experian
KS	Experian
KY	Experian
LA	Equifax
MA	Experian
MD	Experian
ME	Experian
MI	Experian
MN	Experian
MO	Experian
MS	Equifax

State	Most Complained-about Company
MT	Experian
NC	Equifax
ND	Experian
NE	Experian
NH	Tie (Experian and TransUnion)
NJ	Experian
NM	Experian
NV	Experian
NY	Experian
OH	Equifax
OK	Experian
OR	Equifax
PA	Experian
RI	Experian
SC	Equifax
SD	Tie (Equifax and TransUnion)
TN	Equifax
TX	Experian
UT	Experian
VA	Equifax
VT	Experian
WA	Experian
WI	Experian
WV	Equifax
WY	Experian

## Appendix B: Searchable Public Databases of Complaints to Government Agencies

The CFPB's searchable complaint database is the newest of a set of federal government complaint databases that help consumers make better economic and safety choices by reviewing others' experiences and searching for problems or product recalls. This transparency also helps firms improve their products and services. Here is information on how to contact the CFPB and some of the other public databases maintained by government agencies. U.S. PIRG visited each of the other databases and a quick overview of their contents and ease of use is below. A more detailed review can be found at [www.uspirgedfund.org/issues/usf/consumer-tips](http://www.uspirgedfund.org/issues/usf/consumer-tips).

**CFPB's Searchable Financial Services Complaint Database:** The CFPB Consumer Complaint Database discloses data associated with financial institutions and their practices in two ways: the disclosures help provide consumers with recent and comprehensive information to make responsible decisions concerning their finances and enhance the market's ability to operate efficiently and transparently. The CFPB provides public access to an electronic database that contains individual fields for each unique complaint. In short,

this allows consumer complaints to be easily accessible in a data-rich form. The CFPB's goal is to improve the transparency and efficiency of the monetary market and further empower the American consumer.

- The database can be viewed at: [www.consumerfinance.gov/complaint-database/](http://www.consumerfinance.gov/complaint-database/).
- Consumers may submit complaints to the CFPB at [www.consumerfinance.gov/complaint/](http://www.consumerfinance.gov/complaint/).

Consumer complaints can also be made by phone (855) 411-2372, fax (855) 237-2392, postal mail (1700 G Street, NW Washington, D.C. 20552), and/or e-mail ([info@consumerfinance.gov](mailto:info@consumerfinance.gov)).

**Safecar.gov:** The National Highway Traffic Safety Administration (NHTSA), according to its website, was established in 1970 to direct highway safety and consumer programs.<sup>36</sup> Safecar.gov, established online in 1994, allows consumers to identify and report problems or file a complaint about their vehicle, tires, equipment or car seats by phone, by filling out a PDF

for email, or electronically on the agency's website. All information to file a complaint or search the database can be found on the website's home page, [www.safercar.gov](http://www.safercar.gov). Logging onto the website, consumers can quickly and easily navigate to see other complaints ([www.odi.nhtsa.dot.gov/owners/SearchComplaints](http://www.odi.nhtsa.dot.gov/owners/SearchComplaints)) as well as find the link to file their own complaints and access investigations, complaints or recall reports ([www.odi.nhtsa.dot.gov/owners/SearchVehicles](http://www.odi.nhtsa.dot.gov/owners/SearchVehicles)). The database can also be exported (downloaded) for further analysis at [www.odi.nhtsa.dot.gov/downloads/](http://www.odi.nhtsa.dot.gov/downloads/).

*U.S. PIRG Education Fund's Overall Review:* This user website is generally easy to navigate and accessible for the average consumer. The homepage clearly gives the consumer specific tabs on the homepage labeled "vehicle shoppers," "vehicle owners," "vehicle manufacturers" and "parents central" for general navigation. Also included on the homepage are direct links (on the right side of the page by the scroll bar) to file a complaint, search for recalls and previous complaints, and get help with a car seat. The actual process of filing a complaint is straightforward and is broken down in such a way that is not time consuming.

**Saferproducts.gov:** The United States Consumer Product Safety Commission (CPSC), created in 1972 through the Consumer Product Safety Act, is an independent agency of the United States government. It has authority to investigate and recall 15,000 different types of consumer products ranging from toasters and dishwashers to bicycles, clothing, cribs and children's toys. In 2008 the Consumer Product Safety Improvement Act was passed; the new law established authority for a searchable public consumer products database that went live in 2011.

The home page for the website is:

[www.saferproducts.gov](http://www.saferproducts.gov). Complaints may be filed at: [www.saferproducts.gov/CPSRMSPublic/Incidents/ReportIncident.aspx](http://www.saferproducts.gov/CPSRMSPublic/Incidents/ReportIncident.aspx). At the main page ([www.saferproducts.gov/Search/default.aspx](http://www.saferproducts.gov/Search/default.aspx)) consumers and researchers can view incident reports or recalls or both by category, or can export the database for additional analysis.

*U.S. PIRG Education Fund's Overall Review:* When searching recalls on [saferproducts.gov](http://saferproducts.gov), consumers are easily able to search directly for what they're looking for. The website is broken down into easily identifiable sections; whether the consumer is seeking to file a report or review reports and recalls, the site offers links to each popular section on the homepage for consumers. Although the actual database of consumer reports and recalls is somewhat difficult to download, understand and read, the average consumer isn't looking for details on specific products through use of the full database. The average consumer will instead use the easy-to-use online search engine, which includes photos and icons for complaint categories, and specific tabs and links to navigate to the pages of the site they wish to view.

**Air Travel Consumer Report:** The United States Department of Transportation (DOT), established by act of Congress in 1966, supervises vital means of transportation throughout the U.S., including travel by air.<sup>37</sup> The Air Travel Consumer Report is a monthly product of the Department of Transportation's Office of Aviation Enforcement and Proceedings (OAEP). The report is designed to assist consumers with information on the quality of services provided by the airlines.

The home page for the U.S. DOT is [www.dot.gov](http://www.dot.gov). The link for filing complaints is: [www.dot.gov/airconsumer/file-consumer-complaint](http://www.dot.gov/airconsumer/file-consumer-complaint). The link for reviewing monthly reports is [www.dot.gov](http://www.dot.gov).

[gov/airconsumer/air-travel-consumer-reports](http://www.dot.gov/airconsumer/air-travel-consumer-reports). The DOT maintains a fact sheet of air travel tips for consumers available here: [www.dot.gov/airconsumer/air-travel-tips](http://www.dot.gov/airconsumer/air-travel-tips).

*U.S. PIRG Education Fund's Overall Review:* Air travel complaint reports are issued monthly. Unlike the other databases, which can be searched and downloaded, the DOT air travel database is summarized into monthly reports in PDF format. It includes information on air travel problems including on-time arrivals, lost luggage disputes and bumping complaints. U.S. PIRG Education Fund has on several occasions urged DOT to make these data more user-friendly to consumers and researchers. DOT does maintain other pages of downloadable information, but not for air travel complaints.

**MyEdDebt.com:** The U.S. Department of Education, at the urging of the National Consumer Law Center, has recently improved the borrower complaint process by allowing access to a centralized complaint system.<sup>38</sup> This has been a crucial step forward for defaulted borrowers who previously could not find the complaints section when visiting the federal student aid website, and were not given specific guidance with the most common concerns.

*U.S. PIRG Education Fund's Overall Suggestions:* Using the CFPB's complaints database as a model, we recommend that the Department of Education also create a searchable database to track all federal borrower complaints, outside of those who are in default. Additionally, the department should make aggregated complaint data public. Tracking the data will help borrowers and advocates, but most importantly could be used by the agency to drive oversight and compliance actions.

# Notes

- 1 As of August 26, 2013.
- 2 Company response type is self-reported.
- 3 Kelly Dilworth, "Why the Credit Report Dispute Process Is Broken," *CreditCards.com*, accessed 7 November 2013 at [www.creditcards.com/credit-card-news/credit\\_report\\_dispute-process-broken-1270.php](http://www.creditcards.com/credit-card-news/credit_report_dispute-process-broken-1270.php).
- 4 Mandi Woodruff, "Credit Bureau Ordered to Hand over \$18 Million to an Oregon Woman," *Business Insider*, 29 July 2013.
- 5 Zachry Floro, "TransUnion Mixed Up a Colorado Grandmother With a Colombian Narcoterrorist," *Business Insider*, 19 July 2012.
- 6 Consumer Financial Protection Bureau, *Key Dimensions and Processes in the U.S. Credit Reporting System: A Review of How the Nation's Largest Credit Bureaus Manage Consumer Data*, December 2012.
- 7 Ibid.
- 8 Federal Trade Commission, *Five Percent of Consumers Had Errors on Their Credit Reports that Could Result in Less Favorable Terms for Loans* (press release), 11 February 2013.
- 9 Consumer Financial Protection Bureau, *The CFPB Takes Action against Mortgage Insurers to End Kickbacks to Lenders* (press release), 4 April 2013.
- 10 Consumer Financial Protection Bureau, *Analysis of Differences between Consumer- and Creditor-Purchased Credit Scores*, September 2012.
- 11 The credit card companies penalized are Capital One (\$140 million in consumer refunds; \$25 million in penalties ordered by the CFPB, July 2012); Discover Card and Discover Bank (\$200 million in refunds; \$14 million in penalties ordered by the CFPB and FDIC, September 2012); American Express and related companies (\$85 million in refunds; \$14 million in penalties ordered by the CFPB and \$13 million in penalties ordered by other regulators, October 2012) and JP Morgan Chase Bank (\$309 million in refunds; \$20 million in penalties ordered by the CFPB and \$60 million in penalties ordered by the OCC, September 2013). Sources: Consumer Financial Protection Bureau, *CFPB Orders Chase and JPMorgan Chase to Pay \$309 Million Refund for Illegal Credit Card Practices* (press release), 19 September 2013; Consumer Financial Protection Bureau, *CFPB Probe into Capital One*

*Credit Card Marketing Results in \$140 Million Consumer Refund* (press release), 18 July 2012; Consumer Financial Protection Bureau, *Federal Deposit Insurance Corporation and Consumer Financial Protection Bureau Order Discover to Pay \$200 Million Consumer Refund for Deceptive Marketing* (press release), 24 September 2012; Consumer Financial Protection Bureau, *CFPB Orders American Express to Pay \$85 Million Refund to Consumers Harmed by Illegal Credit Card Practices* (press release), 1 October 2012.

12 Consumer Financial Protection Bureau, *Key Dimensions and Processes in the U.S. Credit Reporting System*, December 2012.

13 Consumer Financial Protection Bureau, *About Us*, accessed at [www.consumerfinance.gov/the-bureau/](http://www.consumerfinance.gov/the-bureau/), 23 July 2013.

14 Ibid.

15 Ibid.

16 Consumer Financial Protection Bureau, *Consumer Response: A Snapshot of Complaints Received*, March 2013.

17 Consumer Financial Protection Bureau, *Submit a Complaint*, accessed at [www.consumerfinance.gov/complaint/](http://www.consumerfinance.gov/complaint/), 23 July 2013; also see note 16.

18 Consumer Financial Protection Bureau, *New Ways to Combat Harmful Debt Collection Practices*, 10 July 2013.

19 See note 16.

20 We counted 10,012 using the following method. Through June 30, 2013, the CFPB reports having handled approximately 14,200 complaints from consumers regarding credit reporting, of which roughly 4 percent were forwarded to another agency for follow-up, 11 percent were incomplete, and 18 percent were pending. Complaints are also excluded from the database that are duplicative or that name the wrong company. Complaints are added to the database once a company has responded or after the

complaint has been held by the company without response for 15 days. As of August 26, 2013, there were 10,012 records in the Consumer Complaint Database related to credit reporting. Sources: Consumer Financial Protection Bureau, *Consumer Response: A Snapshot of Complaints Received*, July 2013; Consumer Financial Protection Bureau, *Consumer Complaint Database: Technical Documentation*, accessed at [www.consumerfinance.gov/complaintdatabase/technical-documentation/](http://www.consumerfinance.gov/complaintdatabase/technical-documentation/), 31 July 2013.

21 As of 26 August 2013.

22 All issues with fewer than 100 complaints are included in the "Other" category.

23 Ed Mierzewski, U.S. PIRG Education Fund, *The CFPB Is Now Taking Your Credit Bureau Complaints* (blog post), 22 October 2012.

24 Federal Trade Commission, *Report to Congress Under Section 319 of the Fair and Accurate Credit Transactions Act of 2003*, December 2012.

25 FIS Global is the parent company of specialty credit bureau ChexSystems.

26 LexisNexis is a large data broker that sells some FCRA-compliant products.

27 CoreScore is a specialty credit bureau.

28 Tony Dutzik et al., Frontier Group and U.S. PIRG Education Fund, *Big Banks, Big Complaints: CFPB's Consumer Complaint Database Gets Real Results for Consumers*, 17 September 2013, and Tony Dutzik et al., Frontier Group and U.S. PIRG Education Fund, *Private Loans, Public Complaints: The CFPB's Consumer Complaint Database Gets Real Results for Student Borrowers*, 24 October 2013.

29 Excludes issues with fewer than 100 complaints. For a complete list of complaints by response type, see Appendix Table A-3.

30 Either monetary or non-monetary.

31 See note 28.

32 Federal Trade Commission, *Consumerinfo.com Settles FTC Charges*, 21 February 2007.

33 Federal Trade Commission, *Nation's Big Three Consumer Reporting Agencies Agree to Pay \$2.5 Million to Settle FTC Charges of Violating Fair Credit Reporting Act*, 13 January 2000.

34 Scott Pluta, Consumer Financial Protection Bureau, *Now Accepting Credit Reporting Complaints*, 22 October 2012.

35 Cases in which the company provides neither relief nor explanation to the consumer; these are commonly labeled “closed without relief or explanation.”

36 National Highway Traffic Safety Administration, *NHTSA: People Saving People*, accessed 7 November 2013 at [www.safercar.gov/About+NHTSA](http://www.safercar.gov/About+NHTSA).

37 United States Department of Transportation, *About Us*, accessed 7 November 2013 at [www.dot.gov/mission/about-us](http://www.dot.gov/mission/about-us).

38 National Consumer Law Center, *Borrowers on Hold: 2013 Update*, 14 March 2013.