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CFPB Monthly Complaint Snapshot Spotlights Credit Card Complaints

Report Also Includes In-Depth Look at Consumer Complaints in the Chicago Metro Area

WASHINGTON, D.C. – Today, the Consumer Financial Protection Bureau (CFPB) released its latest monthly consumer complaints snapshot, which highlights credit card complaints. Consumers' most frequent credit card-related complaints were about incurring late fees and credit report problems due to confusing payment processing schedules and difficulty disputing bill inaccuracies. This month's snapshot also highlights trends seen in complaints coming from the Chicago metro area. As of Oct. 1, 2015 the Bureau has handled more than 726,000 complaints across all products.

“Credit cards are an important financial tool for over half of the adults in this country,” said CFPB Director Richard Cordray. “It is important for consumers to be able to control how their payments are applied and to have clear information about their rights as cardholders. The Bureau will continue to work to protect people as they are using credit cards.”

The Monthly Complaint Report can be found

at: <http://www.consumerfinance.gov/reports/monthly-complaint-report-vol-4/>

Product Spotlight: Credit Cards

Credit cards are used by more than half of adult consumers in the United States. Many consumers rely on credit cards as an important tool in financing their day-to-day lives. At the beginning of 2015, U.S. consumers carried more than \$700 billion in credit card debt. The CFPB began taking credit card complaints as soon as the agency opened its doors on July 21, 2011. As of Oct. 1, 2015 the Bureau had handled approximately 79,500 credit card-related complaints. Some of the issues consumers report facing include:

- **Confusion over how late fees are assessed:** Problems making payments is the primary issue many consumers complained about, representing 16 percent of credit card-related complaints. Consumers who complained about billing issues frequently mention that they are charged surprise late fees because the company

did not make it clear that payments would be not credited the day the payment was made.

- **Problems resolving inaccuracies on billing statements:** Consumers reported experiencing frustration and confusion when they attempted to dispute charges on their credit card bills. Many consumers complained that they did not have clear information on the amount of time they had to dispute charges they believed were wrong. Others complained that they were not made aware that their credit card company would not assist them in a dispute with a merchant.
- **Accounts closed without consumer consent:** Seven percent of consumer credit card complaints were about accounts being closed by credit card companies without advance warning. In the majority of these situations, the company stated that the account closure occurred because of suspected fraud on the card. Consumers said they were often not informed by the credit card company of the potential fraud on their cards before they were deactivated.
- **Most-complained-about companies:** Citibank, Capital One, GE Capital Retail, and JPMorgan Chase accounted for nearly 60 percent of credit card complaints submitted to the Bureau between May and July 2015. Of these companies, Citibank received 708 complaints during this time period, which was more than one hundred more complaints than the second most complained about company, Capital One. Company-level information should be considered in the context of company size and activity in the relevant market.

Company-level complaint data in the report uses a three-month rolling average of complaints sent by the Bureau to companies for response. Company-level data lags other complaint data in this report by two months to account for the fact that companies are expected to close all but the most complicated complaints within 60 days. After the CFPB forwards a company the complaint, the company initially has 15 days to respond, confirming a commercial relationship with the consumer.

National Complaint Overview

As of Oct. 1, 2015 the CFPB has handled 726,000 complaints nationally. Some of the highlights from the statistics in this month's snapshot report include:

- **Complaint volume:** For September 2015, the most-complained-about financial product or service was debt collection, representing about 29 percent of complaints submitted. Of the 23,354 complaints handled in September, approximately 6,818 of them were about debt collection. The second most-complained-about consumer product was credit reporting, accounting for approximately 4,799 complaints. Overall, the CFPB saw a 9 percent reduction in complaint volume between August and September 2015.
- **Product trends:** In a year-to-year comparison, complaints about debt settlement, credit repair, and check cashing showed the greatest percentage increase. Complaints about these products, which the Bureau classifies as “other financial services complaints,” rose 97 percent from the same time period last year.
- **State information:** Idaho showed the greatest complaint volume increases from the same time last year by a wide margin. The volume of complaints from Idaho rose by 59 percent, while the next largest complaint volume increase—Nebraska—rose by 44 percent.
- **Most-complained-about companies:** : The top three companies about which the CFPB received the most complaints remain unchanged from last month’s report. From May through July 2015, Equifax, Experian, and Bank of America were the three most-complained-about companies.

Geographic Spotlight: Chicago

This month, the CFPB’s report spotlighted the Chicago metro area. With a population of nearly 10 million residents residing in three states—Illinois, Indiana, and Wisconsin—the Chicago metro area is the third largest in the country. Of the 726,000 complaints received by the Bureau, 21,100 of them have come from consumers in the Chicago metro area. Findings from the Chicago complaints include:

- **Mortgages are the most-complained-about product:** Overall, mortgage-related complaints have been the most-complained-about product in the Chicago metro area. Of the 21,100 complaints submitted by consumers in the Chicago metro area, 27 percent have been related to mortgages.

- **Chicago complaint volume and type mirrors national trends:** Debt collection and credit reporting are the second and third most-complained-about financial products in the Chicago metro area, following mortgages. Those are also the top three most-complained-about products nationwide.
- **Most-complained-about companies:** Credit reporting companies TransUnion, Equifax, and Experian were the first, second, and, fourth most-complained-about companies by Chicago-area consumers over a twelve-month period. The third-most complained about company by Chicago-area consumers was JPMorgan Chase.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, which created the CFPB, established consumer complaint handling as an integral part of the CFPB's work. The CFPB began accepting complaints as soon as it opened its doors four years ago in July 2011. It currently accepts complaints on many consumer financial products, including credit cards, mortgages, bank accounts, private student loans, vehicle and other consumer loans, credit reporting, money transfers, debt collection, and payday loans.

The Bureau expects companies to respond to complaints and to describe the steps they have taken or plan to take to resolve the complaint within 15 days of receipt. The CFPB expects companies to close all but the most complicated complaints within 60 days.

In June 2012, the CFPB launched its Consumer Complaint Database, which is the nation's largest public collection of consumer financial complaints. When consumers submit a complaint they have the option to share publicly their explanation of what happened. For more individual-level complaint data and to read consumers' experiences, go to the Consumer Complaint Database at: www.consumerfinance.gov/complaintdatabase/.

To submit a complaint, consumers can:

- Go online at www.consumerfinance.gov/complaint/
- Call the toll-free phone number at 1-855-411-CFPB (2372) or TTY/TDD phone number at 1-855-729-CFPB (2372)
- Fax the CFPB at 1-855-237-2392

- Mail a letter to: Consumer Financial Protection Bureau, P.O. Box 4503, Iowa City, Iowa 52244
- Additionally, through “Ask CFPB,” consumers can get clear, unbiased answers to their questions at consumerfinance.gov/askcfpb or by calling 1-855-411-CFPB (2372).

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