



Fall 2024

CFPB Consumer Complaint Risk Signal Report

Trends and compliance risks for financial institutions
based on consumer complaints submitted to the
Consumer Financial Protection Bureau

BEFORE WE DIVE IN

What to Know About the Data + This Report

Data

This report presents key observations and risk signals derived from analyzing consumer complaint data from the CFPB's public Consumer Complaint Database.

It's important to note that the data included in this report is sourced exclusively from complaints published in the database—meaning, the CFPB may have received additional complaints in a given year that are not reflected in this dataset.

Our observations and insights are based on the trends and patterns we identified within the available data. While we leverage our industry expertise to interpret and analyze the information, it's important to clarify that we do not have access to the CFPB's internal analysis of the same data.

Purpose

The primary purpose of this report is to provide valuable insights into key complaint data and trends, allowing organizations to develop a deeper understanding of the challenges consumers face in the marketplace to optimize their compliance programs.

It's important to acknowledge that consumer complaints and the associated data may carry subjective elements and should not be considered as absolute or definitive measures. However, they still serve as an invaluable resource that sheds light on high-level trends and patterns.



SECTION 1

Why Should You Care About Consumer Complaints?

The CFPB uses consumer complaint data to supervise organizations and enforce regulatory compliance while identifying emerging issues in the marketplace.



IN THE CFPB'S WORDS:

Consumers' complaints and organizations' responses provide the Bureau with important information about the types of challenges consumers are experiencing and the effectiveness of an organization's compliance management system.

There are a few different ways organizations can utilize consumer complaint information, such as:

- Gain important knowledge about their business, competitors, and industry more broadly
- Consumer complaints can be an indicator of potential risk management weaknesses or other deficiencies, such as violations of laws or regulations
- Complaints can reveal a weakness in a particular product, service, function, department, or vendor
- Identify opportunities to enhance consumers' experience and understanding of consumer financial products and services

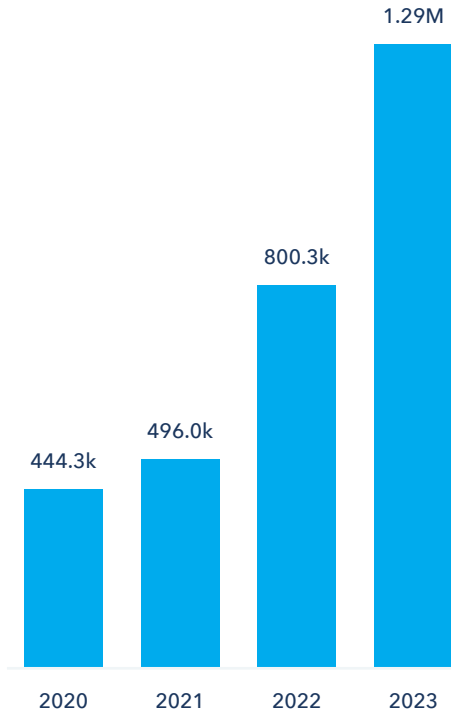
By being aware of the types of challenges that consumers are facing in the marketplace, organizations can use this information to shape their compliance programs to focus on the most pressing issues presenting risk to their business.

Organizations can better protect consumers and avoid the complaints that lead to investigations and enforcement actions by the CFPB by proactively monitoring marketing communications for compliance with regulations and for potential deceptive practices.

Complaint Volume and Trends

2023 was yet another year of record-breaking complaint volume

COMPLAINTS SUBMITTED BY YEAR

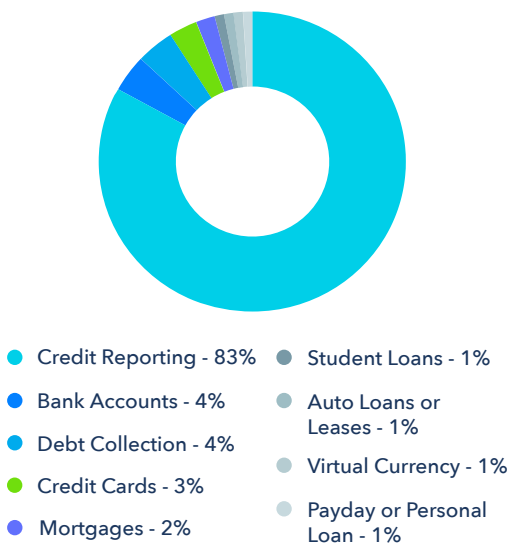


Consumer complaints have been increasing exponentially since 2020, likely due to a number of different factors, including:

- **Lasting impact of the pandemic:** Many consumers experienced job losses and economic uncertainty, leading to increased financial strain and contributing to more complaints.
- **Increase in digital financial services:** The [number](#) of fintechs has more than doubled since 2020, with over 26,000 fintechs in the market as of 2024. The rapid shift from traditional banking to digital banking likely leads to more technical issues, fraud, or misunderstandings with newer products, leading to an increase in complaints.
- **Expansion of CFPB oversight:** The CFPB has broadened its scope to include more industries and financial products over the years. Some examples include invoking its dormant authority to oversee nonbank consumer finance companies (fintechs), and expanding oversight of products like virtual currencies and buy now, pay later (BNPL) products.
- **Increased consumer awareness:** It seems that consumers are becoming increasingly more aware of their ability to submit complaints, and the CFPB has been encouraging more consumers to do so. In 2023, the CFPB noted that 97% of complaints were submitted directly through the website, signaling that their efforts are working.

Credit reporting, debt collection, credit cards, mortgages, and bank accounts accounted for 96% of all complaints in 2023

TOTAL COMPLAINTS BY PRODUCT 2023

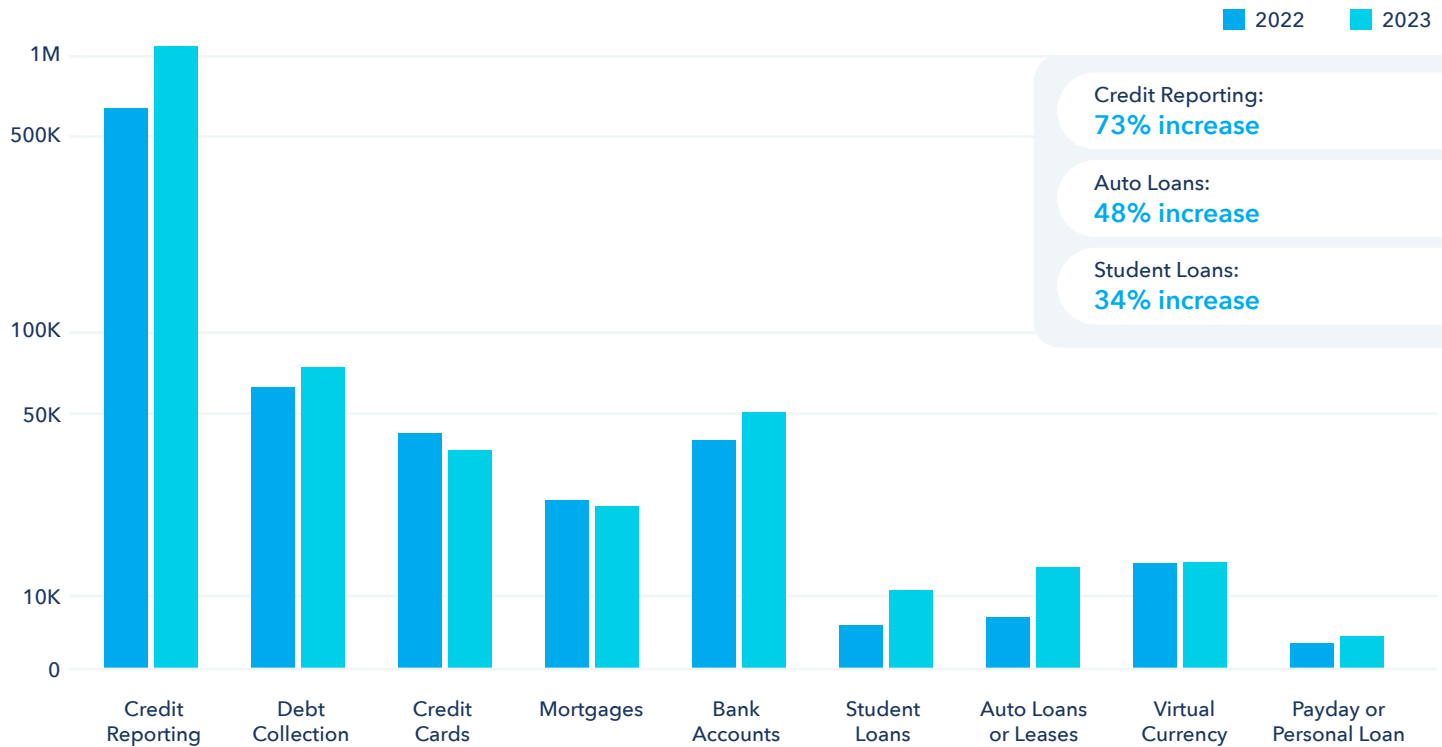


The top five complained-about products accounted for an overwhelming majority of complaints submitted in 2023.

While credit reporting accounted for 83% of complaints, debt collection, credit cards, mortgages, and bank accounts had high volumes as well. The most common issues for these products are as follows:

- **Credit reporting:** Incorrect information on credit reports, improper use of credit reports, and problems with credit reporting companies' investigations into existing problems
- **Bank accounts:** Managing an account and closing an account
- **Debt collection:** Attempting to collect a debt not owed
- **Credit cards:** Problem with purchase(s) shown on statement and getting approved for a credit card
- **Mortgages:** Trouble during the payment process and struggling to pay

Credit reporting, auto loans, and student loans saw the most significant increase in complaint volume in 2023



While credit reporting, debt collection, credit cards, mortgages, and bank accounts account for a majority of complaints in 2023, other consumers are still experiencing increasing issues with other products, like auto loans and student loans, which had the highest increase in complaints in 2023 compared to 2022 behind credit reporting.

Companies are responding quickly to consumer complaints



ACCORDING TO THE CFPB:

Companies overwhelmingly met the timeliness expectation in their responses to the CFPB. Companies provided a timely response to 99.6% of the 1,348,200 complaints sent to them for review in 2023.

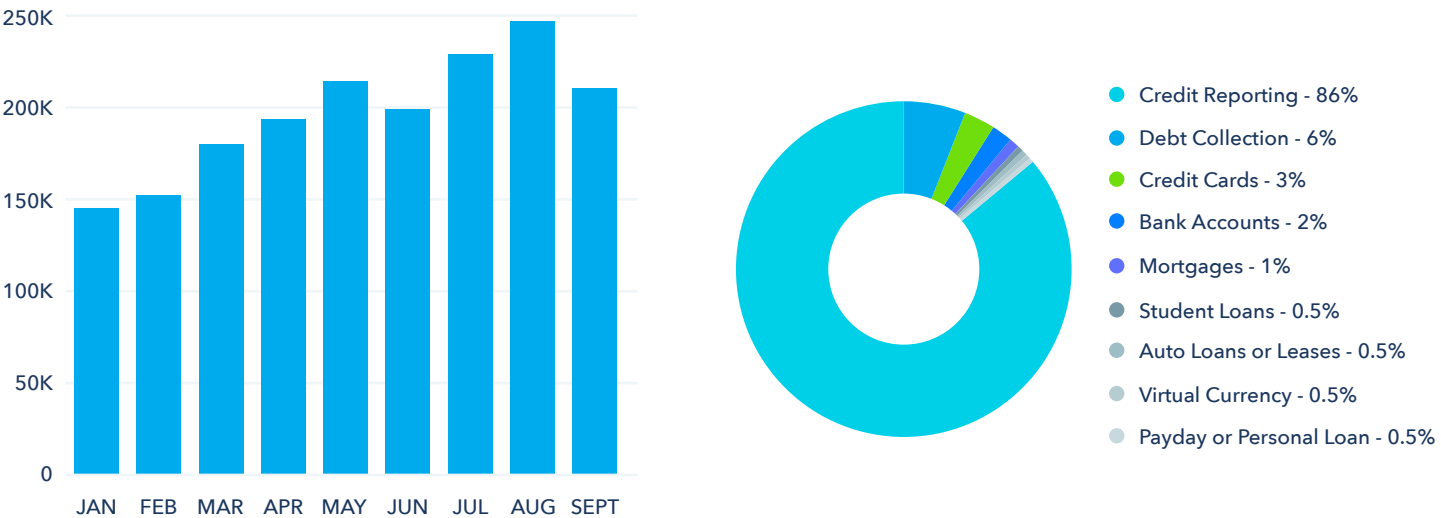
Having timely responses to consumer complaints is important for several reasons, including:

- **Regulatory compliance:** Companies are required by regulation to provide an initial response to consumer complaints submitted to the CFPB within 15 days or less.
- **Consumer satisfaction:** Consumers who receive timely responses to complaints are more likely to feel valued by their financial institutions, which can lead to higher satisfaction and retention.
- **Reputation management:** Timely responses can positively impact a company's reputation and public perception.
- **Mitigate risk:** Prioritizing consumer complaints helps organizations identify and address potential issues quickly, which can prevent more widespread problems or regulatory scrutiny.

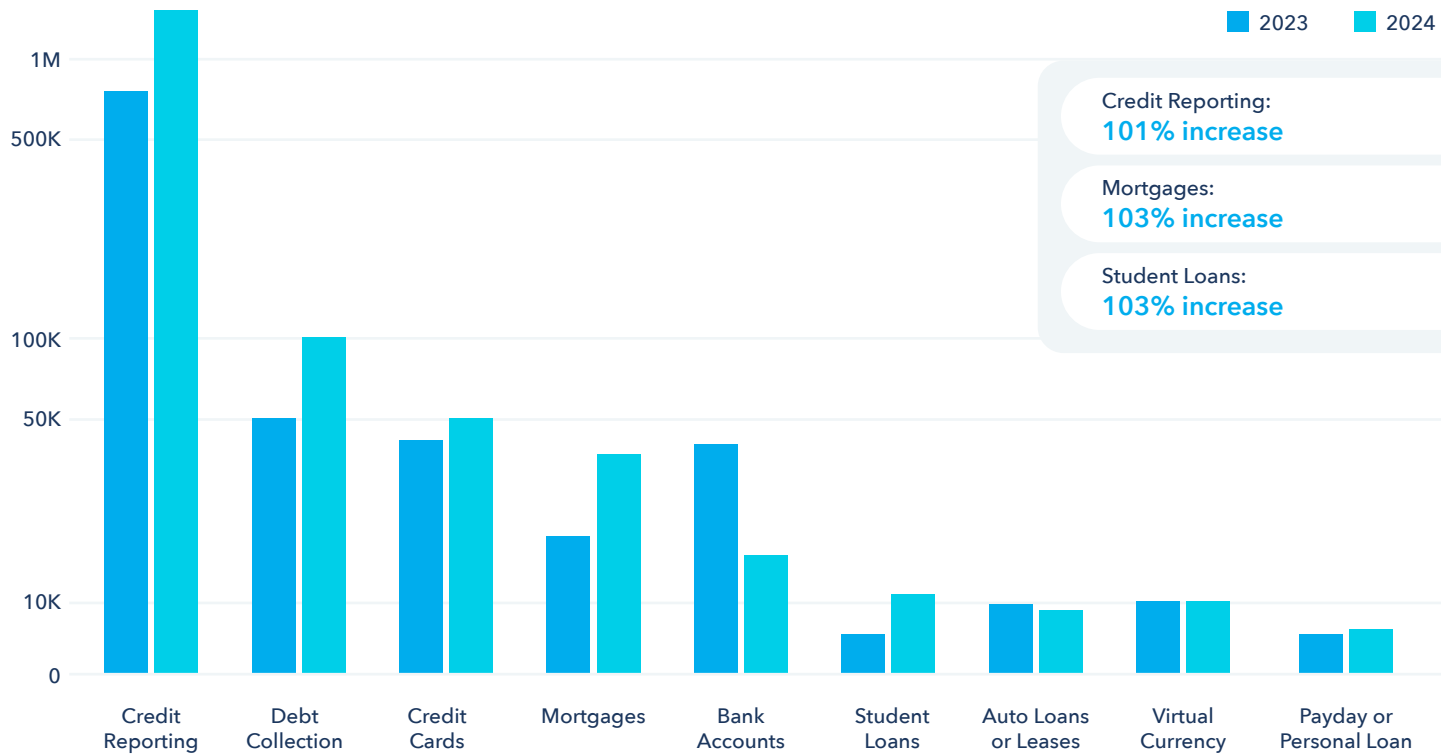
2024 complaint volume has already surpassed 2023—and the year isn’t over yet

As of September 2024, there are over 1.6M complaints in the CFPB complaint data base—a 40% increase from all of 2023, and there are still several months left in the year. Credit reporting remains the top complained-about product for the 8th consecutive year, followed by debt collection, credit cards, bank accounts, and mortgages.

COMPLAINT VOLUME FOR THIS YEAR SO FAR 2024



Mortgages, student loans, and credit reporting complaints more than doubled in 2024



Consumer issues are shifting this year compared to last. From January to September 2024, complaints about mortgages, student loans, and credit reporting increased by over 100% compared to the same period in 2023.

CFPB Responses to Consumer Complaints

The CFPB uses complaint data to help drive its actions—but how?

Below are just a few examples of how the CFPB responded publicly to consumer complaints in 2024.

1. In March 2024, the CFPB issued a [circular](#) warning remittance transfer providers that false advertising about the cost or speed of sending a remittance transfer can violate UDAP. This comes after consumers reported problems with price transparency, promotional pricing, and marketing that omitted or obscured the full cost of remittance transfers.



"The CFPB has received consumer complaints about promotional pricing by remittance transfer providers who do not sufficiently inform consumers that the advertised fee or exchange rate is only a limited scope or temporary offer."

2. In May 2024, the CFPB issued an [interpretive rule](#) confirming that Buy Now, Pay Later lenders are considered credit card providers. This requires them to offer key consumer protections like the right to dispute charges and obtain refunds, which they continue to receive complaints about regularly.



"The CFPB launched its inquiry into the rapidly expanding Buy Now, Pay Later market more than two years ago and continues to see consumer complaints related to refunds and disputed transactions."

3. In May 2024, the CFPB published a [report](#) highlighting several issues with credit card reward programs, following a rise in consumer complaints. This report was followed by a joint hearing with the Department of Transportation (DOT) to address the impact of these programs on consumers.



"The CFPB has received a growing number of complaints on how these rewards programs have been administered."

What this all means for you



Consumer Complaints Matter

Consumer complaints aren't just data points for regulators—they're a goldmine of insights for your business. By tapping into this feedback, you can uncover hidden risk management weaknesses and compliance gaps before they become bigger problems. Proactively addressing these concerns not only keeps regulators at bay but also strengthens your brand's reputation and improves customer satisfaction.



Increased Consumer Awareness

As consumers become more knowledgeable about their rights, they're more likely to raise issues when things go wrong. This presents a big opportunity for your organization to differentiate itself by resolving complaints quickly and transparently. By building trust, you'll not only keep customers happy but also foster loyalty that leads to long-term growth.



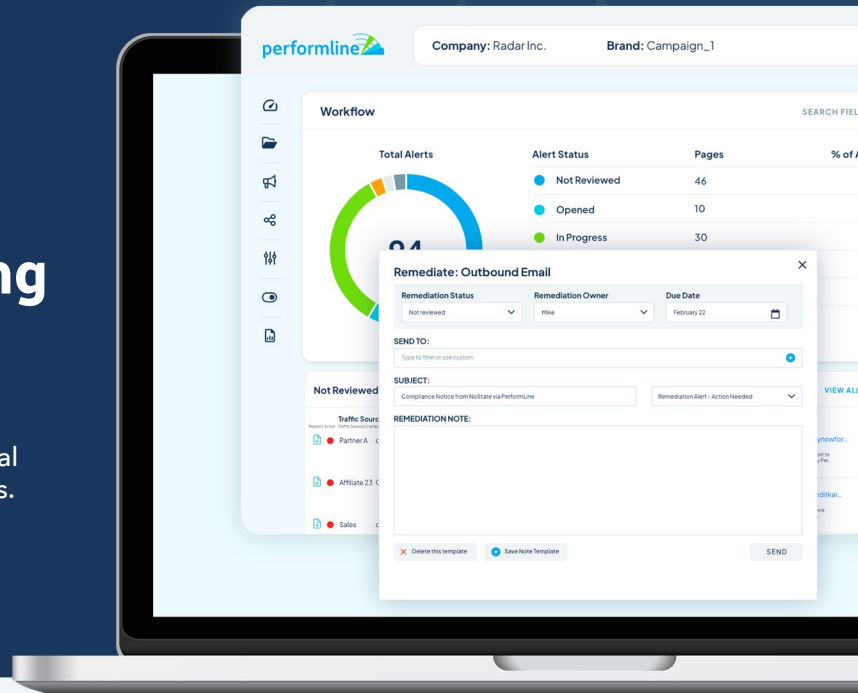
Keep Up with Complaint Trends

Keeping up with complaint trends gives your organization a competitive edge. By monitoring emerging issues and patterns in real time, you can pivot quickly to prevent compliance problems and improve customer experiences. This proactive approach saves time, resources, and protects your business from potential regulatory action.



Avoid Consumer Complaints with Marketing Compliance Technology

For financial institutions, maintaining compliance and transparency in all consumer communications is essential for establishing trust and avoiding consumer complaints.



Why PerformLine?

PerformLine empowers compliance and marketing teams to automate compliance monitoring across all marketing channels and partners. This proactive approach not only protects consumers but also mitigates risks that could lead to regulatory investigations or enforcement actions by the CFPB and other regulators.

You'll achieve:

- **Comprehensive Monitoring:** Keep track of all marketing channels and partners effectively.
- **Risk Reduction:** Identify and address compliance risks before they escalate.
- **Efficiency Through Automation:** Simplify processes and enhance compliance management.

[See PerformLine in Action](#)