



May 26, 2015

Monica Jackson
Office of the Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

***Re: Request for Information Regarding the Consumer Complaint Database
Docket No. CFPB-2015-0013***

Dear Ms. Jackson:

The American Financial Services Association (“AFSA”)¹ welcomes the opportunity to comment on the Consumer Financial Protection Bureau’s (“CFPB” or “Bureau”) request for information (“RFI”) to solicit and collect input on the potential collection and sharing of consumer compliments about providers of consumer financial products and services and more information about a company’s complaint handling.

I. The CFPB is interested in identifying potential ways the Bureau could record, calculate, standardize, sort, share, and visualize the consumer complaint data in ways that reveal positive company behavior, e.g. a “Top Ten” list.

AFSA applauds the thought behind the CFPB’s idea. It is beneficial for consumers to be able to learn about positive company behavior and not just read complaints about companies. However, the CFPB should not use the complaint data to reveal positive company behavior. First, it is unnecessary because that type of information is already available from the Better Business Bureau. Second, it is not the CFPB’s role to pick the winners and losers of the financial services industry. Third, it is unlikely that a customer will compliment a company about the handling of the process if the resolution is not what the customer desired, so the results will not really be accurate. They will likely just be a measure of how much money the customer got back, regardless of what a fair resolution would be. Fourth, customers cannot really opine on the handling of the complaint because most of the process occurs internally. Fifth, because the complaints the CFPB collects are not validated² or verified,³ they are not an accurate presentation of a company’s behavior.

¹ Founded in 1916, AFSA is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, mortgages, direct and indirect vehicle financing, payment cards, and credit for non-vehicle retail customers. AFSA members do not provide payday or vehicle title loans.

² Even if the complaint is from the consumer and is matched with the correct financial services company, it could still be a frivolous complaint. For example, a consumer could complain that she does not like the actor in a financial services company’s ad campaign. Another example is when a mortgage lender is identified in a complaint, but the complaint is actually about a problem that the lender has no control over, such as an appraisal. In addition, complaints may really be grievances about hardships or difficult circumstances. Furthermore, AFSA is still concerned that the system runs the risk of being inundated with “complaints” from credit repair organizations, debt

Taking unverified data and placing it into a chart or Top Ten list will not help consumers. Consumers' assumptions about the truth of unverified complaints will cause real harm to both their immediate financial decisions and a company's reputation. In truth, the unwillingness or inability of the CFPB to verify the accuracy of the facts and circumstances of a consumer complaint will in fact have the opposite effect of facilitating *less*-informed and *less*-transparent consumer choices.

II. The CFPB is asking for comment on replacing the “dispute” function with a two-part consumer feedback process. The consumer would have the ability to rate the company’s handling of his or her complaint on a one to five scale of satisfaction and provide a description in support of the rating.

We do not think that replacing the dispute function with a two-part consumer feedback process would be beneficial either for consumers or companies. It would take extra time for consumers and would not really yield information that could help other consumers. It would not be a particularly good positive feedback mechanism, either. For those customers who disagree with a company's response, this is just another opportunity to be critical of the company. If a customer disagrees with the response, it is unlikely the customer will be satisfied with the complaint handling process. Customers have no visibility to a company's internal complaint handling process. Because the end result is not what the customer desired, this does not mean the complaint handling process is flawed. The simple question about whether a consumer disputes the resolution is best. Also, AFSA is against including another consumer narrative.

III. The CFPB is contemplating a way to solicit, collect, and share consumer compliments.

We agree that the CFPB should solicit, collect, and share consumer compliments. The sharing of positive information may help to offset or mitigate negative information filed in a complaint form against the financial institution. In order to provide the best information to consumers about financial services companies, the CFPB's database should contain both compliments and complaints. Consumers should be able to read about, for example, how Customer A could not get a \$1,000 loan with her local credit union, but was able to get the credit she needed with a traditional installment lender. Consumers should also be able to publicly thank ABC Finance Company for putting together a work-out plan during a tough few months. This information could better help consumers as they navigate the marketplace.

settlement companies, advocacy groups, competitors, and even blog sites dedicated to airing gripes about specific companies, similar to the rash of frivolous disputes that have been filed with consumer reporting agencies by unscrupulous credit repair organizations and debt settlement companies. The CFPB should remove these types of complaints from the database.

³ AFSA members have observed that many consumers enter complaints into the system incorrectly. For example, the customer may make a complaint about a debit card in the credit card section. More specifically, a consumer may make a complaint about a closure request, disputed chargeback resolution, do-not-solicit request, minimum payment, etc., under the “Advertising and Marketing” category. Complaints that are entered incorrectly are not corrected. Additionally, there is no effort to eliminate frivolous complaints or to verify that a complaint submitted by a consumer's representative was actually authorized by the consumer. All of these problems result in serious harm to financial services companies.

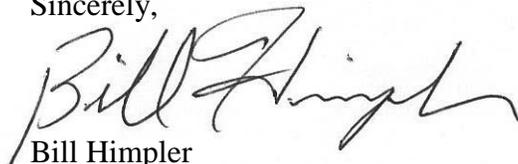
It would be most useful to consumers if they could see all of this information about a company – both compliments and complaints – in one place. Instead of the Consumer Complaint Database, the CFPB could develop a “Consumer Finance Company Database.” The new database would function like Yelp or TripAdvisor. Consumers could look up a company and see positive and negative reviews in one place to get the best overall idea of a company. While Yelp, TripAdvisor, and other similar sights are not necessarily reliable and often filled with phony reviews, at least they provide the consumer with the opportunity to praise or criticize the company. Renaming the database is key. If a customer had something complimentary to say about a company, it is unlikely he would go to a complaint database to memorialize it.

If the CFPB is unwilling to rebrand the Consumer Complaint Database, the CFPB should display compliments about companies in a separate channel. Compliments should not be included in a complaint database because then compliments could easily be misconstrued and could be erroneously counted as complaints. Also, if there are two channels, consumers should only be able to upload negative comments in the Consumer Complaint Database. There would need to be a way to remove complaints from the “compliments” channel. Whatever compliments channel is created, it should only include positive feedback. Otherwise, companies may be unfairly “double-dinged” by disgruntled consumers. It is also very important for the CFPB to solicit compliments about a company as intently as it solicits complaints about a company.

IV. Conclusion

We look forward to working with the CFPB on this RFI. Please contact me by phone, 202-466-8616, or e-mail, bhimpler@afsamail.org, with any questions.

Sincerely,

A handwritten signature in black ink that reads "Bill Himpler". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Bill Himpler

Executive Vice President

American Financial Services Association