

CFPB's Monthly Complaint Report July 2017 Special Edition

Introduction

The CFPB's July 2017 complaint report is a "special edition," which highlights companies' responses to complaints through March 2017, the channels consumers used to submit complaints and consumers' perspectives on how companies have responded.

The CFPB fields complaints in areas including, but not limited to: mortgages, credit cards, auto loans, student loans, deposit accounts, debt collection, credit reporting, payday loans and consumer loans. The process to submit a complaint, according to the CFPB, consists of the five steps listed below:



Source: CFPB Monthly Complaint Report July 2017

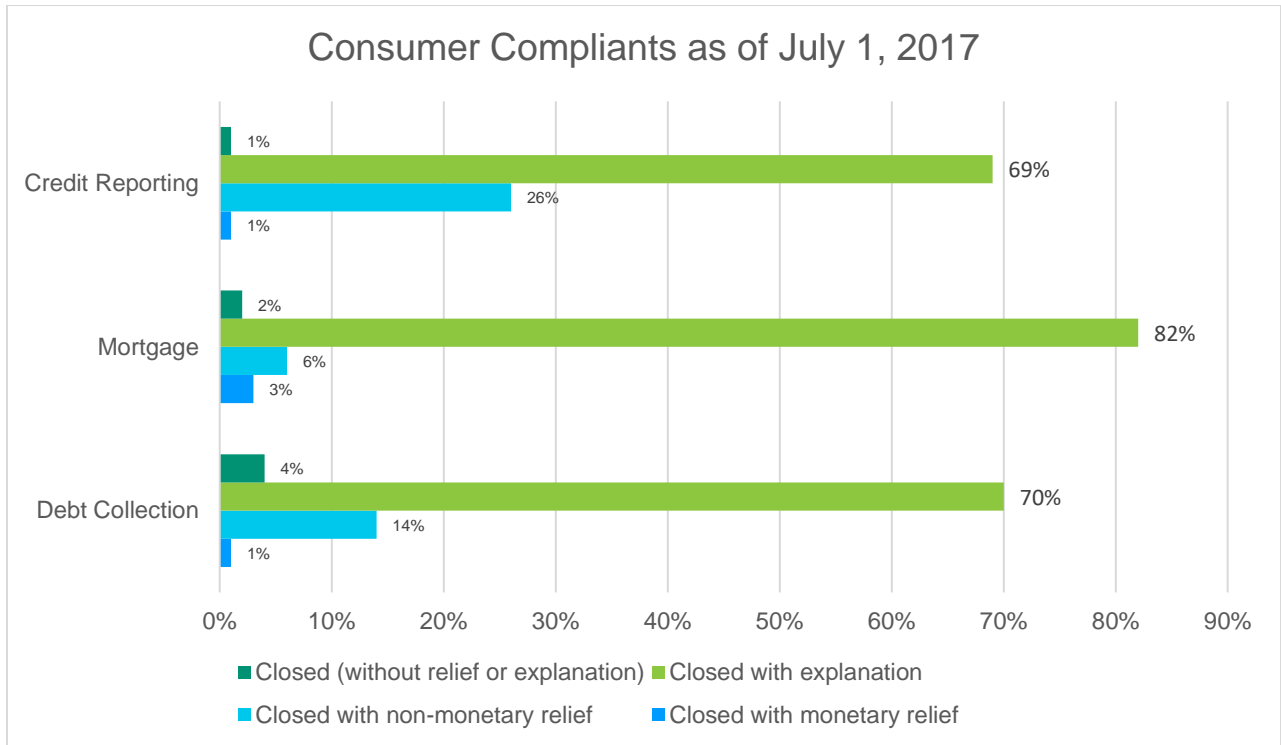
Companies' Responses to Consumer Complaints

As of July 1, 2017, the CFPB has handled over 1,242,800 consumer complaints. From 2014 to 2016, the products accruing the highest volumes of consumer complaints were debt collection, credit reporting and mortgages.

The CFPB expects companies to provide a timely response to complaints and according to the July report, they have done so 97 percent of the time. CFPB responses to complaints fall into four main categories: closed with monetary relief; closed with non-monetary relief; closed with explanation; and closed. The responses to the three aforementioned high-volume complaint products overwhelmingly fell under the "closed with explanation" category. This category comprises a complaint response that explains the responding company's actions or nonactions

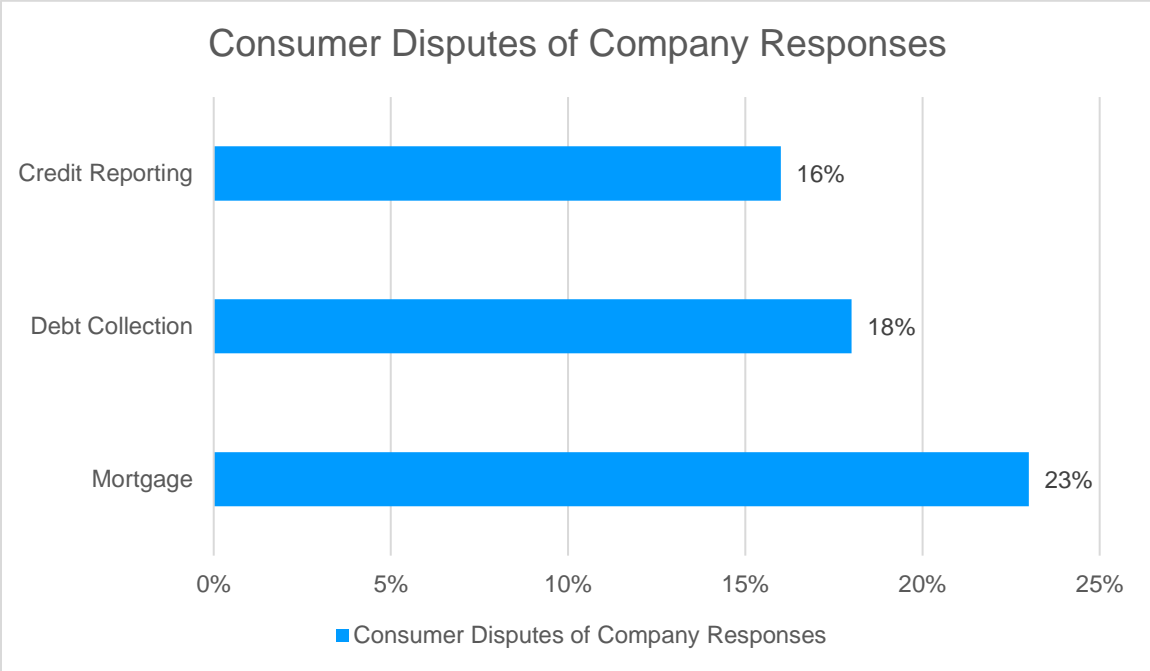
to address the compliant. When companies respond in this manner, it specifies that the company provided no monetary relief.

The second highest response category from companies in the three high-volume complaint areas was “closed with non-monetary relief,” followed by “closed,” then finally “closed with monetary relief.”



Consumer Feedback about Company Responses

Despite a 97 percent response rate from companies, consumers are occasionally dissatisfied with complaint responses and the company will provide the consumer the opportunity to give feedback. The graphic below displays the percentage of times a consumer disputed a company’s response for the three high-volume complaint areas.



As noted in the CFPB report, a consumer’s typical feedback consists of appreciation for the timely response but a dissatisfaction with the company’s responses. The consumer dissatisfaction is based on an incomplete reply or not understanding what the companies said or did to aid their issue. The consumer feedback, weather positive or negative to a company’s response, provides the CFPB with data on what processes or topics they need to take a closer look into.

Conclusion

This CFPB Monthly Complaint Report was a special edition. Every few months, the CFPB addresses a single issue and highlights their complaint data to present a more complete look into how consumers are frustrated with that particular product or service. Responses to consumer complaints are important because those responses often detail how steps that have been or that will be taken, communications received from the consumer, and any follow-up actions or planned follow-up actions tailored to the individual consumer’s complaint.

The September CFPB Monthly Complaint Report will return to the standard version that provides insights into the type of complaints consumers are submitting with spotlights on a product or market and a city, state or other geographic region in the U.S.

