

CFPB Complaint Analysis

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Business Problem

Healthcare is increasingly putting the patient/ consumer in focus. While there are existing ways/ sources providing a means to file / store / access a complaint against a provider, the purpose of this analysis is to examine consumer complaints regarding financial products and services to generate a summary / insight report that a company in the Dallas-Fort Worth area could use to glean value (e.g., get a general idea of the number and type of complaints consumers may file, as well as the channels they use, and how companies respond), based on Consumer Financial Protection Bureau (CFPB) Consumer Complaint data.

Assumption(s): Results could be used to benchmark the number / type of complaints made to healthcare providers and potentially improve responses to patient / consumer complaints in healthcare.

Objective(s) & Scope:

- a. See if there is any data about consumer complaints by industry to gain context:
https://consumerfed.org/press_release/nations-top-consumer-complaints-2/
<https://consumerfed.org/wp-content/uploads/2019/07/Top-Consumer-Complaints-Report.pdf>
- b. Examine CFPB data:
 - 1.) Summarize complaints by product 2.) Review the types of complaints (e.g., issues) 3.) Take a look at complaints by channel and state to detect any interesting patterns 4.) Assess company response
- c. Scope:
 - 1.) Time investment: ~ <= 8 hours (Will keep things high level) 2.) Deliverable: Code, Report (PDF, HTML, etc.); any instructions, supplemental data, needed to reproduce results.

Summary of Findings

Consumers have sent over 1.5M complaints to the CFPB since March, 2017. This is over 45K complaints / month.

The financial products they complain most about are: credit bureau related services, mortgages and debt collection practices, as well as credit cards.

More often than not, they submit their complaints online, are likely to be from California, Florida, Texas, New York, and Georgia and take issue with incorrect information, mortgage loan modifications and collection practices, as well as foreclosure matters.

After a complaint is submitted by a consumer, the company will usually respond in 15 days, resulting in a “Closed with explanation” response without any monetary relief to the consumer.

Although there is a lot of debate and controversy surrounding the CFPB, in one consumer’s view the process of “filing a complaint and getting a response from a financial institution [is still] very effective”. (Source: HTML Reports

Data from the Consumer Federation of America suggests auto salestop complaints for across all industries, and “Health Products / Services” come in sixth (6th), with “misleading claims”, “unlicensed practioners”, “failure to deliver”, and “medical billing issues” topping the list of complaints.

Recommendations & Next Steps

Before drawing any conclusions, it’s recommended that companies reading this material consider their own industry, products and processes. Further, benchmarking complaints in said industry would be helpful.

In the absence of this information, proactively surveying customers and / or consumer market research panels from survey providers like Zoomerang might be helpful to understand attitudes, relative to specific products and services.

Data Analysis

Below is the supporting analysis conducted on the CFPB data. To reveal code, click on “Code” in the upper right hand corner of the code “chunk”. To “Hide”, click on “Hide”. Note: To show or hide all data, you can also click on the “Code” drop-down in the upper right hand corner of this document.

Data preparation

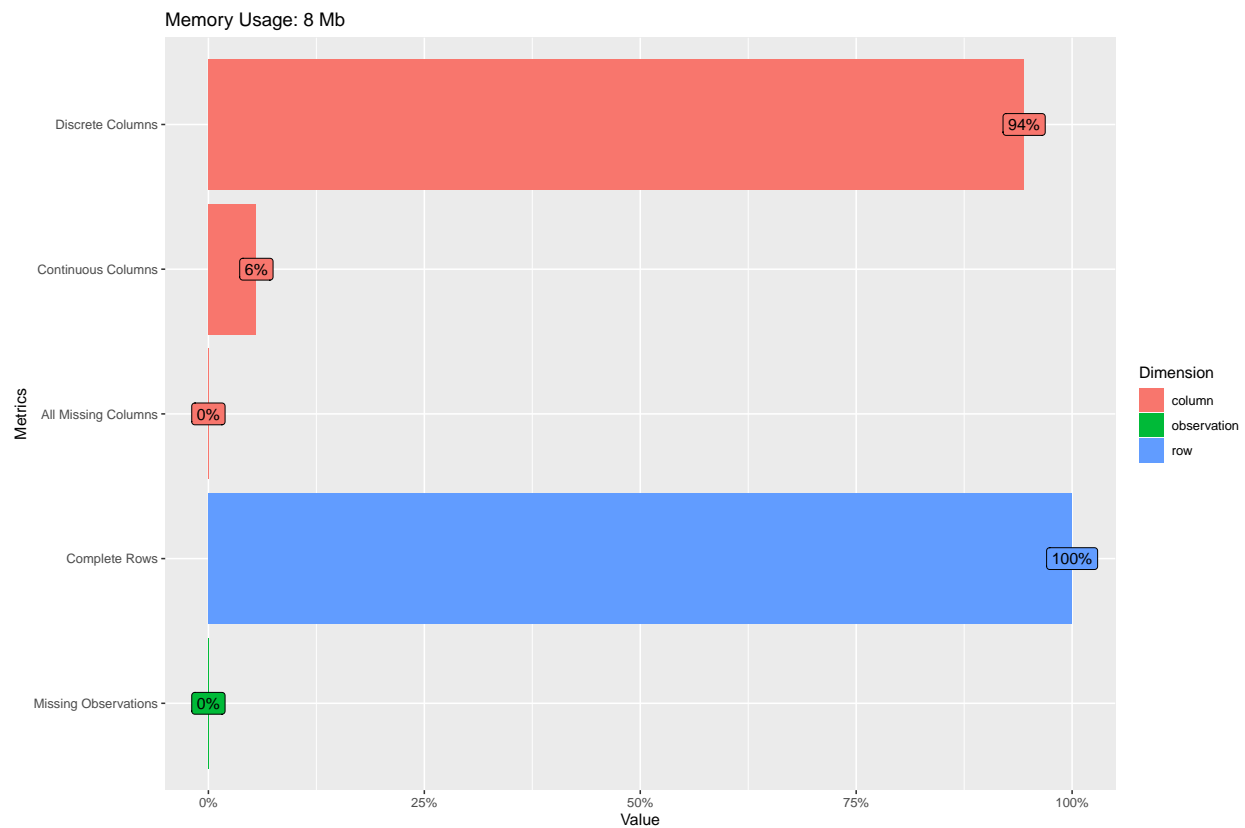
The file used for this analysis comes from the data.gov website:

HTML Reports

The data spans complaints received from the Consumer Financial Protection Bureau between 3/23/2017 and 1/27/20. There are 19 variables and ~ 1.5M observations in the data. To make the code run more efficiently and for the sake of time, I have taken a random sample of 15k records from the dataset.

```
## Observations: 1,531,308
## Variables: 18
## $ Date.received      <chr> "2019-09-24", "2019-09-19", "2019...
## $ Product            <chr> "Debt collection", "Credit report...
## $ Sub.product        <chr> "I do not know", "Credit reportin...
## $ Issue              <chr> "Attempts to collect debt not owe...
## $ Sub.issue          <chr> "Debt is not yours", "Information...
## $ Consumer.complaint.narrative <chr> "transworld systems inc. \nis try...
## $ Company.public.response <chr> "", "Company has responded to the...
## $ Company            <chr> "TRANSWORLD SYSTEMS INC", "Experi...
## $ State              <chr> "FL", "PA", "CA", "NC", "FL", "AL...
## $ ZIP.code           <chr> "335XX", "15206", "937XX", "275XX...
## $ Tags               <chr> "", "", "", "", "", "", "", "", "...
## $ Consumer.consent.provided. <chr> "Consent provided", "Consent not ...
## $ Submitted.via      <chr> "Web", "Web", "Web", "Web", "Web"...
## $ Date.sent.to.company <chr> "2019-09-24", "2019-09-20", "2019...
## $ Company.response.to.consumer <chr> "Closed with explanation", "Close...
## $ Timely.response.   <chr> "Yes", "Yes", "Yes", "Yes", "Yes"...
## $ Consumer.disputed. <chr> "N/A", "N/A", "N/A", "N/A", "N/A"...
## $ Complaint.ID       <int> 3384392, 3379500, 3417821, 343319...

##   rows columns discrete_columns continuous_columns all_missing_columns
## 1 15000      18                17                  1                  0
##   total_missing_values complete_rows total_observations memory_usage
## 1                    0         15000             270000      8426688
```

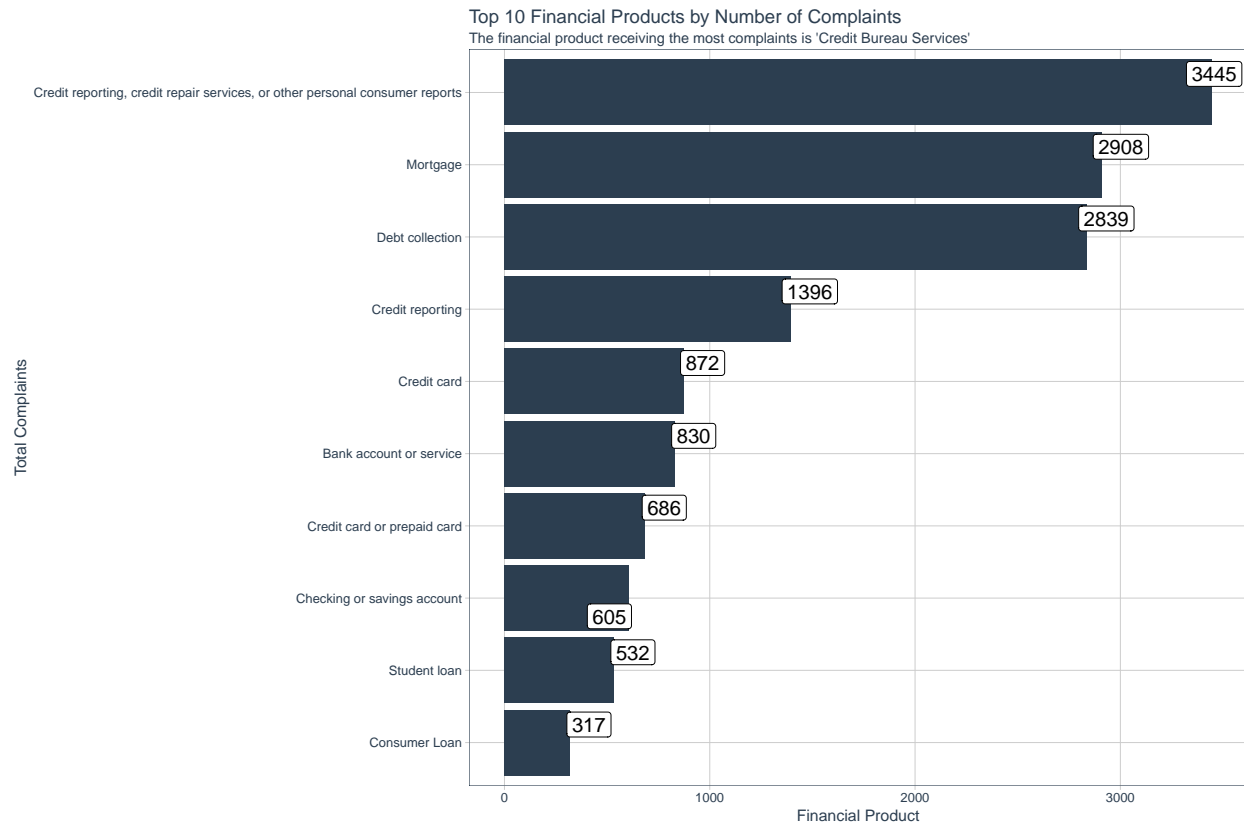


```
## Observations: 15,000
## Variables: 7
## $ complaint_id      <int> 2402092, 2338475, 685755, 3141825...
## $ financial_product  <chr> "Mortgage", "Debt collection", "M...
## $ consumer_issue     <chr> "Loan servicing, payments, escrow...
## $ company_public_response <chr> "Company has responded to the con...
## $ company_complaint_response <chr> "Closed with explanation", "Close...
## $ consumer_state     <chr> "GA", "AZ", "WI", "GA", "PA", "WA...
## $ complaint_submission_channel <chr> "Referral", "Web", "Web", "Web", ...
```

Explore Data

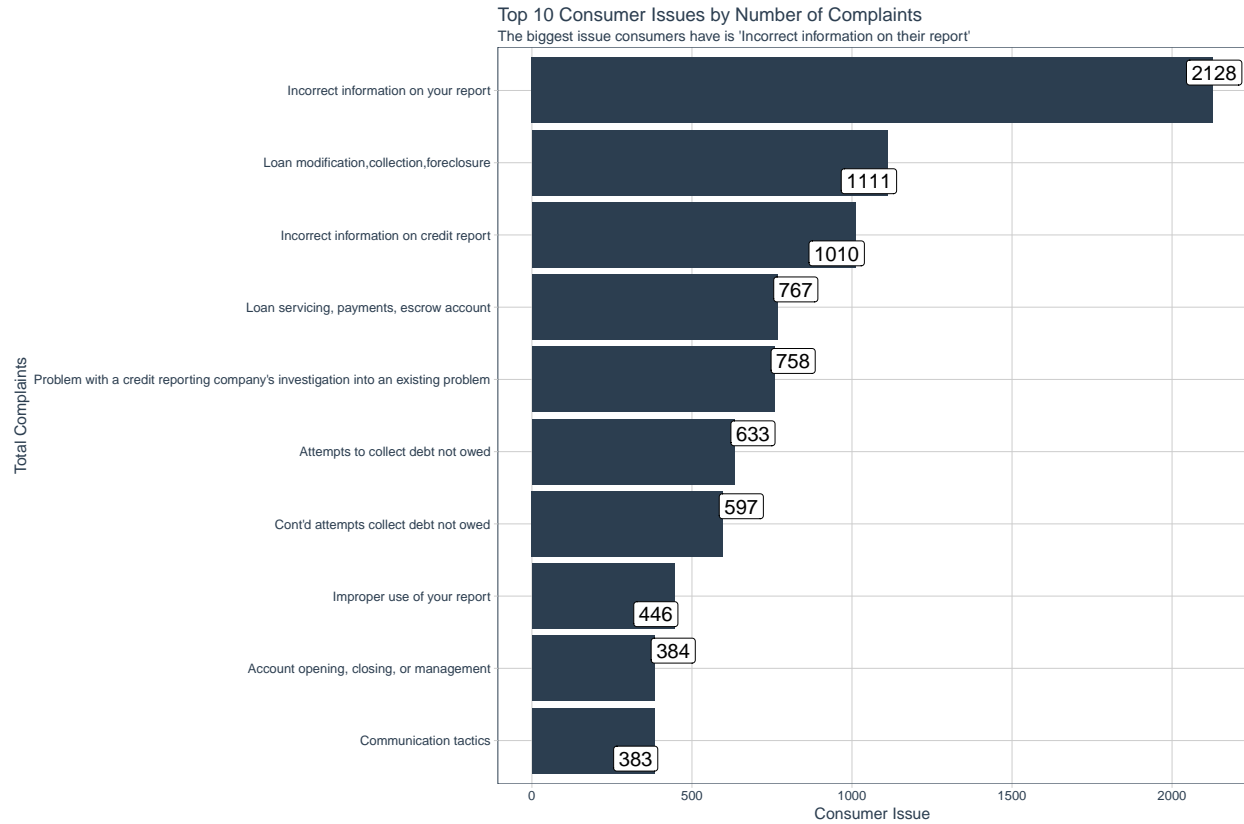
Complaints by Financial Product (Focus on top 10)

“Credit Reporting”, “Credit Repair Services”, or “Other Personal Consumer Reports”, followed by “Mortgage”, and “Debt Collection” receive the most complaints.



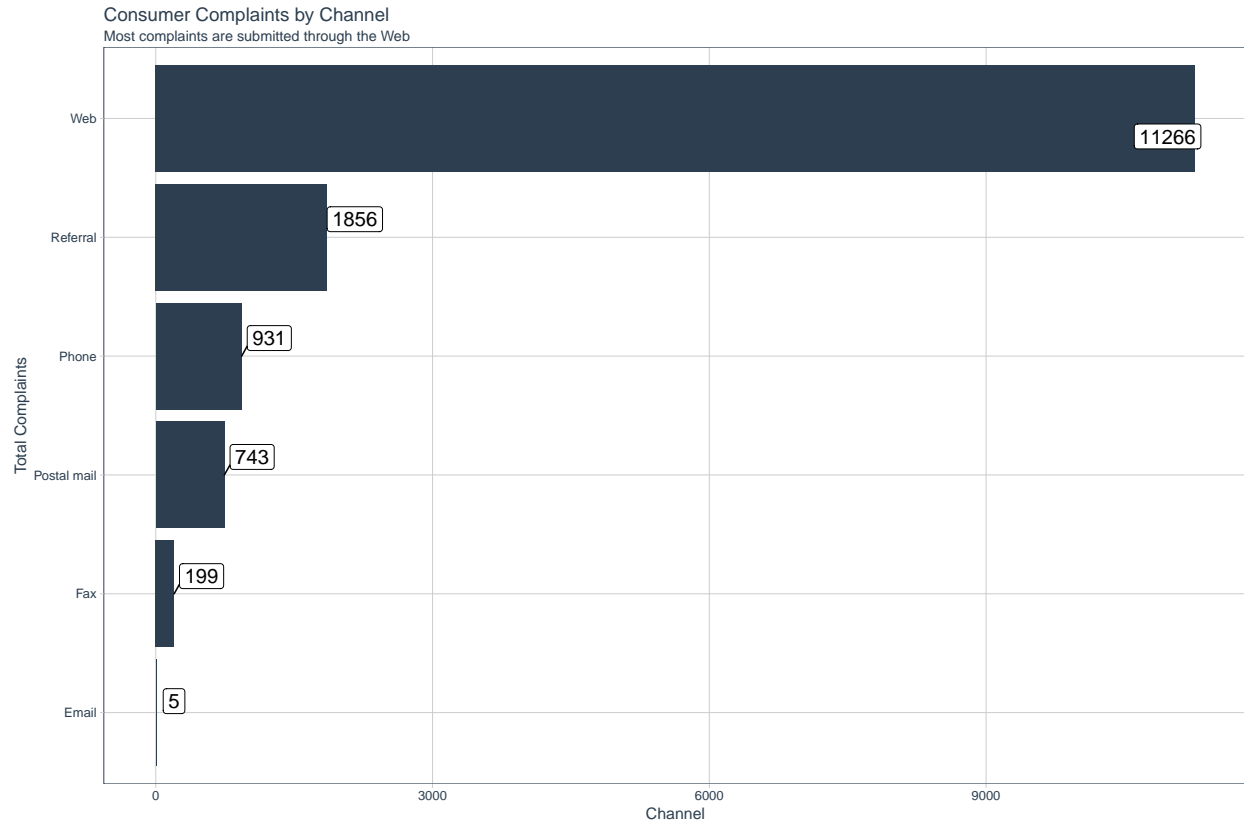
Complaints by Consumer Issue (Focus on top 10)

The top issues consumers have with financial products range from “Incorrect information on your report” to “Communication tactics”.



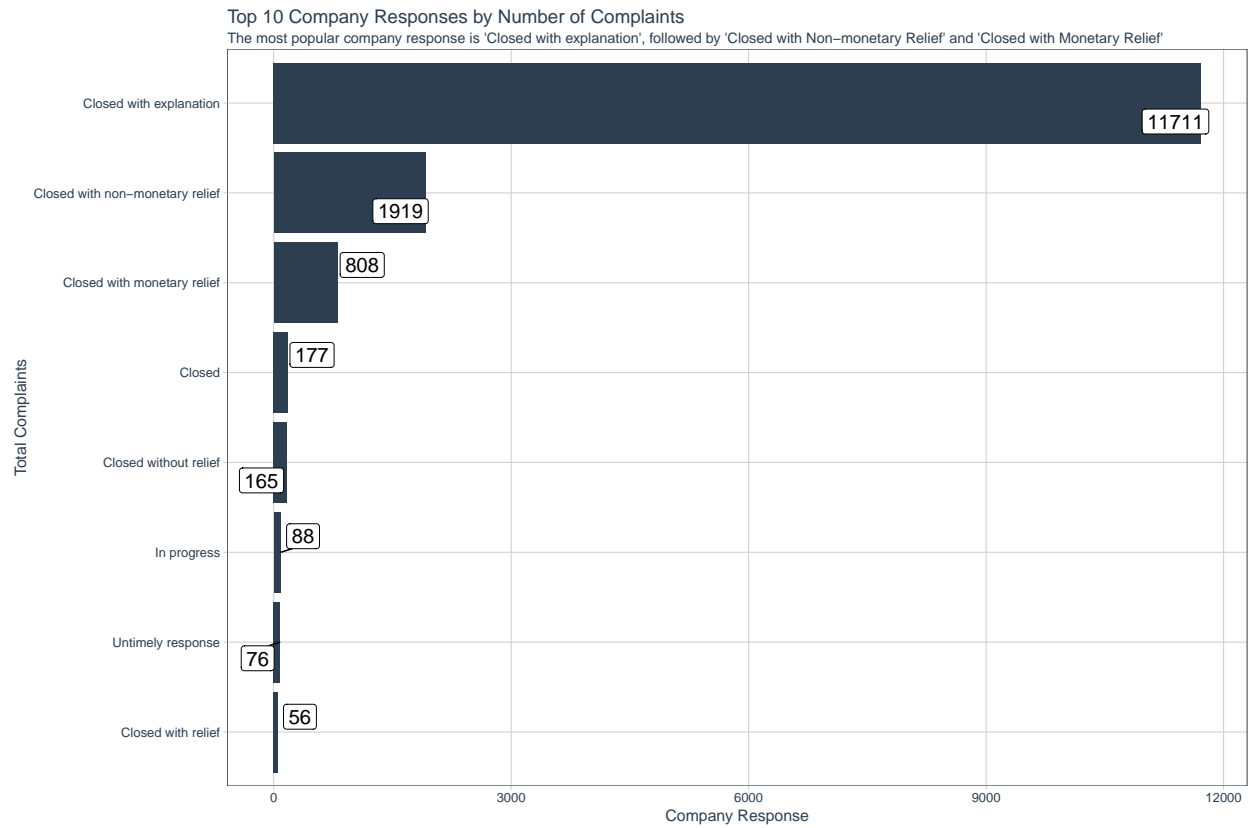
Consumer Preferences re: Channel to Submit Complaint

Consumers prefer to submit their complaints through the web.



Top Company Responses (Focus on Top 10)

The most prevalent responses to consumer complaints reported by companies is “Closed with explanation” and “Closed with non-monetary relief”.



Top States for Complaints (Focus on Top 10)

Most complaints are coming from California, Florida, Texas, New York, and Georgia.

Top 10 States by Number of Complaints

Most complaints are coming from California, followed by Florida, Texas, New York and Georgia

