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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

INTRODUCTION

1. The Consumer Financial Protection Bureau (“Bureau”) brings this action against Experian Information Solutions, Inc. (“Experian” or “the Company”) under the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681 et seq., and the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C.

COMPLAINT

1 §§ 5536(a)(1)(a)–(b), 5564, and 5565. This action alleges that Experian violated
2 both Acts by failing to reasonably reinvestigate consumer disputes challenging the
3 accuracy or completeness of information in consumer reports, including by failing
4 to forward all relevant information to furnishers, failing to provide adequate or
5 accurate notice to consumers of the outcome of their disputes, and failing to utilize
6 reasonable procedures to ensure the accuracy and completeness of information in
7 consumers’ files.

8 2. Experian is one of the largest consumer reporting agencies (“CRAs”)
9 in the country. A primary aspect of its business is collecting and organizing data on
10 most adult Americans to generate consumer reports, consumer file disclosures, and
11 credit scores that reflect consumers’ credit activity and history. As Experian
12 acknowledges, its consumer reporting services “play an integral part in the
13 financial lives of millions of people.”

14 3. This is because Experian sells its consumer reports to creditors and
15 businesses who are evaluating whether to offer a consumer various products,
16 services, and opportunities, such as a loan, a job, or housing.

17 4. Information reflected in consumer reports is provided to CRAs by
18 data furnishers, such as banks, credit card companies, or debt collectors, and other
19 sources. Errors in consumer reports can be significant for consumers, resulting in
20 the denial of credit, employment, or housing, or being offered less favorable credit
21 terms.

22 5. Recognizing the serious consequences borne by consumers when their
23 consumer reports contain inaccurate information, Congress enacted the FCRA in
24 1970 to, in part, “[e]nsure that consumer reporting agencies [like Experian]

1 exercise their grave responsibilities with fairness, impartiality and a respect for the
2 consumer's right to privacy." 15 U.S.C. § 1681(a)(1)-(4).

3 6. The FCRA demands that CRAs use reasonable procedures to assure
4 maximum possible accuracy of information contained in consumer reports, 15
5 U.S.C. § 1681e(b), and provides a mechanism for consumers to dispute any
6 incomplete or inaccurate information in their report. 15 U.S.C. § 1681i.

7 7. When a consumer disputes the accuracy or completeness of
8 information in their consumer report, the FCRA requires Experian to conduct a
9 "reasonable reinvestigation" of the disputed information and report the results of
10 the reinvestigation to the consumer, all within certain timelines. 15 U.S.C.
11 § 1681i(a). At the conclusion of the reinvestigation, Experian must modify or
12 delete any item of information found to be inaccurate or incomplete, or that it
13 could not verify. 15 U.S.C. § 1681i(a)(5). For any information deleted as a result of
14 a dispute, the FCRA imposes specific obligations on Experian that must be
15 satisfied before that information may be reinserted into a consumer's file. 15
16 U.S.C. § 1681i(a)(5)(C).

17 8. Despite its obligations under the FCRA, Experian fails consumers
18 who dispute information in their consumer reports at every stage of the dispute
19 process.

20 9. First, Experian's faulty intake procedures fail to accurately convey all
21 relevant information regarding the dispute to the original furnisher of the disputed
22 information, and, at times, Experian simply fails to provide furnishers with
23 consumer-submitted documentation that supports the dispute.

1 10. Second, Experian uncritically accepts the original furnisher's response
2 to the disputed information, even when that response was improbable or illogical
3 on its face or when Experian has other information in its possession that alerts or
4 should alert Experian to the possibility that the furnisher might be unreliable.

5 11. Third, at the conclusion of its reinvestigation, Experian sends
6 consumers notices that fail to inform them of the reinvestigation results, and
7 instead provides information that is confusing, ambiguous, incorrect, and internally
8 inconsistent.

9 12. Additionally, Experian's problematic dispute resolution processes
10 have resulted in several other issues, including Experian's outright failure to
11 reinvestigate a significant number of disputes within the timeline required by the
12 FCRA, its ongoing refusal to reinvestigate hard inquiry disputes, and its routine
13 failure to ensure that previously deleted tradelines are not improperly reinserted
14 into a consumer's file.

15 13. Experian's faulty dispute intake procedures and failure to provide
16 furnishers with consumer-submitted documentation, uncritical deference to
17 furnishers' response to the disputed information, and failure to inform consumers
18 of the results of reinvestigations also violate the CFPA's prohibition on unfair acts
19 or practices. 12 U.S.C. § 5531(c)(1).

20 14. Experian's failures are an abdication of its obligations under the
21 FCRA and the CFPA, and the Bureau brings this action to rectify these failings and
22 impose civil money penalties.

VENUE

15. Venue is proper in this district because the Defendant resides and does business in this district. 12 U.S.C. § 5564(f).

PARTIES

16. The Bureau is an independent agency of the United States created by the CFPA. 12 U.S.C. § 5491(a). The Bureau has independent litigating authority and is authorized to initiate civil actions in federal district court to secure appropriate relief for violations of Federal consumer financial law, 12 U.S.C. §§ 5564(a)-(b) and 5565, including the FCRA and the CFPA, 12 U.S.C. § 5481(12)(F) and (14).

17. Experian is a nationwide consumer reporting agency with its North American Headquarters in Costa Mesa, California. At all times material to this Complaint, Experian transacted business in this district and nationwide.

18. Experian collects, analyzes, maintains, or provides consumer report information or other account information, including information related to the credit history of consumers. This information is used or expected to be used in connection with any decision regarding the offering or provision of a consumer financial product or service. These products or services are consumer financial products or services covered by the CFPA. 12 U.S.C. § 5481(5) and (15)(A)(ix).

19. Further, Experian offers consumer reports, consumer file disclosures and credit scores, which are consumer financial products or services because they are or relate to consumer reports or other account information, including information relating to the credit history of consumers that Experian collects and maintains about a consumer's account. Experian offers or provides these financial

1 products and services to consumers primarily for personal, family, or household
2 purposes, and delivers, offers, and provides them in connection with consumer
3 financial products or services such as consumer credit. These products or services
4 are therefore consumer financial products or services covered by the CFPB. 12
5 U.S.C. § 5481(5) and (15)(A)(ix).

6 20. Because Experian engages in offering or providing a consumer
7 financial product or service, Experian is a “covered person” under the CFPB. 12
8 U.S.C. § 5481(6).

9 21. Experian is a “consumer reporting agency” as defined by the FCRA.
10 *See* 15 U.S.C. § 1681a(f). Experian compiles and maintains files on consumers on
11 a nationwide basis as that term is defined in the FCRA, 15 U.S.C. § 1681a(p).
12 Experian is therefore subject to the FCRA.

13 BACKGROUND

14 22. The FCRA imposes a variety of obligations on CRAs like Experian to
15 ensure that they report accurate information in consumer reports.

16 23. A core obligation is that if a consumer disputes the completeness or
17 accuracy of information in their consumer report, the CRA must “conduct a
18 reasonable reinvestigation” to determine whether the disputed information is
19 accurate. 15 U.S.C. § 1681i(a)(1)(A).

20 24. Within five business days of receiving the dispute, the CRA must
21 provide notice of the dispute to the furnisher of the disputed information. A
22 furnisher is any entity that provides financial information about a consumer to a
23 CRA, such as a bank, credit card company, or debt collector. The notice to the
24

furnisher must include all relevant information received by the CRA regarding the dispute. 15 U.S.C. § 1681i(a)(2)(A).

25. The CRA must complete the reinvestigation within 30 days after the dispute is received unless an extension is sought. 15 U.S.C. § 1681i(a)(1)(A).

26. After the reinvestigation, the CRA must provide the consumer “written notice” of the “results of the reinvestigation” no later than five business days after its completion. 15 U.S.C. § 1681i(a)(6)(A).

27. The FCRA further requires that the furnisher maintain reasonable procedures to prevent the reinsertion of previously deleted information, notify consumers within five business days if previously deleted information was reinserted, and ensure maximum possible accuracy of consumer reports. 15 U.S.C. §§ 1681i(a)(5)(B), (C), 1681e(b).

e-OSCAR and the ACDV Process

28. When a CRA receives a consumer dispute, the primary way information about the dispute is communicated to furnishers is on a web-based platform called e-OSCAR. Information about the disputed information is transmitted over the e-OSCAR platform via an Automated Credit Dispute Verification form (“ACDV”).

29. The ACDV is a one-page form that contains identifying information about the consumer such as name, address, social security, and date of birth. The ACDV also reflects the disputed account (also known as a tradeline) as it is currently reported. The ACDV provides limited information about the consumer's dispute, including a three-digit "dispute code" that indicates the basis of the dispute. There is sometimes a short free-form description of the dispute, based on

1 information provided by the consumer. The ACDV may also have other relevant
 2 information attached to it, including consumer-submitted documentation
 3 supporting the dispute.

4 30. Below is a reproduction of an Experian ACDV:

PROGRAM: [REDACTED]	EXPERIAN-CONSUMER ASSISTANCE - CAPS	PAGE: [REDACTED]																							
RUN DATE: [REDACTED]	ACDV Response	DOCUMENT VIEWED: [REDACTED]																							
RUN TIME: [REDACTED]																									
Auto Response:																									
SUBCODE: [REDACTED]																									
DISPUTE REASON: [REDACTED]																									
REMARKS: [REDACTED]																									
CONSUMER IDENTIFICATION																									
Name: [REDACTED]	SUBSCRIBER CONSUMER ID																								
SSN: [REDACTED]	[REDACTED]																								
Curr Address: [REDACTED]																									
ZIP: [REDACTED]																									
Prev Addr 1: [REDACTED]																									
Prev Addr 2: [REDACTED]																									
Account Name: [REDACTED]																									
RESPONSE: [REDACTED]																									
TRADE INFORMATION																									
Acct Condition/Curr Status: [REDACTED]	SUBSCRIBER RESPONSE																								
Act Status/Rating: [REDACTED]	ON PROFILE																								
Payment Rating: [REDACTED]																									
CH: [REDACTED]																									
EFOA: [REDACTED]																									
Balance: [REDACTED]																									
Balance Date: [REDACTED]																									
Amnt Past Due: [REDACTED]																									
Orig Delinq Date: [REDACTED]																									
Credit Limit/Orig Amnt: [REDACTED]																									
High Credit Balance: [REDACTED]																									
Charge Off Amnt: [REDACTED]																									
Sch Monthly Pay: [REDACTED]																									
Act Pay: [REDACTED]																									
Portfolio Name: [REDACTED]																									
Date Last Pay: [REDACTED]																									
Open Date: [REDACTED]																									
Closed Date: [REDACTED]																									
Spec Comm Code: [REDACTED]																									
Cons Compl Code: [REDACTED]																									
Type: [REDACTED]	Terms: [REDACTED]	Freq: [REDACTED]																							
Original Creditor: [REDACTED]																									
Special Payment/Date/Amt: [REDACTED]																									
Response History Grid																									
Year	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Year	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan
2020													2020												
2019													2019												
2018													2018												
2017													2017												
2016													2016												
2015													2015												
2014													2014												
2013													2013												
On-File History Grid																									
[REDACTED]																									

17 31. After the furnisher reviews the information provided in and attached
 18 to the ACDV, it returns the ACDV to the CRA, indicating with a two-digit
 19 “response code” whether the disputed information is accurate or should be
 20 modified or deleted.

21 32. The ACDV is typically the only way CRAs and furnishers
 22 communicate during a reinvestigation.

FACTUAL ALLEGATIONS

Experian Fails to Adequately Convey All Relevant Information to Furnishers

33. Consumers who identify inaccurate or incomplete information in their
3 Experian consumer report can submit disputes to Experian by mail, over the
4 telephone, or electronically through Experian’s website (its “Online Dispute
5 Center”) or mobile application. Experian typically processes over a million
6 consumer disputes per month.

34. When submitting a dispute, consumers can, and frequently do, support
9 their disputes by submitting relevant documentation, such as bank statements,
10 canceled checks, or settlement agreements, among other things. Consumers can
11 submit supporting documents via mail or electronically.

35. For disputes accompanied by consumer-submitted documentation,
12 Experian’s policies require that its agents determine whether the documents are
13 sufficiently conclusive for Experian to make the change requested by the
14 consumer. Experian refers to this as making an “internal update.”

36. Experian resolves a minority of disputes via an internal update. If
15 Experian does not make an internal update, it prepares an ACDV to transmit to the
16 furnisher through e-OSCAR. Experian’s policy directs its agents to attach any
17 consumer-submitted documentation that contains additional relevant information to
18 the ACDV, although in some cases its agents fail to do so.

37. The dispute codes included in the ACDV are integral to the dispute
21 resolution process. As explained above, dispute codes are used by Experian to
22 communicate the underlying basis of the dispute to the furnisher.
23

1 38. Because Experian relies on the ACDV to communicate with
2 furnishers about consumer disputes, it is important that Experian's selected dispute
3 code accurately conveys the basis of the dispute to the furnisher. But Experian
4 routinely sends dispute codes to furnishers that mischaracterize or fail to convey
5 highly relevant information about consumers' disputes.

6 39. Many of these failures stem from Experian's Online Dispute Center.
7 When consumers submit a dispute on the Online Dispute Center, they select a
8 dispute description from a prepopulated list to categorize the nature of their
9 dispute, which Experian then translates into a formal e-OSCAR dispute code that it
10 inputs into the ACDV. Experian's Online Dispute Center presents consumers with
11 a significantly smaller set of dispute descriptions than Experian uses when
12 consumers have submitted mail and telephone disputes. On the Online Dispute
13 Center, for example, there are no dispute descriptions that correspond to formal e-
14 OSCAR codes for account settled, date of first delinquency disputed, paid by
15 insurance, consumer stated company will delete, and consumer stated company
16 will change.

17 40. As an illustration, Experian's Online Dispute Center instructs
18 consumers to select a dispute description of "Account paid in full" if consumers
19 "believe [they] have paid the account in full or that it was paid in settlement." A
20 separate dispute description for account settled is not available to consumers on the
21 Online Dispute Center, even though it would more precisely describe the nature of
22 the dispute.

23 41. When Experian then notifies the furnisher about these disputes via an
24 ACDV, it translates the dispute description selected by the consumer to the formal

1 e-OSCAR dispute code indicating that the consumer is disputing the account's
2 status (i.e., whether the lender or creditor considers the account current or in
3 collections), even though a separate, more precise e-OSCAR dispute code exists
4 that would indicate to the furnisher that the consumer is claiming the disputed
5 account has been settled. Indeed, Experian makes no use of the e-OSCAR
6 settlement dispute code for disputes received through the Online Dispute Center.

7 42. This is just one example of how furnishers receive either a
8 mischaracterization or a less precise description of the basis for disputes submitted
9 via the Online Dispute Center.

10 43. Other failures stem from Experian's frequent use of an inaccurate or
11 confusing dispute code when processing disputes submitted via telephone or mail.
12 For example, when a consumer lodges a dispute claiming that an account was paid,
13 Experian inserts into the ACDV the e-OSCAR dispute code labeled "Claims
14 account closed" instead of an appropriate dispute code for paid accounts.

15 44. As another example, Experian inserts into the ACDV the intentionally
16 generic e-OSCAR dispute code labeled "Claims inaccurate information. Did not
17 provide specific dispute." even where the consumer provides specific information
18 pertaining to the dispute, such as disputing the date of first delinquency or the
19 payment of an account, and for which a more specific dispute code, such as
20 "Disputes Date of First Delinquency" and "Disputes present/previous Account
21 Status, History" is available and appropriate.

22 45. And as another example, Experian agents apply dispute codes
23 requesting updates that are already reflected on consumers' tradelines and
24 therefore do not correspond to the actual substance of consumers' disputes. As one

1 illustration, agents apply the “Claims account closed” dispute code to tradelines
2 that *already display as closed*. The fact that the update requested is already
3 reflected on the tradeline suggests that the basis for the underlying dispute differs
4 from the dispute code selected by Experian, and that Experian has not accurately
5 described the nature of the dispute to the furnisher.

6 46. By failing to select appropriate dispute codes, Experian fails to
7 accurately convey the basis of the consumers’ disputes to furnishers in what is
8 usually the *only* communication Experian has with the furnisher during its
9 reinvestigation. By using inaccurate or misleading dispute codes, Experian fails to
10 provide the furnisher with all relevant information about the consumer’s dispute
11 and fails to fulfill its reasonable reinvestigation obligations.

12 47. In addition to transmitting misleading, confusing, or inaccurate
13 dispute codes to furnishers, Experian also fails to always include relevant
14 consumer submitted documentation with the ACDV transmitted to the furnisher,
15 despite Company policy requiring agents to do so. Relevant consumer
16 documentation often contains information that is not conveyed elsewhere on the
17 ACDV, including probative evidence that supports the merits of the consumer’s
18 dispute. As a result, Experian fails to provide the furnisher with all relevant
19 information about the consumer’s dispute and fails to fulfill its reasonable
20 reinvestigation obligations.

21 48. These failures hinder the reinvestigation.

22 49. As a result of the above, Experian fails to conduct a reasonable
23 reinvestigation and convey all relevant information to furnishers, which causes or
24 increases the risk that inaccurate information remains in consumers’ files.

1

2 **Experian Over-relies on Furnishers' ACDV Responses During its**
3 **Reinvestigation Even When Presented with Information Suggesting that the**
4 **Furnisher is Unreliable**

5 50. Experian regularly over-relies on furnishers' ACDV responses when
6 conducting a reinvestigation, even when Experian possesses information that alerts
7 or should alert Experian to the possibility that the furnisher of the disputed
8 information might be unreliable. As a result, Experian permits inaccurate
9 information to remain in consumers' files. Experian does so even though cost-
effective measures exist to resolve any outstanding factual issues.

10 51. Experian's over-reliance on furnishers' ACDV responses occurs in at
11 least three categories of disputes: disputes where consumer documentation
12 provides highly probative evidence about the dispute, disputes where Experian
13 itself possesses relevant information about the dispute in its own consumer files,
14 and disputes where Experian receives illogical and inconsistent ACDV responses
15 from furnishers.

16 52. Consumers often provide documentation that, at a minimum, should
17 put Experian on notice that reinvestigation beyond the furnisher's ACDV response
18 is necessary. For example, consumers frequently provide Experian with the date or
19 case number of a bankruptcy petition discharging a particular debt that is still being
20 reported on their consumer report, or documents reflecting an agreement to settle a
21 debt for a certain amount. In other instances, consumers provide Experian
22 documentation showing that the furnisher had previously agreed to delete or
23 correct information in the disputed tradeline.

1 53. Such documents are sufficient to put Experian on notice that the
2 furnisher may have transmitted unreliable information. Yet, Experian regularly
3 gives the supporting documents no weight in resolving the dispute and routinely
4 conducts no further reinvestigation of the dispute beyond the furnisher's ACDV
5 response.

6 54. Next, Experian frequently possesses relevant supporting information
7 in *its own consumer files* that should alert it to a furnisher's unreliability. For
8 example, Experian often possesses information confirming the existence of a
9 bankruptcy fitting the description in the consumer's dispute, or information
10 confirming that a consumer has made a settlement payment. Often this information
11 alerts or should alert Experian to the possibility that the tradeline disputed by the
12 consumer might be inaccurate and the furnisher might be unreliable. Yet, Experian
13 routinely conducts no additional reinvestigation based on this information, and
14 instead relies solely on the furnisher's ACDV response to resolve the dispute.

15 55. Finally, Experian frequently receives furnisher responses that contain
16 data that is either illogical or facially and internally inconsistent, but it still accepts
17 the furnisher's response without further reinvestigation into the dispute.

18 56. For example, Experian receives ACDV responses with inconsistent
19 information, such as indicating a consumer's overdue balance is *greater* than the
20 total amount due. Other ACDV responses state that a consumer first became
21 delinquent on an installment debt a month *after* the consumer had paid the account
22 to a zero-dollar balance.

23 57. Receiving an ACDV with illogical or inconsistent data is alerts or
24 should alert Experian to the possibility that the original furnisher of the disputed

1 information might be unreliable and the disputed information may be inaccurate.
2 Yet, Experian regularly accepts the ACDV response in those circumstances and
3 ignores the fact that it contains illogical or inconsistent information.

4 58. In some instances where Experian receives illogical responses from
5 furnishers, Experian partially implements the furnisher's ACDV response on the
6 consumer's tradeline, but also unilaterally alters the information in the ACDV to
7 make it appear logical and consistent. In doing so, Experian does not take steps to
8 ensure that the changed tradeline is in fact complete and accurate; Experian simply
9 changes the tradeline by applying predetermined business rules. Experian does not,
10 for example, verify the changes with the furnisher, base the changes on another
11 reliable source of information, or confront the furnisher with the apparent error.

12 59. To the detriment of consumers, in all of the above-described
13 scenarios, Experian routinely does nothing more than send an ACDV to the
14 furnisher and implement its response.

15 60. Experian does so without consulting readily available, inexpensive
16 third-party sources of information, such as bankruptcy court records, that could
17 accurately and definitively resolve the consumer's dispute. And Experian routinely
18 does not pose any queries to the furnisher for specific factual information, such as
19 the authenticity of a document, the existence of a settlement agreement, or why the
20 furnisher's response appears to be internally illogical and inconsistent.

21 61. Experian's failures to conduct reasonable reinvestigations negatively
22 impact consumers.

23 62. First, Experian's over-reliance on furnishers' ACDV responses results
24 in consumer reports maintaining inaccurate information, such as a tradeline with an

1 inaccurate status or balance. This inaccurate information can have deleterious
 2 impacts on consumers, including lowering their credit score, the denial of credit,
 3 housing, employment, or other goods or services, or causing consumers to obtain
 4 less favorable credit terms.

5 63. Additionally, consumers waste their time and resources submitting
 6 disputes that are not adequately reinvestigated and gathering and submitting
 7 documents that are given no consideration in the dispute process.

8 **Experian Fails to Inform Consumers of Reinvestigation Results**

9 64. At the conclusion of a reinvestigation, Experian sends consumers
 10 written “results letters” intended to fulfill its statutory obligation to report the
 11 results of the reinvestigation.

12 65. Experian’s results letters include an initial section labeled “How to
 13 Read Your Results” which lists the possible reinvestigation outcomes of “Deleted,”
 14 “Remains,” “Updated,” and “Processed” and their accompanying definitions.
 15 Notably, Experian defines “Updated” four different ways, some of which indicate
 16 information *other* than the disputed information was updated.

17 66. Below is an example of the relevant portion of an Experian results
 18 letter:

19 **How to Read Your Results**

20 Deleted - This item was removed from your credit report. Remains - The company that reported the information has certified to Experian that the
 21 information is accurate. This item was not changed as a result of our processing of your dispute. Updated (Your results will indicate which one of the
 22 following applies.) – a) The information you disputed has been updated. Please review your report for the details. b) The item you disputed has been
 23 updated, which may include an update to the disputed information. Please review your report for the details. c) The information you disputed has been
 24 verified as accurate, however, information unrelated to your dispute has been updated. Please review your report for the details. d) Information on this item
 has been updated. Please review your report for the details. Processed - This item was either updated or deleted; Please review your report for the details.

25 67. Directly below that, Experian lists the disputed accounts and the
 26 reinvestigation outcome for each.

1 68. On subsequent pages, Experian typically displays a snapshot of how
2 the disputed account appears before and after the reinvestigation. However, the
3 “after” snapshot of the account often looks nearly identical to the “before”
4 snapshot, and the results letter does not explicitly identify what information was
5 updated or changed. Instead, consumers are required to deduce that on their own.
6 In cases of deleted tradelines, no snapshots are provided.

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1 69. Below is an example of a “before” and “after” snapshot from a letter
 2 that informed the consumer that their information was updated. The consumer
 3 was left to deduce what information was updated. This snapshot was not
 4 accompanied by any explanation of what information changed.

5 **Before dispute**

Partial Acct #		Recent balance	Payment history											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Date opened		First reported												
Apr 2019		Dec 2019	\$1,793 as of Aug 2020											
Address ID #		Status												
[REDACTED]		Collection account. \$1,793												
Original creditor		Terms	1 Months											
[REDACTED]		Monthly payment	Not reported											
Type		Credit limit or original amount												
[REDACTED]		\$1,793												
Responsibility		High balance												
Individual		Not reported												
Comment														
Account information disputed by consumer (Meets requirement of the Fair Credit Reporting Act). This item was updated from our processing of your dispute in Aug 2020.														
Date of Status														
Apr 2019														

11 **After dispute**

Partial Acct #		Recent balance	Payment history											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Date opened		First reported												
Apr 2019		Dec 2019	\$1,793 as of Sep 2020											
Address ID #		Status												
[REDACTED]		Collection account. \$1,793												
Original creditor		Terms	1 Months											
[REDACTED]		Monthly payment	Not reported											
Type		Credit limit or original amount												
[REDACTED]		\$1,793												
Responsibility		High balance												
Individual		Not reported												
Comment														
Account information disputed by consumer (Meets requirement of the Fair Credit Reporting Act). This item was updated from our processing of your dispute in Aug 2020.														
Date of Status														
Apr 2019														

20 **Account History *** (AB = Account Balance, DPR = Date Payment Received, SPA = Scheduled Payment Amount, AAP = Actual Amount Paid)

	Aug20	Jul20	Jun20	May20	Apr20	Mar20	Feb20	Dec19
AB (\$)	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793
DPR	ND							
SPA (\$)	ND							
AAP (\$)	ND							

21 The original amount of this account was \$1,793

22 70. Experian's results letters often provide inaccurate, contradictory,
 23 ambiguous, or confusing information to consumers regarding the outcome of their
 24

1 reinvestigation, and fail to inform them of what, if anything, changed on their
 2 consumer report as a result of the dispute.

3 71. For example, a number of Experian results letters state the result of a
 4 reinvestigation as “Outcome: Processed – This item was either updated or deleted;
 5 Please review your report for the details.”

6 72. Although a typical results letter includes the before and after
 7 snapshots of an updated tradeline, these letters only display how the tradeline
 8 appears *before* the dispute.

9 73. In addition, these results letters use three of the four potential dispute
 10 outcomes to describe the results of the investigation (processed, updated, and
 11 deleted), including two potentially inconsistent outcomes— updated and deleted.

12 74. Below is an example of the relevant portion of an Experian results
 13 letter:

14 Here are your results
 15 Credit items
 16 [REDACTED] Outcome: Processed - This item was either updated or deleted. Please review your
 17 report for the details.
 18 Before dispute
 19
 20
 21
 22
 23
 24

Partial Acct # [REDACTED]		Report # [REDACTED]												
Date opened	First reported	Recent balance	Payment history											
May 2018	Aug 2018	\$6,394 as of Sep 2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Address ID # [REDACTED]	Terms	Status	2020	C	C	C	C	C	C	C	C			
Original creditor [REDACTED]	Monthly payment	Collection account: \$6,394	2019	C	C	C	C	C	ND	C	C	C	C	C
Type [REDACTED]	Not reported	past due as of Sep 2020.	2018							C	C	C	C	C
Responsibility [REDACTED]	Credit limit or original amount	This account is scheduled to continue on record until Jan 2025.												
	High balance	Not reported												

Comment:
 Completed investigation of FCRA dispute - consumer disagrees.
 This item was updated from our processing of your dispute in Sep 2020.

Date of Status:
 May 2018

Account History * (AB = Account Balance, DPR = Date Payment Received, SPA = Scheduled Payment Amount, AAP = Actual Amount Paid)

	Aug20	Jul20	Jun20	May20	Apr20	Mar20	Feb20	Jan20	Dec19	Nov19	Oct19	Sep19
AB (\$)	6,394	6,394	6,394	6,394	6,394	6,394	6,394	6,394	6,394	6,394	6,394	6,394
DPR	Aug20											
SPA (\$)	ND											
AAP (\$)	ND											

The original amount of this account was \$6,394

1 75. These results letters do not provide the result of the reinvestigation.
 2 They are confusing and contradictory, and do not adequately inform consumers of
 3 the outcome of the reinvestigation. The letters do not identify what information
 4 was updated or deleted or even provide an updated credit report or an “after”
 5 snapshot for the consumer to attempt to self-identify the update or deletion. They
 6 also fail to clearly identify whether information was updated, or deleted, or both.

7 76. Another subset of Experian results letters pairs a reinvestigation result
 8 of “Outcome: Updated” with before and after snapshots of the tradeline *that show*
 9 *no change.*

10 77. Below is an example of the relevant portion of an Experian results
 11 letter:

12 Here are your results
 13 Credit items
 14 [REDACTED] Outcome: Updated - Information on this item has been updated. Please review your report for the details.

15 Dispute Results (Continued)
 16 Before Dispute

[REDACTED]		Partial Acct # [REDACTED]	Status (Sep 2020) Open																																																												
No phone # available																																																															
Date opened Mar 2017	Terms 1 Months	Recent balance \$795 as of Aug 2021	Payment history: Aug 2020 - Aug 2021																																																												
Address ID # [REDACTED]	Monthly payment \$795	By May 2027, this account is scheduled to go to a positive status.	JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC 2021 ND OK ND OK ND OK ND OK C OK ND ND OK 2020																																																												
Type [REDACTED]	Credit limit or original amount Not reported	Comment: Payroll deduction.																																																													
Responsibility Individual	High balance Not reported	This item was updated from our processing of your dispute in Aug 2021.																																																													
<table border="1"> <thead> <tr> <th></th> <th>Aug21</th> <th>Apr21</th> <th>Feb21</th> <th>Dec20</th> <th>Oct20</th> <th>Aug20</th> <th>Jun20</th> <th>Apr20</th> <th>Feb20</th> <th>Dec19</th> <th>Oct19</th> </tr> </thead> <tbody> <tr> <td>Account Balance</td> <td>\$1,246</td> <td>\$3,512</td> <td>\$4,719</td> <td>\$6,078</td> <td>\$6,861</td> <td>\$6,679</td> <td>\$6,174</td> <td>\$6,719</td> <td>\$7,460</td> <td>\$7,408</td> <td>\$7,507</td> </tr> <tr> <td>Date Payment Received</td> <td>06.10.21</td> <td>04.16.21</td> <td>02.19.21</td> <td>12.16.20</td> <td>09.18.20</td> <td>08.10.20</td> <td>05.05.20</td> <td>04.13.20</td> <td>02.03.20</td> <td>12.17.19</td> <td>10.15.19</td> </tr> <tr> <td>Scheduled Payment Amount</td> <td>\$2,154</td> <td>\$3,512</td> <td>\$4,719</td> <td>\$6,078</td> <td>\$654</td> <td>No Data</td> <td>No Data</td> <td>\$354</td> <td>\$554</td> <td>\$554</td> <td>\$554</td> </tr> <tr> <td>Actual Amount Paid</td> <td>No Data</td> </tr> </tbody> </table>					Aug21	Apr21	Feb21	Dec20	Oct20	Aug20	Jun20	Apr20	Feb20	Dec19	Oct19	Account Balance	\$1,246	\$3,512	\$4,719	\$6,078	\$6,861	\$6,679	\$6,174	\$6,719	\$7,460	\$7,408	\$7,507	Date Payment Received	06.10.21	04.16.21	02.19.21	12.16.20	09.18.20	08.10.20	05.05.20	04.13.20	02.03.20	12.17.19	10.15.19	Scheduled Payment Amount	\$2,154	\$3,512	\$4,719	\$6,078	\$654	No Data	No Data	\$354	\$554	\$554	\$554	Actual Amount Paid	No Data										
	Aug21	Apr21	Feb21	Dec20	Oct20	Aug20	Jun20	Apr20	Feb20	Dec19	Oct19																																																				
Account Balance	\$1,246	\$3,512	\$4,719	\$6,078	\$6,861	\$6,679	\$6,174	\$6,719	\$7,460	\$7,408	\$7,507																																																				
Date Payment Received	06.10.21	04.16.21	02.19.21	12.16.20	09.18.20	08.10.20	05.05.20	04.13.20	02.03.20	12.17.19	10.15.19																																																				
Scheduled Payment Amount	\$2,154	\$3,512	\$4,719	\$6,078	\$654	No Data	No Data	\$354	\$554	\$554	\$554																																																				
Actual Amount Paid	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data																																																				

1 After Dispute

		Partial Acct # [REDACTED]	Status (Sep 2020) Open.											
		No phone # available												
Date opened	Terms	Recent balance	Payment history: Aug 2020 - Aug 2021											
Mar 2017	1 Months	\$795 as of Aug 2021	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Address ID #	Monthly payment	By May 2027, this account is scheduled to go to a positive status.	2021	IND	OK	ND	OK	ND	OK	ND	OK			
Type	\$795		2020	C	OK	ND	ND	OK						
Responsibility	Credit limit or original amount	Comment:												
Individual	Not reported	Payroll deduction.												
	High balance	This item was updated from our processing of your dispute in Aug 2021.												
	Not reported													
			Aug21	Apr21	Feb21	Dec20	Oct20	Aug20	Jun20	Apr20	Feb20	Dec19	Oct19	
Account Balance			\$1,246	\$3,512	\$4,719	\$6,078	\$8,681	\$8,679	\$8,174	\$8,719	\$7,460	\$7,408	\$7,507	
Date Payment Received			06.18.21	04.16.21	02.19.21	12.16.20	09.18.20	08.10.20	05.05.20	04.13.20	02.03.20	12.17.19	10.15.19	
Scheduled Payment Amount			\$2,154	\$3,512	\$4,719	\$6,078	\$554	No Data	No Data	\$554	\$554	\$554	\$554	
Actual Amount Paid			No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	

8 78. This subset of results letters fails to describe the results of the
 9 reinvestigation to the consumer. They do not identify what information was
 10 updated and they do not depict any updates in the accompanying tradeline
 11 snapshots. Consumers receiving such a notice have no way of deciphering what
 12 information was updated and why, or whether the disputed information itself was
 13 updated. Consumers also cannot determine if the update was the result of the
 14 reinvestigation, or due to some other reason.

15 79. A third subset of Experian's results letters describe the outcome of a
 16 reinvestigation as "Updated" and provided the following definition: "Information
 17 on this item has been updated. Please review your report for the details."

1 80. Below is an example of the relevant portion of an Experian results
 2 letter:

3 Here are your results

4 Credit items

5 [REDACTED] Outcome: Updated - Information on this item has been updated. Please
 review your report for the details.

6 Before dispute

7

8 Report # [REDACTED]

Partial Acct # [REDACTED]		Report # [REDACTED]												
Date opened	First reported	Recent balance	Payment history											
Feb 2016	Apr 2018	\$12,181 as of Sep 2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Address ID #	Terms	Status	2020	30	30	OK								
[REDACTED]	75 Months	Open.	2019	60	60	60	60	30	30	30	30	60	60	30
Type	Monthly payment	By Jan 2025, this account	2018			30	30	30	30	30	30	30	60	30
[REDACTED]	\$547	is scheduled to go to a												
Responsibility	Credit limit or original amount	positive status.												
[REDACTED]	\$19,821	This item was updated												
	High balance	from our processing of												
	Not reported	your dispute in May 2020.												
	Recent payment	Date of Status												
	\$547	Mar 2020												
After dispute														
Date opened	First reported	Recent balance	Payment history											
Feb 2016	Apr 2018	\$11,329 as of Oct 2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Address ID #	Terms	Status	2020	30	30	OK								
[REDACTED]	75 Months	Open.	2019	60	60	60	60	30	30	30	30	60	60	30
Type	Monthly payment	By Jan 2025, this account	2018			30	30	30	30	30	30	30	60	30
[REDACTED]	\$547	is scheduled to go to a												
Responsibility	Credit limit or original amount	positive status.												
[REDACTED]	\$19,821	This item was updated												
	High balance	from our processing of												
	Not reported	your dispute in May 2020.												
	Recent payment	Date of Status												
	\$1,094	Mar 2020												

17 81. These letters fail to convey the outcome of the reinvestigation to
 18 consumers, because they do not identify what, if anything, has changed regarding
 19 the disputed information. It is unclear from these results letters whether the
 20 disputed information remained, but other information changed, or whether the
 21 disputed information itself was updated. It is also unclear whether the updated
 22 information changed as a result of the reinvestigation or some other reason.

23 **Experian's Problematic Dispute Resolution Processes Resulted in Experian**
 24 **Failing to Initiate Reinvestigations into Certain Disputes and Caused Other**
 Errors in Consumers' Files

1 82. Experian failed to properly initiate reinvestigations in certain
2 circumstances. These failures include at least three discrete types of conduct,
3 including failure to forward disputes within the timeline required by the FCRA,
4 simply deleting tradelines without any reinvestigation and then, on occasion,
5 subsequently reinserting that information, and failing to reinvestigate hard inquiry
6 disputes.

7 83. First, between January 2018 and October 2021, Experian failed to
8 forward more than 2 million disputes to furnishers within five business days, as
9 required by the FCRA.

10 84. Second, between February 2019 and February 2020, Experian deleted
11 more than 100,000 disputed tradelines instead of initiating and completing a
12 reinvestigation within 30 days, as required by the FCRA. Then, sometime after the
13 30-day window, Experian processed the disputes and reinserted some of the
14 deleted information.

15 85. Third, Experian routinely fails to reinvestigate when a consumer
16 makes a dispute about a hard inquiry.

17 86. A “hard inquiry” is a notation that a creditor or entity has requested to
18 access a consumer’s file. The appearance of a hard inquiry on a consumer’s file
19 indicates that a consumer applied for credit. A hard inquiry often impacts a
20 consumer’s credit score.

21 87. A dispute about a hard inquiry may assert that the creditor or entity
22 lacked a permissible purpose for accessing the consumer report and therefore the
23 inquiry should not be reflected on the consumer report. In situations where the
24 consumer did not apply for credit, but a hard inquiry is reflected on their consumer

1 report, the accuracy of their consumer report is distorted because it falsely appears
2 that the consumer applied for credit.

3 88. As a matter of policy, Experian does not investigate hard inquiry
4 disputes unless the consumer's allegation meets narrow criteria, such as an
5 allegation that the inquiry was a byproduct of fraud or identity theft.

6 89. Absent such allegations, Experian will not conduct a reinvestigation
7 and instead simply sends a notice to the consumer explaining the nature of
8 inquiries and inviting consumers to provide additional information, such as
9 allegations of identity theft or fraud, to support the dispute.

10 90. As a result, the hard inquiry remains on the individual's consumer
11 report, even if the inquiry was not permissible and even if the consumer did not
12 actually apply for the account.

13 91. In addition to failing to initiate reinvestigations, Experian's faulty
14 processes also caused other errors in consumers' files.

15 92. For example, the FCRA requires Experian to maintain reasonable
16 procedures to assure maximum possible accuracy of the credit information it
17 reports, and to prevent reinsertion of previously deleted information. 15 U.S.C.
18 §§ 1681i(a)(5)(C), 1681e(b).

19 93. "Reinsertion" occurs when information in a consumer's file that was
20 deleted because it was found to be inaccurate, incomplete, or unverifiable during a
21 reinvestigation reappears in the consumer's file. 15 U.S.C. § 1681i(a)(5).

22 94. Experian's procedures for preventing reinsertions are limited and only
23 prevent the same furnisher from re-furnishing a previously deleted tradeline.

1 95. These procedures do not prevent a new furnisher from reinserting a
2 previously deleted tradeline. Reinsertion may occur, for example, when a furnisher
3 deletes a disputed tradeline as a result of a dispute and then sells the account to a
4 debt buyer that re-furnishes it.

5 96. Experian has failed to implement basic matching tools that prevent or
6 greatly reduce the likelihood of reinsertion by a new furnisher of a previously
7 deleted tradeline.

8 97. For example, Experian has not implemented procedures to compare
9 dates of first delinquencies, recent credit balance amounts, high credit balances, or
10 the names of original creditors, to ascertain whether a newly reported tradeline
11 constitutes a reinsertion.

12 98. When Experian allows new furnishers to reinsert previously deleted
13 information, Experian does not require the furnishers to certify that the information
14 is complete and accurate. Experian also does not notify consumers within five
15 business days that the previously deleted information was reinserted, provide the
16 identity and contact information of furnishers contacted in connection with the
17 reinsertion, or inform consumers of their right to add a statement to their consumer
18 file disputing the accuracy or completeness of the disputed information.

19 99. As a result, consumers who have disputed the accuracy of an account
20 and thought that their consumer report had been corrected, instead see the same
21 inaccurate information reappear on their consumer report without explanation
22 under the name of a new furnisher.

100. Additionally, the FCRA requires Experian to remove any information that is found to be inaccurate as a result of a reinvestigation. 15 U.S.C. § 1681i(a)(5).

101. Between June 2020 and December 2020, furnishers identified many accounts that inaccurately reflected joint user status. However, Experian's automated systems rejected certain furnishers' attempts to remove a joint user from an account in response to a dispute.

102. Although these disputes triggered manual review by Experian agents, the agents still did not remove the joint user status.

103. These errors resulted in more than 1,700 consumer files inaccurately continuing to reflect joint user status.

FCRA VIOLATIONS

COUNT I
Failure to Forward Disputes
in Violation of the FCRA, 15 U.S.C. § 1681i(a)(2)(A)

104. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

105. After receiving notice that a consumer disputes any item of information contained in his or her consumer file, a CRA has five business days to notify the furnisher of the information disputed by the consumer. 15 U.S.C. § 1681i(a)(2)(A).

106. Between January 2018 and October 2021, Experian did not forward more than 2 million disputes to furnishers within five business days.

¹⁰⁷. Therefore, Experian violated the FCRA, 15 U.S.C. § 1681i(a)(2)(A).

COUNT II**Failure to Conduct a Reasonable Reinvestigation and Failure to Provide Furnishers with All Relevant Information in Violation of the FCRA, 15 U.S.C. § 1681i(a)(1)(A), (2)**

108. The allegations in paragraphs 1 through 103 are incorporated herein
by reference.

109. The FCRA requires a CRA to conduct a reasonable reinvestigation
and to notify and provide all relevant information regarding a dispute that it
received from the consumer to the furnisher of the disputed information. 15 U.S.C.
§ 1681i(a)(1)(A), (2).

110. Experian does not conduct a reasonable reinvestigation or convey to
furnishers all relevant information it receives from consumers when it incorrectly
applies generic dispute codes despite more specific codes being available, uses
dispute codes that inaccurately describe consumers' disputes, and applies dispute
codes requesting updates that are already reflected on consumers' tradelines.

111. Experian does not conduct a reasonable reinvestigation or convey to
furnishers all relevant information it receives from consumers when it fails to
forward relevant consumer documentation.

112. Therefore, Experian's actions violated and continue to violate the
FCRA, 15 U.S.C. § 1681i(a)(1)(A), (2).

COUNT III**Failure to Reinvestigate Disputes About Hard Inquiries in Violation of the FCRA, 15 U.S.C. § 1681i(a)(1)(A), (2)**

113. The allegations in paragraphs 1 through 103 are incorporated herein
by reference.

114. Whenever a consumer disputes the completeness or accuracy of any
item contained in his or her consumer file, a CRA is required to "conduct a

reasonable reinvestigation to determine whether the disputed information is inaccurate.” 15 U.S.C. § 1681i(a)(1)(A).

115. After receiving notice that a consumer disputes any item of information contained in his or her consumer file, a CRA has five business days to notify the furnisher of the information disputed by the consumer and provide all relevant information regarding the dispute. 15 U.S.C. § 1681i(a)(2).

116. Experian only investigates hard inquiry disputes in limited circumstances, such as when the consumer alleges that the inquiry was a byproduct of fraud or identify theft. If a consumer disputes the accuracy of a hard inquiry without such allegations, however, Experian does not reinvestigate the dispute.

117. By not conducting a reasonable reinvestigation after consumers dispute the accuracy of a hard inquiry, which is an item of information in their consumer files, Experian violated and continues to violate the FCRA, 15 U.S.C. § 1681i(a)(1)(A).

118. By not informing the furnisher of a consumer's hard inquiry dispute, Experian violated and continues to violate the FCRA, 15 U.S.C. § 1681i(a)(2).

COUNT IV

Deleting Tradelines Without an Investigation in Violation of the FCRA, 15 U.S.C. § 1681i(a)(1)(A)

119. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

120. Whenever a consumer disputes the completeness or accuracy of any item contained in his or her consumer file, a CRA is required to "conduct a reasonable reinvestigation to determine whether the disputed information is

inaccurate, and record the current status of the disputed information, or delete the item from the file in accordance with paragraph (5).” 15 U.S.C. § 1681i(a)(1)(A).

121. On more than 100,000 occasions, Experian received a dispute and failed to complete a reinvestigation within 30 days.

122. Therefore, Experian violated the FCRA, 15 U.S.C. § 1681i(a)(1)(A).

COUNT V

Unreasonable Over-Reliance on a Furnisher's ACDV Response in Violation of the FCRA, 15 U.S.C. § 1681i(a)(1)(A)

123. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

124. Whenever a consumer disputes the completeness or accuracy of any item contained in his or her consumer file, a CRA is required to “conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate, and record the current status of the disputed information, or delete the item from the file in accordance with paragraph (5).” 15 U.S.C. § 1681i(a)(1)(A).

125. Rather than undertaking a reasonable reinvestigation, Experian unreasonably relies on furnishers' ACDV responses in at least three categories of disputes: (1) disputes where the consumer provided information that alerted or should have alerted Experian to the possibility that the furnisher might be unreliable, (2) disputes where Experian already had information that alerted or should have alerted Experian to the possibility that the furnisher might be unreliable and (3) disputes where Experian received illogical and inconsistent ACDV responses from furnishers that alerted or should have alerted Experian to the possibility that the furnisher might be unreliable. In each of these instances,

Experian had affirmative notice that the information received from the furnisher may be suspect.

126. In such disputes, Experian possesses information that the disputed consumer data is inaccurate, and thus the original source of the disputed data – namely, the furnisher – is unreliable. Nevertheless, Experian uncritically accepts and implements furnishers' ACDV responses.

127. When Experian's reinvestigation consists solely of sending an ACDV to a furnisher and implementing the furnisher's response despite (1) having or receiving evidence of that furnisher's unreliability, and (2) the existence of readily available, cost-effective additional investigative measures, Experian fails to conduct a reasonable reinvestigation.

128. Therefore, Experian's actions violated and continue to violate the FCRA, 15 U.S.C. § 1681i(a)(1)(A).

COUNT VI
**Failure to Delete Inaccurate, Incomplete, or Unverified Information in
Violation of the FCRA, 15 U.S.C. § 1681i(a)(5)(A)**

129. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

130. The FCRA requires a CRA to delete any information found to be inaccurate, incomplete, or unverified after a reinvestigation. 15 U.S.C. § 1681i(a)(5)(A).

131. Experian did not delete more than 1,700 erroneous “joint user” statuses from consumers’ files despite the fact that the furnishers identified those statuses as inaccurate and requested their deletion.

132. Therefore, Experian violated the FCRA, 15 U.S.C. § 1681i(a)(5)(A).

COUNT VII**Failure to Provide Notice of the Results of the Reinvestigation in Violation of the FCRA, 15 U.S.C. § 1681i(a)(6)(A)**

133. The allegations in paragraphs 1 through 103 are incorporated herein
by reference.

134. The FCRA requires a CRA to provide written notice to a consumer of
the results of a reinvestigation. 15 U.S.C. § 1681i(a)(6)(A).

135. Experian's notices routinely fail to disclose the results of a
reinvestigation because the notices state two contradictory results, are incomplete,
or are unintelligible.

136. Therefore, Experian's actions violated and continue to violate the
FCRA, 15 U.S.C. § 1681i(a)(6)(A).

COUNT VIII**Failure to Maintain Reasonable Procedures Designed to Prevent Reinsertion and Unlawful Reinsertion of Previously Deleted Information in Violation of the FCRA, 15 U.S.C. § 1681i(a)(5)(B), (C)**

137. The allegations in paragraphs 1 through 103 are incorporated herein
by reference.

138. Under the FCRA, “[i]f any information is deleted from a consumer’s
file pursuant to [§ 1681i(a)(5)(A)], the information may not be reinserted in the file
by the consumer reporting agency unless the person who furnishes the information
certifies that the information is complete and accurate” 15 U.S.C.
§ 1681i(a)(5)(B)(i). The CRA must then “notify the consumer of the reinsertion . . .
not later than 5 business days after the reinsertion . . . ,” 15 U.S.C.
§ 1681i(a)(5)(B)(ii), and “provide to a consumer in writing not later than 5
business days after the date of reinsertion (I) a statement that the disputed
information has been reinserted; (II) the business name and address of any

1 furnisher of information contacted and the telephone number of such furnisher, if
2 reasonably available, or of any furnisher of information that contacted the
3 consumer reporting agency, in connection with the reinsertion of such information;
4 and (III) a notice that the consumer has the right to add a statement to the
5 consumer's file disputing the accuracy or completeness of the disputed
6 information." 15 U.S.C. § 1681i(a)(5)(B)(iii).

7 139. Consumer reporting agencies are further required to maintain
8 reasonable procedures to prevent reinsertion of information previously deleted as
9 the result of a dispute. 15 U.S.C. § 1681i(a)(5)(C).

10 140. Experian's procedures for preventing reinsertion are limited to
11 preventing the same furnisher from reinserting a tradeline that had been previously
12 deleted. The procedures do not prevent a different furnisher from reinserting that
13 same tradeline.

14 141. Because Experian does not prevent new furnishers from reinserting
15 tradelines that Experian had deleted in response to a consumer dispute, Experian
16 fails to maintain reasonable procedures to prevent reinsertion of previously deleted
17 information.

18 142. Experian also reinserts information into consumers' files without
19 obtaining a furnisher certification and without notifying consumers within five
20 business days or otherwise adhering to the requirements of 15 U.S.C.
21 § 1681i(a)(5)(B).

22 143. Therefore, Experian's actions violated and continue to violate the
23 FCRA, 15 U.S.C. § 1681i(a)(5)(B), (C).

COUNT IX

Failure to Implement and Follow Reasonable Procedures to Assure Maximum Possible Accuracy in Violation of the FCRA, 15 U.S.C. § 1681e(b)

144. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

145. The FCRA requires a CRA to follow reasonable procedures to assure maximum possible accuracy of the credit information they report on consumers. 15 U.S.C. § 1681e(b).

146. Because Experian does not prevent new furnishers from reinserting tradelines that Experian had previously deleted in response to a consumer dispute, Experian fails to follow reasonable procedures to assure maximum possible accuracy of the credit information it reports on consumers.

147. Therefore, Experian's actions violated and continue to violate the FCRA, 15 U.S.C. § 1681ie(b).

CFPA VIOLATIONS

148. The CFPA prohibits covered persons from offering or providing to a consumer any financial product or service not in conformity with Federal consumer financial law, otherwise committing any act or omission in violation of a Federal consumer financial law, or engaging in any unfair, deceptive, or abusive act or practice. 12 U.S.C. §§ 5531(a), 5536(a)(1).

149. Under the CFPA, an act or practice is unfair when it “causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers; and ... such substantial injury is not outweighed by countervailing benefits to consumers or to competition.” 12 U.S.C. § 5531(c)(1).

COUNT X

Unfair Acts or Practices: Failing to Convey Consumers' Disputes to Furnishers Fully and Accurately

150. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

151. When communicating with furnishers, Experian distorts, truncates, and mischaracterizes consumers' disputes by applying dispute codes that inaccurately describe consumers' disputes, incorrectly using generic dispute codes despite more specific codes being available, applying dispute codes requesting updates that are already reflected on consumers' tradelines, and failing to forward relevant consumer documentation.

152. Experian commits unfair acts and practices by failing to convey consumers' disputes to furnishers in an accurate and complete fashion.

153. Experian's conduct is likely to cause substantial injury because it fails to accurately convey the nature of disputes to furnishers, which prevents furnishers from understanding and addressing the substance of the consumers' intended dispute, and thereby increases the likelihood that inaccurate information remains on consumer reports.

154. Consumers cannot reasonably avoid the injury because consumers cannot control what information Experian sends to the furnisher and Experian never discloses to consumers what information it sent to the furnisher.

155. No countervailing benefits to consumers or to competition exist.
Neither consumers nor competition benefit from Experian's practice of
mischaracterizing the nature or factual basis of a dispute.

156. Therefore, Experian has engaged, and continues to engage, in unfair acts and practices in violation of the CFPA. 12 U.S.C. §§ 5531(c), 5536(a)(1)(B).

COUNT XI
**Unfair Acts or Practices: Excessive and Unreasonable Reliance on a
Furnisher's ACDV Response**

157. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

158. Experian's practice of conducting an investigation by doing nothing more than sending an ACDV to a furnisher and implementing the furnisher's response, and not seeking or taking into account additional, relevant information as part of its reinvestigation, despite having or receiving evidence of that furnisher's unreliability, is unfair.

159. This practice causes or is likely to cause inaccurate reporting to remain on consumer reports and thereby causes or is likely to cause substantial injury.

160. Consumers cannot reasonably avoid the injury because Experian controls the dispute process and what items appear on consumer reports. The dispute and reinvestigation process—particularly the details of how Experian handles disputes and conducts reinvestigations—is largely unknown to consumers.

161. The practice does not provide countervailing benefits to consumers or to competition. Neither consumers nor competition benefit from Experian's inadequate reinvestigation procedures.

162. Therefore, Experian has engaged, and continues to engage, in unfair acts and practices in violation of the CFPA. 12 U.S.C. §§ 5531(c), 5536(a)(1)(B).

COUNT XII**Unfair Acts or Practices: Failing to Prevent Improper Tradeline Reinsertions**

163. The allegations in paragraphs 1 through 103 are incorporated herein
by reference.

164. Experian improperly reinserts tradelines into consumer reports due to
its practice of not attempting to match newly reported tradelines to tradelines that
were previously deleted as a result of a dispute if the subsequent furnishing was
from a new furnisher.

165. This practice causes or is likely to cause substantial injury by
increasing the likelihood that previously deleted and erroneous information
reappears in a consumer's file. Moreover, because Experian fails to notify
consumers that new furnishers reinserted previously deleted information,
consumers are unaware that they should file a dispute to challenge such
information, thereby increasing the amount of time that erroneous information
appears on consumer files.

166. Consumers cannot reasonably avoid the injury because they cannot
control what Experian puts on their consumer reports.

167. No countervailing benefits to consumers or to competition exist.
There is no consumer benefit to Experian's failure to prevent the reinsertion of
deleted tradelines, and no legitimate benefit to competition.

168. Therefore, Experian has engaged and continues to engage in unfair
acts and practices, in violation of the CFPA. 12 U.S.C. §§ 5531(c), 5536(a)(1)(B).

COUNT XIII**Violations of the CFPA Arising From FCRA Violations**

169. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

170. Section 1036(a)(1)(A) of the CFPA prohibits a covered person from offering or providing to a consumer any financial product or service not in conformity with “Federal consumer financial law” or otherwise committing any act or omission in violation of a “Federal consumer financial law.” 12 U.S.C. § 5536(a)(1)(A).

171. The Fair Credit Reporting Act is an “enumerated consumer law,” 12 U.S.C. § 5481(12)(F), and therefore a “Federal consumer financial law.” 12 U.S.C. § 5481(14).

172. Therefore, Experian's violations of the Fair Credit Reporting Act, described above in Counts I through IX, constitute violations of the CFPA, 12 U.S.C. § 5536(a)(1)(A).

DEMAND FOR RELIEF

173. Wherefore, the Bureau requests, under 12 U.S.C. § 5565, that the
Court:

a. permanently enjoin Experian from committing future violations of the CFPA, FCRA, Regulation V, or any provision of “Federal consumer financial law,” as defined by 12 U.S.C. § 5481(14);

b. grant additional injunctive relief as the Court may deem just and proper;

c. order Experian to pay redress to consumers harmed by its unlawful conduct, including restitution, damages, refunds, or other monetary relief;

d. order Experian to disgorge any ill-gotten gains;

1 e. impose civil money penalties on Experian;
2 f. award costs against Experian; and
3 g. award additional relief as the Court may determine to be just
4 and proper.

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1 Dated: January 7, 2025

Respectfully submitted,

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