

BUREAU OF CONSUMER FINANCIAL PROTECTION | MARCH 2021

# Consumer Response Annual Report

January 1 – December 31, 2020



# Message from the Acting Director



I am pleased to present the Bureau of Consumer Financial Protection's (CFPB or Bureau) Consumer Response 2020 Annual Report, as required by Section 1013(b)(3)(C) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

The year 2020 was unprecedented. While that word may be overused lately, it is accurate, nonetheless. The global pandemic was perhaps the most disruptive long-term event we will see in our lifetimes. Not surprisingly, the shockwaves it sent across the planet were felt deeply in the consumer financial marketplace.

In March 2020, state and local governments implemented stay-at-home orders, businesses closed, and millions of Americans were suddenly out of work. They needed help navigating their new financial reality and turned to the CFPB. This is reflected in 2020's complaint volume.

Before the pandemic, the Bureau handled approximately 300,000 consumer complaints annually. In 2020, the Bureau received more than 540,000 consumer complaints. For seven of the nine months since March 2020, the Bureau managed record complaint volume and continued to route consumers' complaints to financial companies in less than one day. Companies provided timely responses to 99% of complaints received from the Bureau.

Although the increased volume is primarily attributed to credit and consumer reporting complaints, this report includes an extended discussion of COVID-19 related complaints to help readers better understand how the pandemic impacted consumer's financial lives. In addition, this report contains an overall analysis of complaint data to inform the marketplace and to empower consumers to take more control over their financial lives.

This report also includes information about how the Bureau handles complaints to help the public understand the complaint analyses in context. Finally, it describes trends seen this year, and highlights notable deviations from the prior year's trends.

Of course, this report can only provide a point-in-time snapshot of an ongoing situation. That's why it's so important that the Bureau has delivered on its earlier promise to make more sophisticated analytical tools available to the public. In 2020 the Bureau completed its work to

add data visualization and trend analytics tools to the Consumer Complaint Database. Now, during this especially critical time, it is easier for consumers, researchers, advocates, and other stakeholders, including financial companies, to explore the data in near-real-time in a flexible and powerful interface.

As the nation continues to move through this challenging period, I am confident that the Bureau will remain a place where consumers can turn for help navigating challenges they face in the financial marketplace. One of my top priorities is ensuring that consumers who submit complaints receive substantive responses to the issues described in their complaints, and that companies provide relief consumers deserve.

To supplement this Annual Report to Congress and in support the goals set forth in the Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, the Bureau continues to analyze complaint data to understand and detail disparities observed in complaints submitted by consumers from Black, Brown, and Indigenous communities and will publish these analyses to inform the marketplace. Complaints will continue to play an integral and central role in informing the Bureau's policy priorities and day-to-day work on behalf of consumers.

Going forward, the Bureau will work to amplify consumer voices so that they are heard at every level of this organization. From rulemaking to COVID education to increasing racial equities to punishing bad actors, the Bureau will seek out, listen to, and integrate consumer voices via complaints into Bureau priorities.

Sincerely,

A handwritten signature in blue ink that reads "David K. Uejio".

David Uejio  
Acting Director

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# 1. Introduction

One of the primary functions of the Bureau of Consumer Financial Protection (CFPB or Bureau) is collecting, investigating, and responding to consumer complaints.<sup>1</sup> Created by the Bureau, under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Office of Consumer Response (Consumer Response)<sup>2</sup> maintains procedures to provide timely responses to consumer complaints.<sup>3</sup> Consumer Response also analyzes and shares complaint data to inform the marketplace and to empower consumers to take more control over their financial lives.

In 2020, the Bureau received approximately 542,300 consumer complaints.<sup>4</sup> The Bureau receives consumer complaints through its website, by referral from the White House, congressional offices, and other federal and state agencies, and by telephone,<sup>5</sup> mail, email, and fax.<sup>6</sup> Consumers submitted approximately 89% of complaints by visiting the CFPB's website and 5% by calling the CFPB's toll-free telephone number. The remaining 6% were submitted via postal mail, fax, or referral.

When consumers [submit complaints online](#) or over the phone, the Bureau asks them to identify the consumer financial product or service with which they have a problem, as well as the type of problem they are having with that product or service. This provides information that the Bureau can use to analyze complaints. The Bureau's complaint form also requires consumers to affirm that the information provided in their complaint is true to the best of their knowledge and belief.

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<sup>1</sup> See Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203 (Dodd-Frank Act), Section 1021(c)(2). See also § 1002(4) (“The term ‘consumer’ means an individual or an agent, trustee, or representative acting on behalf of an individual.”).

<sup>2</sup> *Id.* § 1013(b)(3)(A).

<sup>3</sup> Consumer complaints are submissions that express dissatisfaction with, or communicate suspicion of wrongful conduct by, an identifiable entity related to a consumer’s personal experience with a financial product or service.

<sup>4</sup> This report covers complaints submitted in calendar year 2020 about a variety of consumer financial products and services: credit or consumer reporting; debt collection; mortgages; credit cards; checking or savings accounts; student loans; money transfers, money services, and virtual currencies; vehicle loans or leases; personal loans; payday loans; prepaid cards; credit repair; and, title loans.

<sup>5</sup> In addition to taking consumers’ complaints and providing complaint status updates over the telephone via a toll-free number, the Bureau also provides consumers with answers to frequently asked questions about consumer financial products and services over the telephone. Representatives at the Bureau’s U.S.-based contact center answer consumers’ inquiries, providing clear, unbiased answers and pointing them to CFPB-created tools like [Ask CFPB](#) and “[Protecting your finances during the coronavirus pandemic](#).” The Bureau provides services to consumers in more than 180 languages and to consumers who are deaf, have hearing loss, or have speech disabilities. In 2020, the Bureau received an average of more than 17,200 telephone calls per month.

<sup>6</sup> See Dodd-Frank Act § 1013(b)(3).

The Bureau encourages consumers to submit complaints through its website whenever possible. The online complaint form helps to ensure completeness of information and enables the Bureau to send the complaint to the named company quickly—on average, in one day or less. The online complaint form allows consumers to attach supporting documentation to their complaint, which often helps companies assess issues raised by consumers. Consumers can also check on the status of their complaint and access relevant educational resources in the web-based Consumer Portal.

The Bureau routes consumers' complaints about financial products and services—and any documents they provide—directly to financial companies, and works to get consumers a timely response, generally within 15 days. Secure, web-based Company and Consumer Portals protect consumer privacy and the confidentiality of companies' responses to consumers. Where appropriate, the Bureau routes complaint referrals to other federal agencies through the secure, web-based Government Portal.<sup>7</sup>

After a consumer receives the company's response to their complaint, the consumer can provide feedback on the company's response by completing an optional survey. This optional survey invites consumers to provide feedback to three prompts:

- The company's response addressed all of my issues;
- I understand the company's response to my complaint; and
- The company did what they said they would do with my complaint.

In addition to answering *yes* or *no* to these three statements, consumers can provide narrative text in support of their answers. Consumers have 60 days from the date the company responded to complete the survey. This information is made available to companies via the Company Portal.

Consumers' complaints and companies' responses provide the Bureau with important information about the types of challenges consumers are experiencing with financial products and services and how companies are responding to consumers' concerns. The Bureau used a variety of approaches to identify trends and possible consumer harm in the more than 540,000 complaints received in 2020. Examples include:

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<sup>7</sup> Dodd-Frank Act § 1013(b)(3)(A) (“The Director shall coordinate with the Federal Trade Commission or other Federal agencies to route complaints to such agencies, where appropriate.”).

- Reviewing cohorts of complaints and company responses to assess the accuracy, timeliness, and completeness of an individual company’s responses to complaints sent to them for response
- Conducting text analytics to identify emerging trends and statistical anomalies in large volumes of complaints
- Visualizing data to highlight geographic and temporal patterns and using tools to filter, sort, and search complaints

These analyses support the Bureau’s work to supervise companies, enforce federal consumer financial laws, propose rules, spot and assess emerging issues, and develop tools that help empower consumers to make informed financial decisions. The Bureau also shares consumer complaint information with prudential regulators, the Federal Trade Commission, other federal agencies, and state agencies using the Government Portal.<sup>8</sup>

In keeping with the Bureau’s statutory responsibilities and its commitment to accountability, this report provides information and analysis about complaints received by the Bureau from January 1 through December 31, 2020, including information and analysis about complaint numbers, complaint types, and, where applicable, information about the resolution of complaints.<sup>9</sup>

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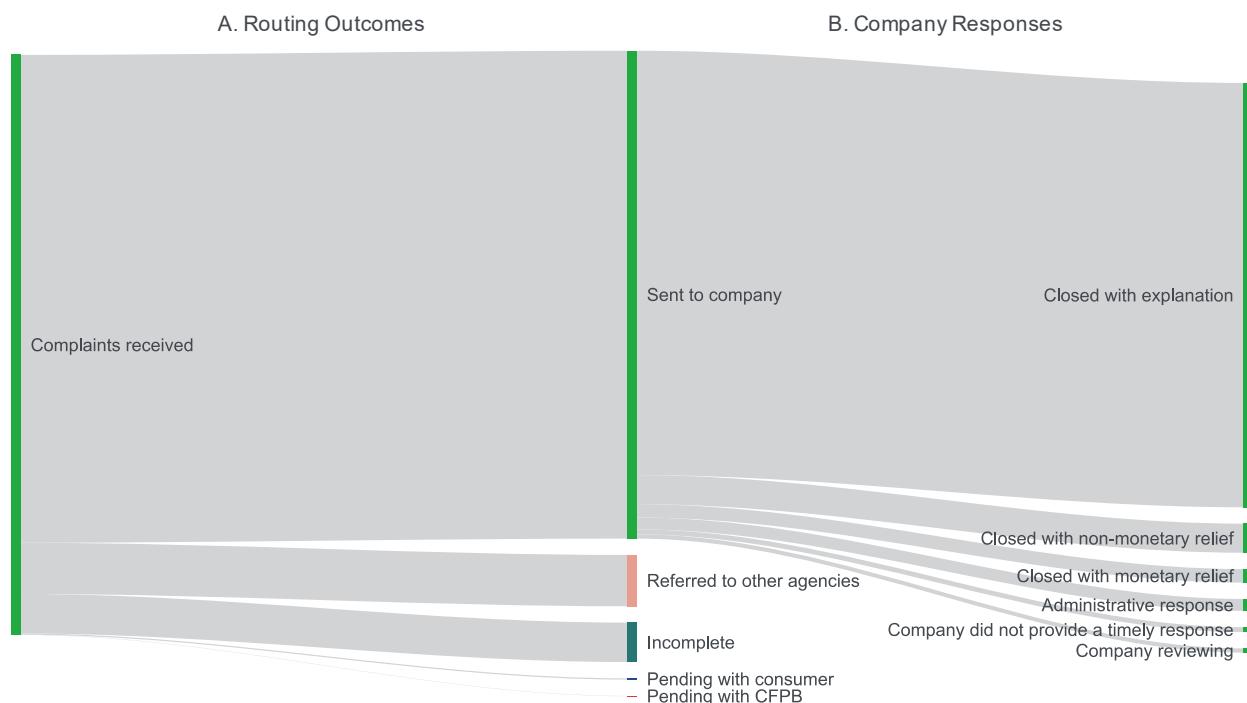
<sup>8</sup> *Id.* § 1013(b)(3)(D).

<sup>9</sup> This report fulfills the reporting requirements of Dodd-Frank Act Section 1013(b)(3)(C), which instructs the Bureau to report on the complaints received by the Bureau in the prior year regarding consumer financial products and services. “Complaints received” include those sent to companies for a response and those routed to other federal agencies as required by Section 1013(b)(3)(A).

## 2. Complaint Numbers

The Bureau received approximately 542,300 consumer complaints in 2020.<sup>10</sup> As of February 1, 2021, the Bureau sent approximately 456,100 (or 84%) of these complaints to companies for review and response, referred 9% of complaints received to other regulatory agencies, and found 7% to be incomplete. Additionally, 0.2% of complaints were pending with the consumer and 0.1% were pending with Bureau (see Figure 1A, Routing Outcomes).

**FIGURE 1:** COMPLAINT OUTCOMES IN 2020



Approximately 3,300 companies responded to complaints sent to them for review and response by the Bureau in 2020. Companies categorize their response to consumers' complaints. Response category options include "Closed with monetary relief," "Closed with non-monetary relief," "Closed with explanation," "In progress," and administrative options. Companies provide an administrative response when further review by the Bureau may be needed. This includes complaints submitted by unauthorized third parties, complaints that are the result of fraud,

<sup>10</sup> This report excludes some complaints that the Bureau received, including multiple complaints submitted by a given consumer on the same issue (i.e., duplicates), whistleblower tips, and complaints the Bureau found were submitted without the consumer's authorization. Complaint data in this report is current as of February 1, 2021. Complaint numbers are rounded throughout the report; therefore, numbers and percentages may not sum to sub-totals or 100%.

scams or business identity theft, and complaints where a company cannot confirm a commercial relationship with the consumer.

Companies confirmed a commercial relationship with the named consumer and provided a substantive response to the consumer and the CFPB (i.e., “Closed with monetary relief,” “Closed with non-monetary relief,” “Closed with explanation,”) to approximately 436,400 complaints (see Figure 1B, Company Responses). Companies provided an administrative response to approximately 11,100 complaints. As of February 1, 2021, approximately 3,900 complaints were being reviewed by companies. In 2020, approximately 4,600 complaints did not receive a timely response from companies. Section 3 of this report (Complaint Resolution), provides more details about types of company responses.

The remainder of this section analyzes complaints received in 2020 by:

- Product and service
- Geographic region
- Mention of coronavirus or related keywords<sup>11</sup>
- Special population (servicemembers and older consumers)<sup>12</sup>

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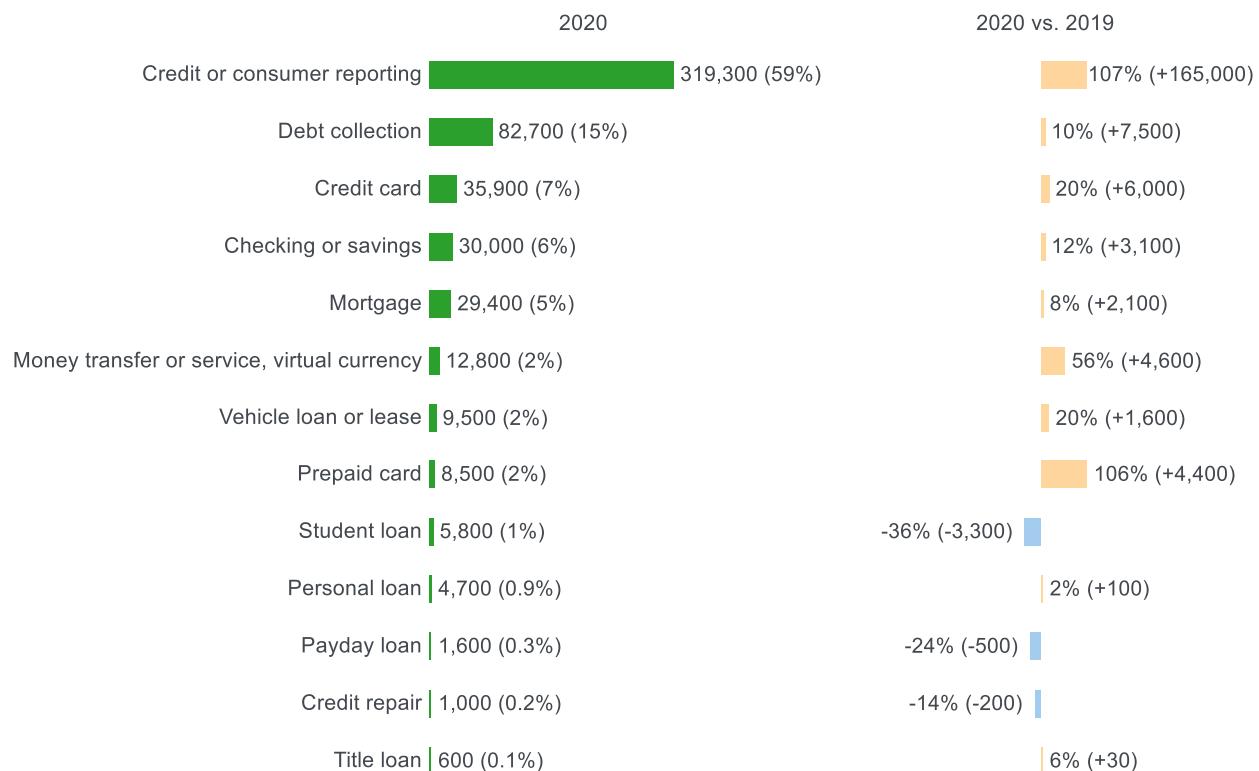
<sup>11</sup> For this report, “Mention of coronavirus or related keywords” is based on a search of complaint narratives using the following search string: “covid OR coronavirus OR pandemic OR (corona AND virus) OR (global AND virus) OR Stimulus OR PPP OR ‘paycheck protection’”. Use of this string enables the Bureau to identify a sub-population of complaints for analysis.

<sup>12</sup> “Older consumers” and “servicemembers” are both self-identified. Servicemembers refers to servicemembers, veterans, and military families. “Older consumers” refers to consumers who voluntarily reported their age as 62 or older.

## Products and Services

As shown in Figure 2, credit or consumer reporting, debt collection, credit card, checking or savings accounts, and mortgage were the most complained about consumer financial product and service categories in 2020. Collectively, these products comprised approximately 92% of all complaints the Bureau received in 2020.

**FIGURE 2:** COMPLAINT VOLUME BY FINANCIAL PRODUCT OR SERVICE<sup>13</sup>



<sup>13</sup> The volume of complaints is not equal to the volume of consumers who submitted complaints to the Bureau (see e.g., Credit or consumer reporting, Section 4.1). This figure excludes approximately 300 complaints where the consumer did not indicate a specific consumer financial product or service.

## Geographic Region

Consumers from all 50 states and the District of Columbia submitted complaints to the Bureau. To understand state and regional trends, the Bureau analyzes the geographic distribution of complaints after accounting for population differences. Figure 3 shows that, on a per capita basis, the Bureau received more complaints from consumers from Florida than anywhere else in the United States, followed by consumers in Washington, D.C., Georgia, Arkansas, and Nevada. Consumers in South Dakota submitted the fewest complaints of any state per capita.

**FIGURE 3:** U.S. COMPLAINT SUBMISSIONS PER 100K POPULATION<sup>14</sup>

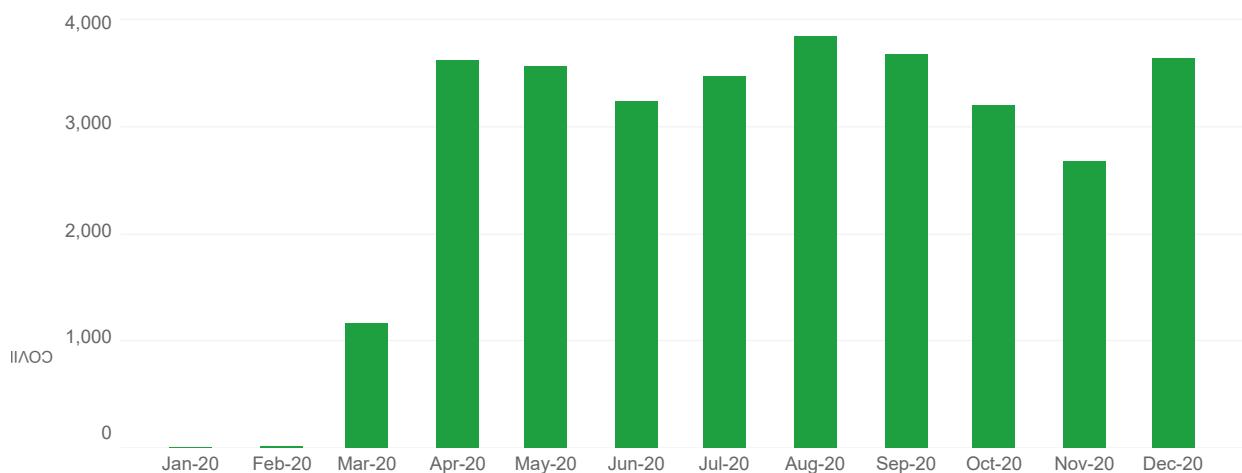


<sup>14</sup> Population data is from 2019 U.S. Census data as of July 1, 2019, available at <https://www2.census.gov/programssurveys/popest/tables/2010-2019/state/totals/nst-est2019-01.xlsx>.

## Coronavirus Pandemic

The volume of complaints the Bureau receives each month is influenced by numerous factors, including changing market conditions. On March 13, 2020, the President declared a national emergency as a result of the coronavirus (COVID-19) pandemic. Consumer Response began to monitor and analyze pandemic-related problems and issues reported by consumers. The Bureau has used these complaint insights to inform its work in response to the pandemic, including its supervisory and enforcement activities. The Bureau has also shared complaint information with federal and state agencies to ensure other regulators have useful information to support consumers. In 2020, consumers submitted approximately 32,100 complaints mentioning coronavirus or related keywords. As shown in Figure 4, beginning in April 2020, consumers submitted over 3,000 such complaints nearly every month. While complaints mentioning coronavirus or related keywords represent just 6% of submissions in 2020, the absence of coronavirus keywords in a complaint does not necessarily mean the complaint was not related to the financial impact of the pandemic. Section 4 of this report (Complaint Types) further analyzes complaints where the keywords were present.

**FIGURE 4:** COMPLAINTS SUBMITTED MENTIONING CORONAVIRUS OR RELATED KEYWORDS, BY MONTH



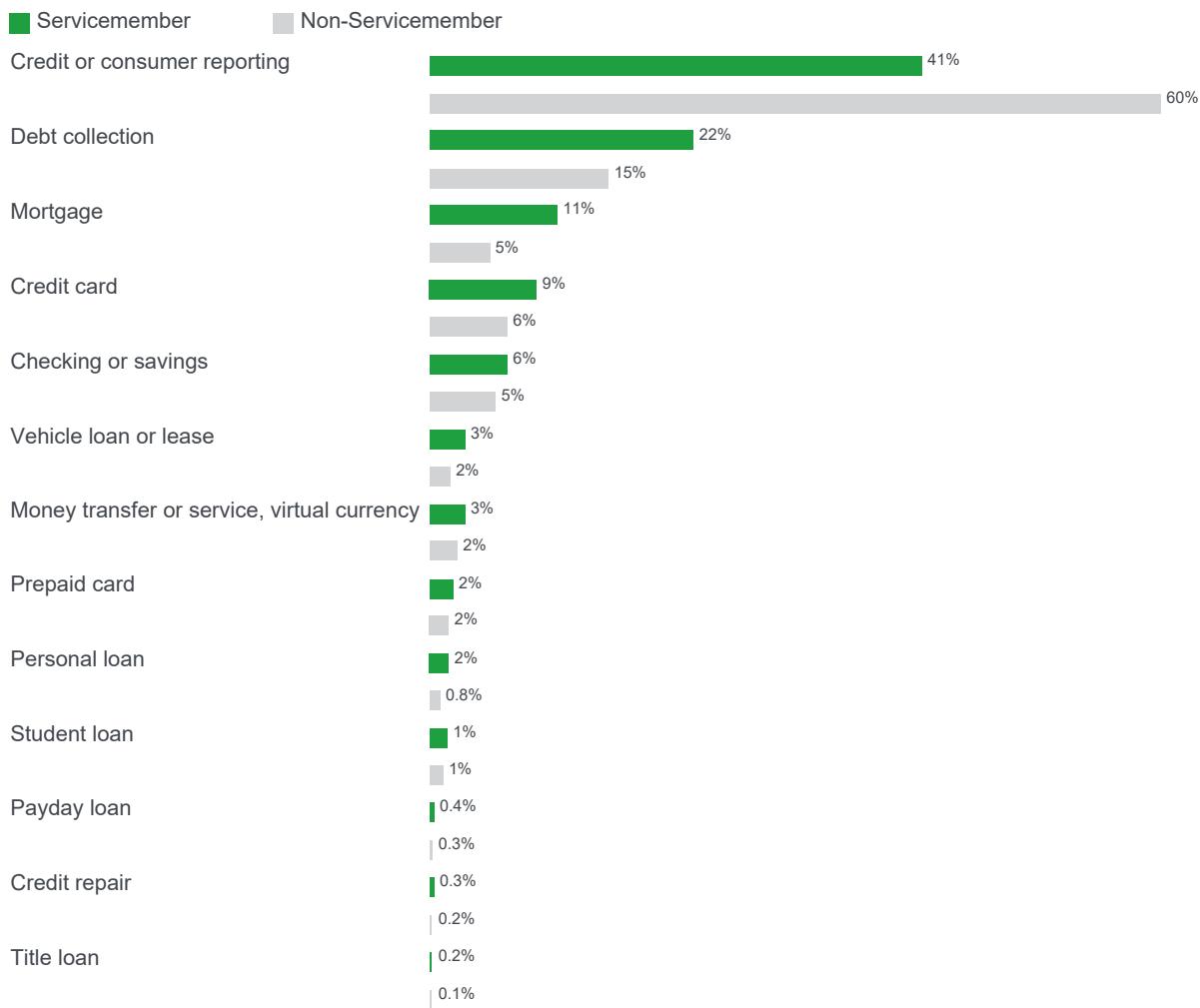
## Servicemembers

Consumer Response and the Bureau’s Office of Servicemember Affairs monitor and analyze complaints from servicemembers, veterans, and military families (collectively referred to as “servicemembers” in this report). When submitting a complaint to the Bureau, consumers have the option to identify their military status (active duty, reserve, guard, veteran, or military dependent), branch of service, and rank. Consumers provided their servicemember affiliation in approximately 40,800 complaints, or 8% of all complaints submitted in 2020. As shown in Figure 5, self-identified servicemembers submitted complaints about debt collection, mortgages, credit cards, checking or savings, vehicle loans or leases, money transfer or service, and virtual currency at slightly higher rates than non-servicemembers and about credit or consumer reporting at much lower rates<sup>15</sup>. Section 4 of this report (Complaint Types) analyzes some of these differences.

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<sup>15</sup> Servicemembers are defined as those who self-identify as a “servicemember.”

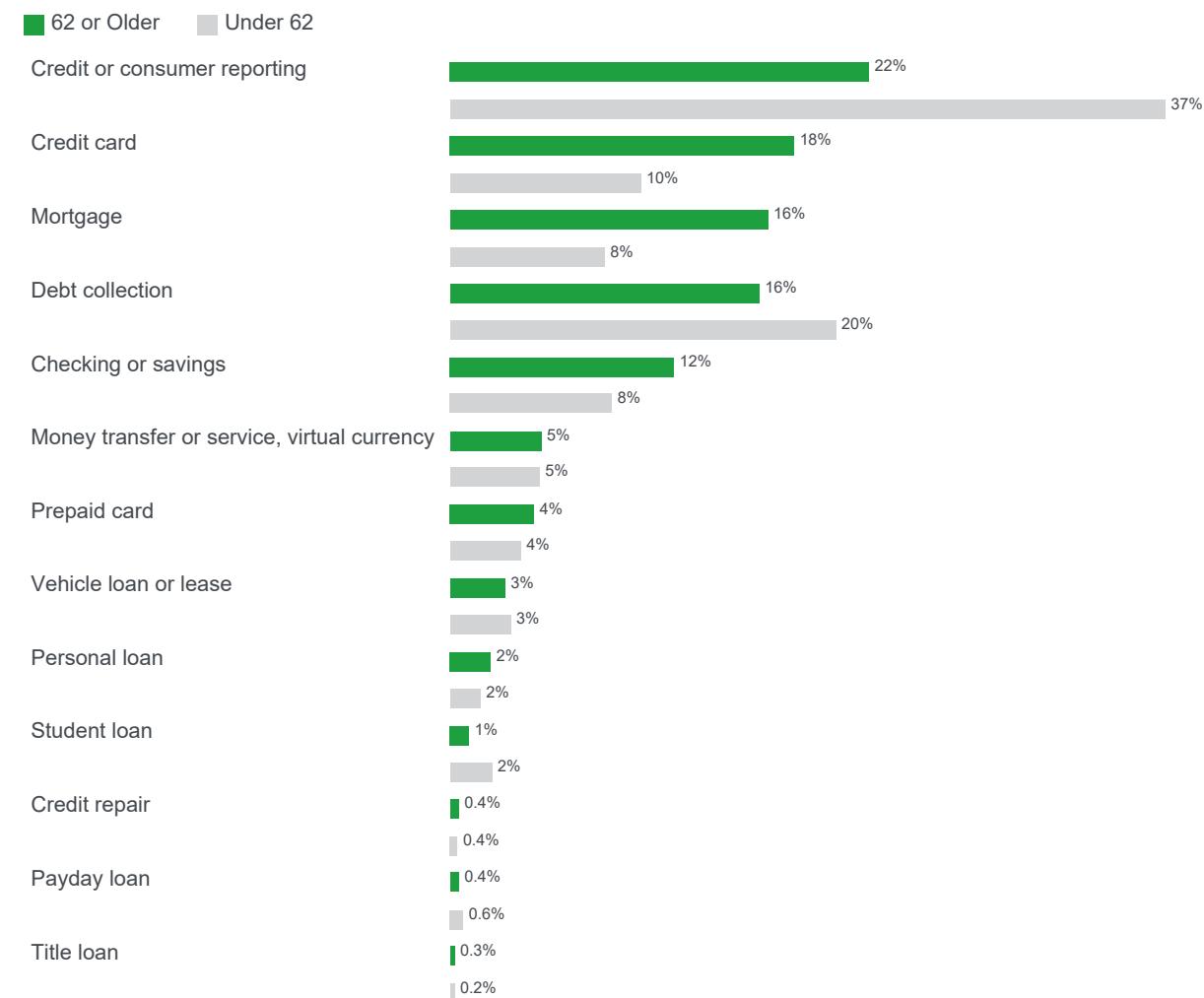
**FIGURE 5: COMPLAINTS SUBMITTED BY SERVICEMEMBERS AND NON-SERVICEMEMBERS**



## Older Consumers

Consumer Response and the Bureau's Office of Financial Protection for Older Americans monitor and analyze complaints from consumers who indicated they were 62 years of age or older at the time of submission. Consumers provided their age in approximately 128,900 complaints, or 26% of all complaints submitted in 2020. As shown in Figure 6, complaints submitted by self-identified older consumers were less often about credit or consumer reporting, debt collection, and student loans, and more often about credit cards, mortgages, and checking or savings accounts than complaints submitted by consumers not self-identifying as 62 years of age or older. Section 4 of this report (Complaint Types) analyzes some of these differences.

**FIGURE 6: PERCENTAGE OF COMPLAINTS BY PRODUCT AND AGE GROUP<sup>16</sup>**



<sup>16</sup> Consumers who did not provide their age are excluded from this chart. “Under 62” refers to consumers who self-identified as under the age of 62. When comparing older consumers to their younger counterparts, the Bureau limits its analysis to consumers who provided their age when submitting a complaint. Therefore, in these analyses, the Bureau excludes complaints where the consumer opted not to disclose their age.

# 3. Complaint Resolution

The Bureau sent approximately 456,100 complaints to approximately 3,300 companies for review and response in 2020. The Bureau expects companies to provide complete, accurate, and timely responses tailored to the issues described in each consumer's complaint. When a company cannot take action on a complaint because it was submitted by unauthorized third parties, was the result of fraud, scams or business identity theft, or the company cannot confirm a commercial relationship with the consumer, the company can provide an administrative response that includes a statement or other evidence supporting this response.

*Complete* responses address the issues raised by the consumer, describe communications with the consumer, and detail follow-up or planned follow-up actions. *Accurate* responses are those where the responses narratives and attachments support the response category selected. *Timely* responses are those provided within 15 calendar days of receipt and when a company provides a final response, if applicable, within 60 calendar days.

Response category options include "Closed with monetary relief," "Closed with non-monetary relief," "Closed with explanation," "In progress," and administrative options.

The Bureau defines "monetary relief" as objective, measurable, and verifiable monetary relief to the consumer as a direct result of the steps that have or will be taken in response to the complaint. The Bureau defines "non-monetary relief" as other objective and verifiable relief to the consumer as a direct result of the steps that have or will be taken in response to the complaint. Examples of non-monetary relief to consumers include; stopping unwanted calls from debt collectors; correcting account information; correcting inaccurate data provided or reported in consumers' credit reports; issuing corrected documents; restoring account access; and, addressing formerly unmet customer service issues.

"Closed with explanation" indicates that the steps taken by the company in response to the complaint included an explanation that was tailored to the individual consumer's complaint. For example, this category is used if the explanation substantively meets the consumer's desired resolution or explains why no further action will be taken. Companies should select "Closed with explanation" category when specific, verifiable monetary or non-monetary relief was not provided to the consumer in response to issues raised in the complaint.

Consumer Response analyzes consumer complaints, company responses, and consumer feedback to assess whether companies are providing accurate, complete, and timely responses.

Companies provided a timely response to approximately 99% of the approximately 456,100 complaints that the Bureau sent to them for response in 2020. Table 1 shows how companies

responded. Section 4 of this report (Complaint Types) provides an analysis of patterns and trends of company responses for each product and service.

**TABLE 1: HOW COMPANIES HAVE RESPONDED TO CONSUMER COMPLAINTS<sup>17</sup>**

Financial Product or Service	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Admin response	Company reviewing	Company did not provide a timely response
All	3%	6%	87%	2%	<1%	1%
Credit or consumer reporting	<1%	5%	91%	3%	<1%	<1%
Debt collection	<1%	9%	85%	1%	<1%	3%
Credit card	17%	9%	70%	2%	1%	<1%
Mortgage	4%	3%	88%	2%	1%	2%
Checking or savings	16%	4%	76%	2%	2%	<1%
Money transfer or service, virtual currency	9%	6%	80%	3%	<1%	2%
Vehicle loan or lease	3%	8%	86%	<1%	<1%	2%
Prepaid card	10%	12%	64%	2%	4%	8%
Student loan	2%	9%	84%	<1%	1%	3%
Personal loan	5%	6%	80%	2%	1%	6%
Payday loan	1%	1%	83%	5%	<1%	9%
Credit repair	6%	5%	80%	2%	<1%	6%
Title loan	4%	6%	82%	2%	<1%	5%

<sup>17</sup> Percentages throughout this report may not sum to 100% due to rounding. The Bureau expects companies to provide a response to each complaint within 15 calendar days of the complaint being sent to the company. When a complaint cannot be closed by the company within 15 calendar days, the company may indicate that work to respond to the complaint is “In progress” and provide a final closure response within 60 calendar days of the complaint being sent to the company. Responses provided outside the 15- or 60-day timeframe are considered “untimely.”

# 4. Complaint Types

Monitoring consumer complaints is one of the Bureau’s primary functions. Complaints provide insights into problems consumers experience and can serve as an early indicator of issues in the financial marketplace. Complaint analyses support the Bureau’s work to supervise companies, enforce federal consumer financial laws, propose rules, and develop tools to empower consumers to make informed financial decisions.

The Bureau analyzes complaints in several ways to identify trends and possible consumer harm. For example, the Bureau monitors complaint volume across multiple categories, such as product, issue, sub-product, sub-issue, company, and company response, among others. The Bureau analyzes complaint volume across time and by geographic area, as well as by self-identified characteristics, such as servicemember status and age.

While complaint volume provides important information to the Bureau, it has some limitations. The Bureau recognizes that complaint data can often be better understood in the context of other data, such as product or service market size and company share. But providing additional market context to complaint information requires the Bureau to balance several, sometimes competing, considerations. For example, a variety of measures may provide useful context (e.g., company size, number of accounts, number of transactions, and company market share), but the availability of this market information varies by financial product and service.

Given these and other considerations, the Bureau has not yet identified a universal approach to contextualize complaint volume across multiple products, services, and markets for the public without imposing a significant burden on companies to provide data. From its engagements with stakeholders, the Bureau is aware that the determination about what data are paired with complaint information often depends on the question being asked. Nevertheless, because context is informative, throughout this section the Bureau references market research when it provides some useful context for complaint information.

While complaint volume and context are important, some of the most valuable information is found in the narrative text that both consumers and companies provide during the complaint process. The Bureau analyzes the narrative text consumers provide in their complaints, frequently augmenting traditional qualitative analysis with automated methods.<sup>18</sup> Similarly, the Bureau analyzes the text companies provide in their responses to consumers and in the

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<sup>18</sup> The Bureau uses a variety of tools and approaches to assist staff when reviewing complaints. This includes statistical approaches to understanding large volumes of complaints (e.g., topic modeling) and tools to make complaint data easier to filter, sort, and search (e.g., elastic search-based search application).

documents provided to support their responses. Analyzing text from consumers and companies provides a more complete understanding of issues and a clearer idea of how companies respond to those issues.

The following sub-sections provide information and analyses of the types of complaints consumers submitted to the Bureau in 2020.<sup>19</sup> Each sub-section includes an analysis of complaints the Bureau received, products consumers complained about, problems they experienced, and how companies responded.<sup>20</sup>

The COVID-19 pandemic has and continues to take a substantial toll on the economy, creating declines in output and living standards. In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act that, among other things, provided relief to consumers who were managing the resulting economic fallout. Even with these efforts to help the American public, the Bureau continued to receive complaints from consumers about their experiences during the pandemic. In their complaints, consumers described problems and issues they experienced as a result of COVID-19. The following sections describe the most common issues consumers described in their complaints.

Where appropriate, sub-sections include a discussion of how product type and issue selections differ for older consumers and servicemembers.<sup>21</sup> Figures in this section plot product and issue selections made by these specialty populations based on a level of confidence.<sup>22</sup>

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<sup>19</sup> Complaint numbers are rounded throughout the report; therefore, numbers and percentages may not sum to sub-totals or 100%.

<sup>20</sup> The Bureau's online complaint form is dynamic and, therefore, adjusts based on consumer selections. Some issues are not available for certain sub-products (e.g., the issue *unable to get your credit report or credit score* is not available for complaints about other personal consumer reports). A full list of complaint form products, sub-products, issues, and sub-issues is available at [https://files.consumerfinance.gov/f/documents/201704\\_cfpb\\_Consumer\\_Complaint\\_Form\\_Product\\_and\\_Issue\\_Options.pdf](https://files.consumerfinance.gov/f/documents/201704_cfpb_Consumer_Complaint_Form_Product_and_Issue_Options.pdf).

<sup>21</sup> *Supra* note 12.

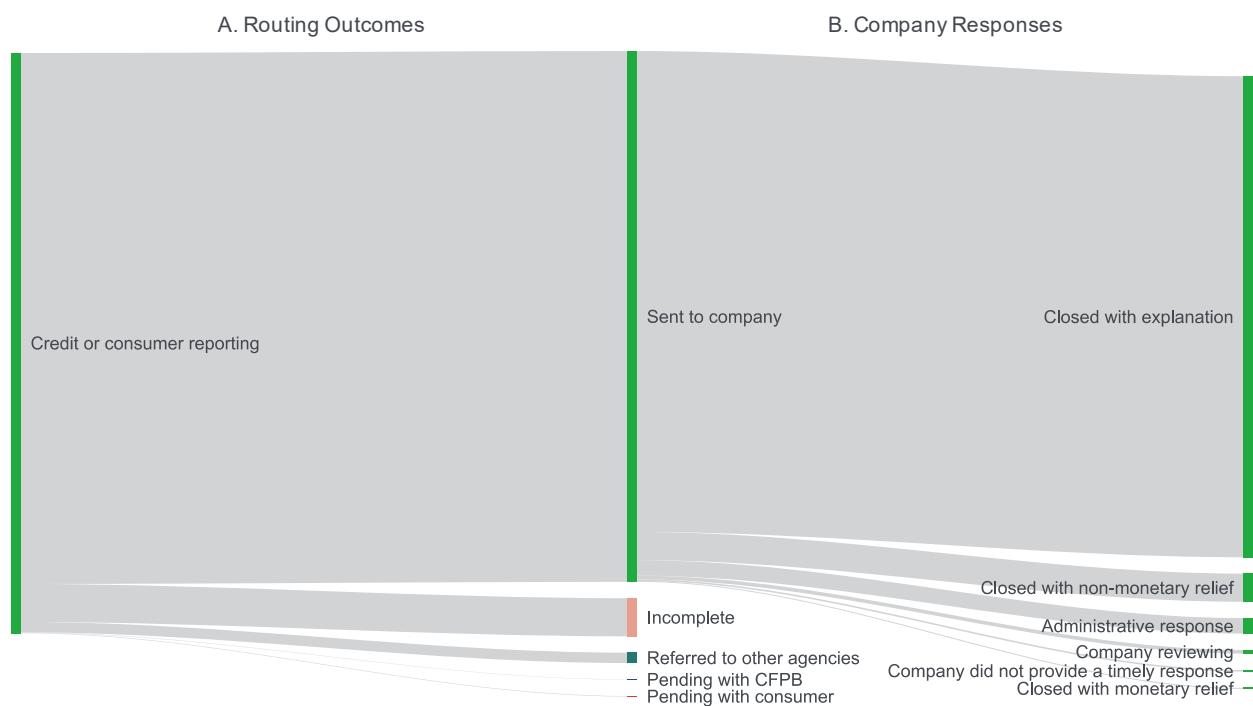
<sup>22</sup> Figures in this section display 95% confidence intervals, which estimate the true value for the statistic within the specialty population. The lines with each mark show the confidence interval, with a shorter line reflecting a narrower range of likely values and a longer line reflecting a wider range of likely values.

## 4.1 Credit or consumer reporting

The Bureau received approximately 319,300 credit or consumer reporting complaints in 2020. The Bureau sent approximately 292,200 (or 92%) of these complaints to companies for review and response, found approximately 22,400 (or 7%) to be incomplete, and referred 2% to other regulatory agencies. As of February 1, 2021, 0.1% of credit or consumer reporting complaints were pending with the consumer and 0.1% were pending with the Bureau (see Figure 7A, Routing Outcomes).

Companies responded to approximately 99% of credit or consumer reporting complaints sent to them for review and response. Companies closed 91% of complaints with an explanation, 5% with non-monetary relief, and 0.2% with monetary relief. Companies provided an administrative response for 3% of complaints. As of February 1, 2021, 0.7% of complaints were pending review by the company. Companies did not provide a timely response for 0.3% of complaints (see Figure 7B, Company Responses).

**FIGURE 7: CREDIT OR CONSUMER REPORTING COMPLAINTS BY OUTCOMES**

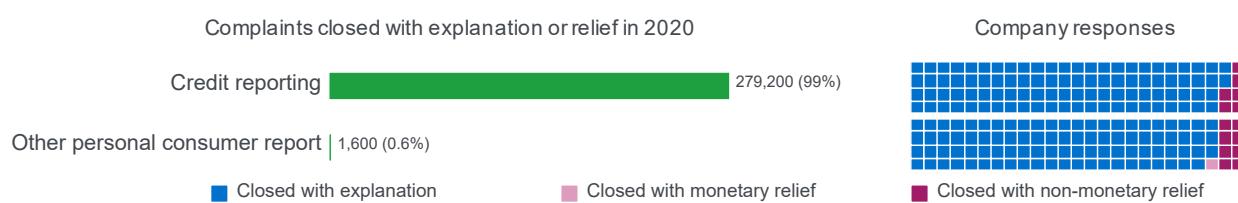


The remainder of this analysis focuses only on those credit or consumer reporting complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary

relief, and closed with monetary relief). In 89% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting credit or consumer reporting complaints, consumers specify whether they are complaining about a credit report or some other personal consumer report (e.g., background checks, employment screening).<sup>23</sup> In 2020, consumers complained about credit reporting most frequently (see Figure 8).

**FIGURE 8: CREDIT OR CONSUMER REPORTING COMPLAINTS BY TYPE OF REPORT AND OUTCOMES**

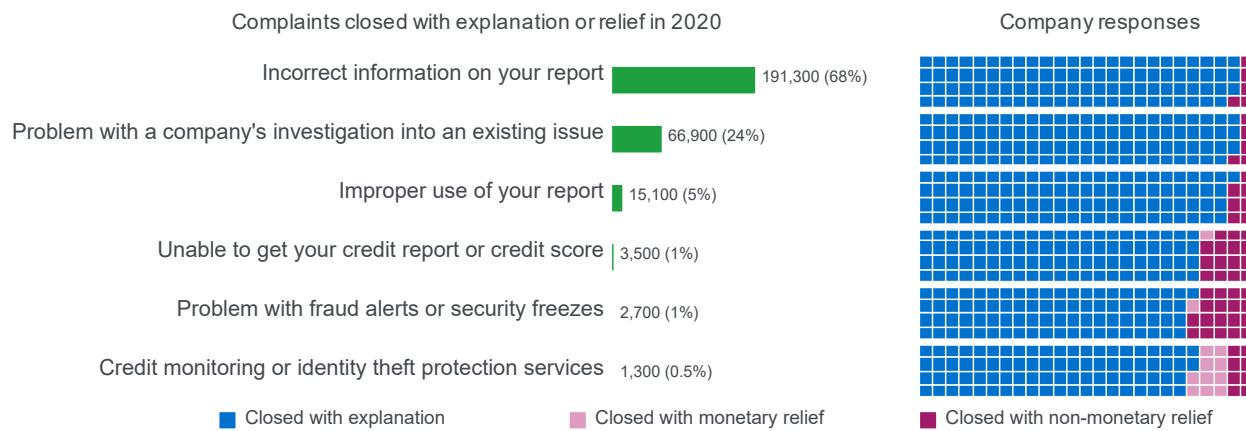


Consumers also identify the issue that best describes the problem they experienced. For credit or consumer reporting complaints, options include: *credit monitoring or identity theft protection services; improper use of report; incorrect information on report; problem with a credit reporting company's investigation into an existing problem; problem with fraud alerts or security freezes; and, unable to get credit report or credit score*. The most common issue was *incorrect information on your report* (see Figure 9).

Unlike most other products and services, a consumer's problem with a credit or consumer report may prompt them to submit multiple complaints about, for example, a data furnisher and consumer reporting agencies. The complaint form reflects this market feature. When submitting complaints, consumers identify the company or companies about which they are complaining. In April 2017, in response to feedback from stakeholders and consumers, the Bureau made enhancements to improve the user experience when submitting a complaint. Where consumers had previously had to go through the entire submission process separately for each company about which they were submitting a complaint, beginning in April 2017 consumers could use one submission process to submit complaints about up to four companies. The Bureau sends one complaint to each company the consumer identifies. For example, a consumer may go through one submission process to submit complaints about the data furnisher and the three NCRAs.

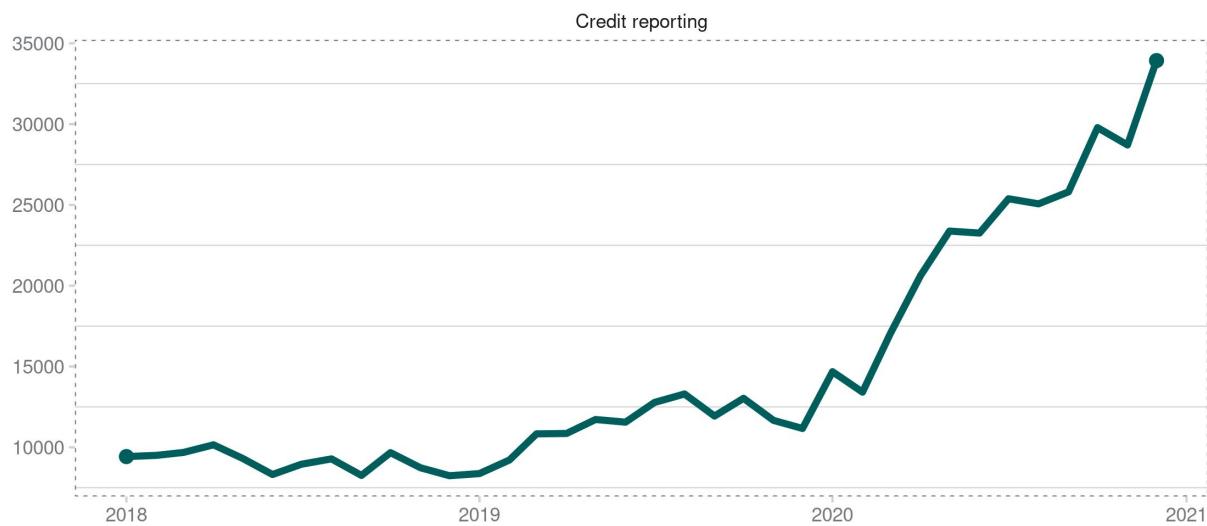
<sup>23</sup> The Bureau publishes an annual list of consumer reporting companies. This list includes the three nationwide credit reporting companies as well as other companies that focus on certain market areas and consumer segments. See Consumer Fin. Prot. Bureau, List of Consumer Reporting Companies (Jan. 2020), available at [https://files.consumerfinance.gov/f/documents/cfpb\\_consumer-reporting-companies-list.pdf](https://files.consumerfinance.gov/f/documents/cfpb_consumer-reporting-companies-list.pdf).

**FIGURE 9: CREDIT OR CONSUMER REPORTING COMPLAINTS BY ISSUES AND OUTCOMES**



Credit or consumer reporting complaint volume increased dramatically in 2020. Companies responded, on average, to more than 23,400 credit or consumer reporting complaints per month (compared to a monthly average 11,400 complaints in 2019 and 9,200 complaints in 2018). Complaints about credit reports, rather than other personal consumer reports, had the greatest change in volume in 2020, increasing 129% from the prior two years' monthly average (see Figure 10). Although the increase in credit reporting complaints accelerated around the time of the COVID-19 national emergency declaration in March 2020, this upward trend precedes 2020.

**FIGURE 10: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF CREDIT OR CONSUMER REPORTING COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME<sup>24</sup>**

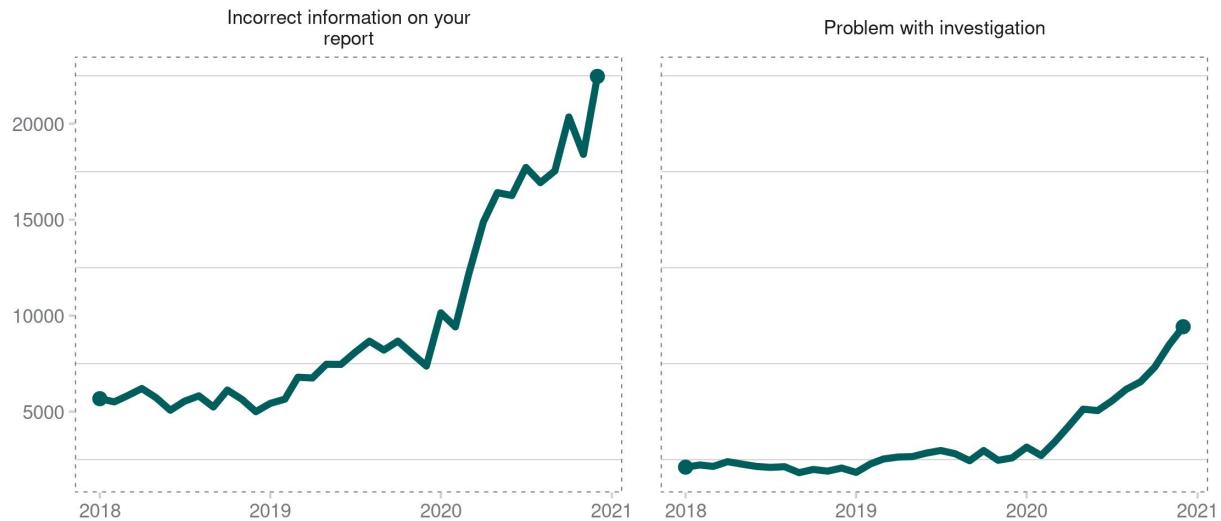


This substantial increase is concentrated in complaints about inaccurate information and the three largest Nationwide Credit Reporting Agencies (NCRAs)—Equifax, Experian, and TransUnion. A significant portion of these complaints are about attempts to address identity-theft-related issues. Complaints about identity theft take a variety of forms: requests to block information under Section 605B of the Fair Credit Reporting Act (FCRA); requests for reinvestigations of inaccurate information resulting from identity theft; and issues arising out of fraud alerts and security freezes under both the FCRA and state law.<sup>25</sup> Complaints related to the accuracy and completeness of information on consumers’ reports, and complaints about problems that a consumer encountered in a previous investigation also increased substantially (see Figure 11). Complaints about incorrect information increased 147% from the prior two years’ monthly average, whereas problems with investigation increased 139% from the prior two years’ monthly average.

<sup>24</sup> Throughout Section 4, this report highlights changes in the sub-product types and issues selected by consumers. This report does not include all options that are available to consumers for selection; rather, it highlights those making up at least 80% of the complaints in each product category.

<sup>25</sup> Fair Credit Reporting Act Section 605B, 15 U.S.C § 1681c-2.

**FIGURE 11: MONTHLY COMPLAINT VOLUME FOR ISSUE(S) OF CREDIT OR CONSUMER REPORTING COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



It appears that some consumers are working with third parties, specifically credit repair companies, to submit complaints to the Bureau. The Bureau accepts complaints from authorized third parties<sup>26</sup> but expects those third parties to disclose their involvement in the complaint process. The complaint process informs third parties that they may not receive a response, unless they provide authorization, such as a release form signed and submitted by the primary consumer.

In past years, the NCRAAs typically provided substantive and comparatively detailed responses to the majority of complaints—including providing details of dispute investigations and outlining steps taken for consumers that are attempting to address identity theft. This year, however, NCRAAs stopped providing complete and accurate responses in many of these complaints.<sup>27</sup> Frequently the NCRAAs mentioned suspected third-party activity in their responses to these complaints, but did not detail steps taken to authenticate consumers or respond to the subject

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<sup>26</sup> *Supra* note 1.

<sup>27</sup> Consumer Response analyzes consumer complaints, company responses, and consumer feedback to assess whether companies are providing accurate, complete, and timely responses. *Accuracy* is whether companies select appropriate response categories based on their narrative text and complete all appropriate fields. *Completeness* is whether companies respond to the issues raised by the consumer, describe communications with the consumer, and detail follow-up or planned follow-up actions. And *timeliness* is whether companies respond to complaints within 15 calendar days of receipt and provide a final response, if applicable, within 60 calendar days. In 2020, Consumer Response identified *accuracy* and *completeness* issues in the responses received from the NCRAAs.

matter raised in the complaints.<sup>28</sup> In other responses, NCRAAs closed complaints by noting that a dispute would be filed on the consumer’s behalf, but failed to provide any details about the ultimate determinations they made with respect to the subject matter raised in the complaints. As part of its ongoing complaint monitoring efforts, Consumer Response asked Equifax, Experian, and TransUnion to review procedures and processes to ensure that complaints are closed in accordance with the Bureau’s guidelines.

Section 611e of the Fair Credit Reporting Act directs the Bureau to submit an annual report regarding complaints submitted about the NCRAAs that are related to incomplete or inaccurate information on the consumers’ credit reports.<sup>29</sup> The Bureau typically fulfills this reporting requirement by including the relevant information it gathers in the Consumer Response Annual Report. This year, the Bureau received approximately 246,100 complaints about the three largest NCRAAs (Equifax, Experian, and TransUnion). Due in part to the increase in complaint volume, the Bureau will issue a separate report later this year to provide a more robust analysis of these complaints and responses.

The Bureau continues to accept credit reporting complaints about other consumer and credit reporting agencies, as well as furnishers of information. Although the NCRAAs experienced the largest increase in complaint volume this year, both furnishers and smaller credit reporting agencies also received a greater volume of consumer and credit reporting complaints in 2020.

The Bureau accepts complaints about a number of different types of consumer reports, including employment, tenant, check and bank screening, as well as reports for specific industries (e.g., insurance companies and utilities). These complaints frequently involve disputes of information on consumers’ reports, including personal information, account details, and public records. Consumers submit furnishing complaints about a variety of different types of accounts, including credit cards, vehicle loans, mortgages, student loans, as well as debt collection accounts. The majority of these complaints involve claims of inaccurate account information (e.g., the date the account was opened or the balance due) and errors in the consumers’ payment history. In response to these complaints, companies typically responded by providing a response that included details of actions they took to address consumers’ claims.

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<sup>28</sup> The Bureau takes steps to identify third parties who may be misusing the Bureau’s complaint process and, when appropriate, discontinues processing future complaint submissions from those sources. The Bureau expects companies to authenticate consumers who submit complaints. When a company is unable to authenticate a third party, they may use administrative response options and describe the steps they took to attempt to authenticate the third party. Companies also have the ability to respond directly to consumers while securely providing the Bureau with a copy of their response to the consumer in lieu of using an administrative response. In 2020, none of the NCRAAs availed themselves of this option.

<sup>29</sup> Fair Credit Reporting Act Section 611(e), 15 U.S.C. § 1681i(e).

As discussed more extensively in Section 4.9, the (CARES) Act provided relief for borrowers of federal loans owned by the U.S. Department of Education (ED), including automatic suspension of payments. When these relief measures went into effect, some student loan borrowers reported significant drops in their credit scores as a result of how their student loans were reported. Many of these complaints were regarding a drop in credit scores triggered by a furnishing issue that affected a subset of borrowers whose government-owned loans were placed in an administrative forbearance. For this issue, borrowers reported that their servicer was incorrectly marking their suspended payments as deferred payments instead of as current as required by the CARES Act, effectively decreasing their credit scores. These consumers learned of the drop in their score after receiving an alert from their credit monitoring service. In response to these complaints, their servicer acknowledged the error and stated it was working with consumer reporting agencies to ensure the accuracy of the information it reported.

As with student loans, consumers with mortgages reported that their credit score declined after entering into a forbearance plan. This pattern appears to have happened at a number of servicers. Several consumers mentioned that they were either put into forbearance agreements without asking their servicer for assistance, or that their account was reported as impacted by COVID-19 despite being in good standing.

## 4.2 Debt collection

The Bureau received approximately 82,700 debt collection complaints in 2020. The Bureau sent approximately 54,700 (or 66%) of these complaints to companies for review and response, referred approximately 21,500 (or 26%) to other regulatory agencies, and found 8% to be incomplete. As of February 1, 2021, 0.5% of debt collection complaints were pending with the consumer and 0.1% were pending with the Bureau (see Figure 12A, Routing Outcomes).

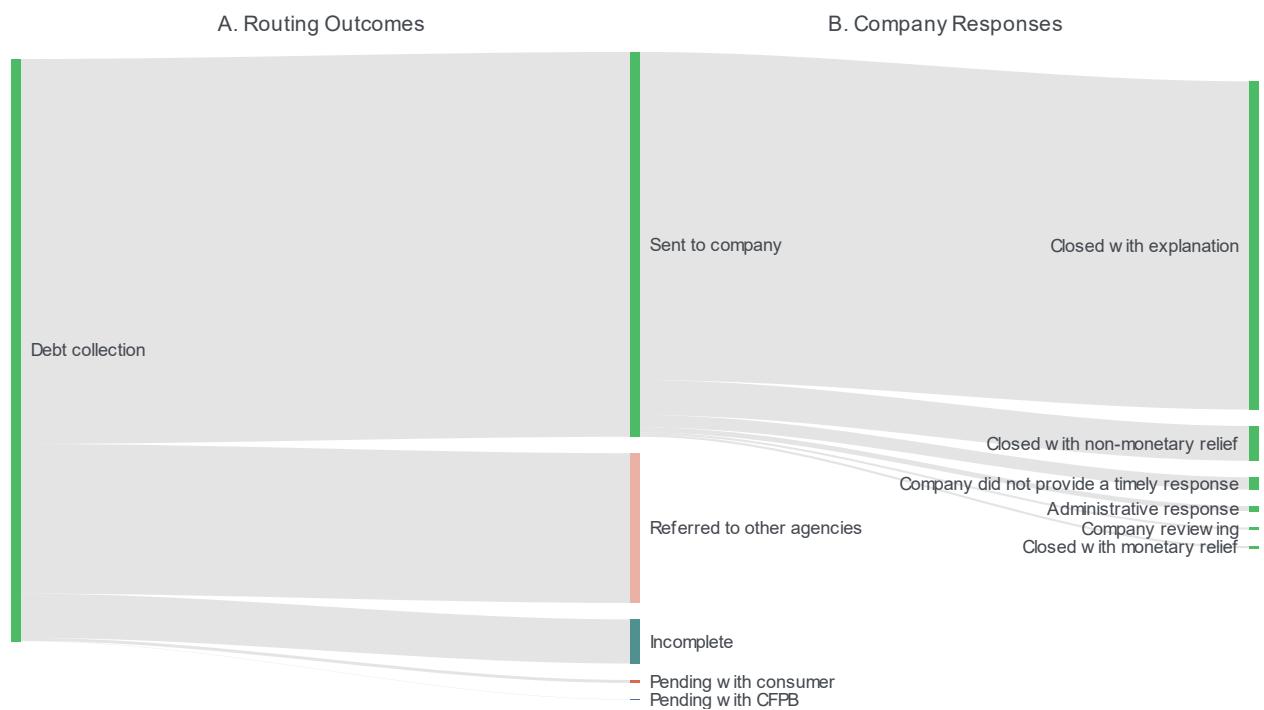
Consumers can submit complaints about creditors collecting their own debts (i.e., first-party collectors) or companies collecting debt on behalf of others, such as creditors or businesses (i.e., third-party collectors).<sup>30</sup> When the Bureau received debt collection complaints about companies where it was not the primary federal regulator (e.g., a mobile phone or Internet service provider) or about depository institutions with less than \$10 billion in assets, for example, it referred the complaints to other regulatory agencies (e.g., Federal Trade Commission) or a prudential regulator.

Companies responded to approximately 97% of debt collection complaints sent to them for review and response. Companies closed 85% of complaints with an explanation, 9% with non-monetary relief, and 0.6% with monetary relief. Companies provided an administrative response for 1% of complaints. As of February 1, 2021, 0.6% of complaints were pending review by the company. Companies did not provide a timely response for 3% of complaints (see Figure 12B, Company Responses).

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<sup>30</sup> See Consumer Fin. Prot. Bureau, Fair Debt Collection Practices Act: CFPB Annual Report 2021 (Mar. 2021) (“[T]he third-party debt collection market was a \$12.7 billion industry that employs nearly 141,000 people across approximately 6,950 collection agencies in the United States.”) (citations omitted).

**FIGURE 12: DEBT COLLECTION COMPLAINTS BY OUTCOMES**



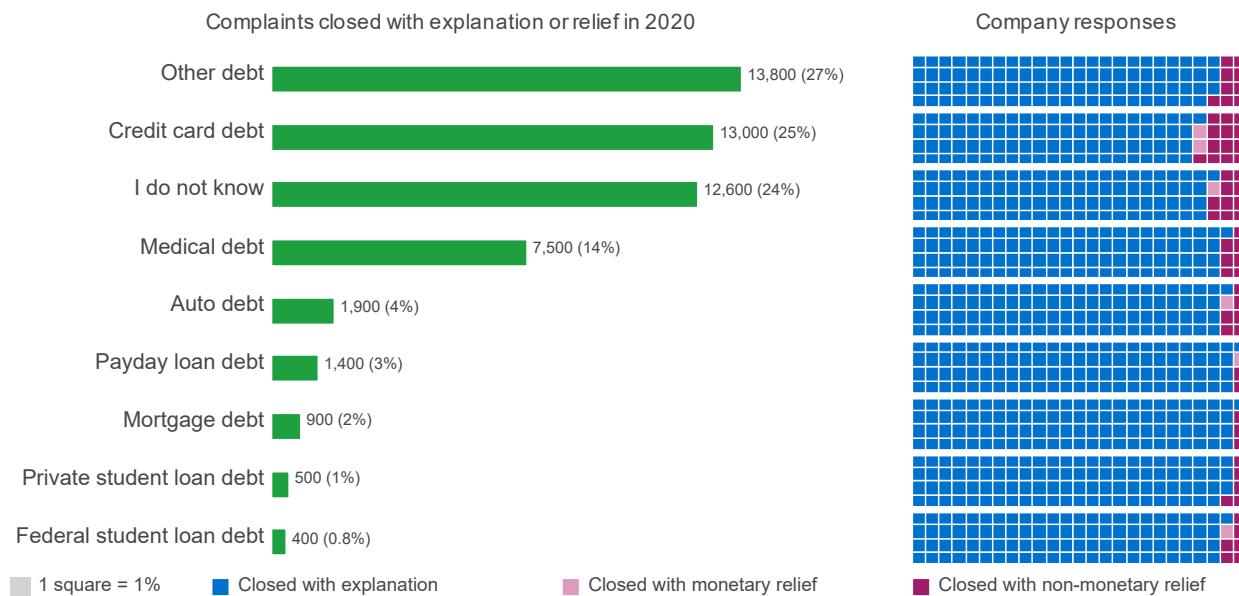
The remainder of this analysis focuses only on those debt collection complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 87% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting debt collection complaints, consumers specify the type of debt. Options include: auto debt, credit card debt, federal student loan debt, medical debt, mortgage debt, payday loan debt, private student loan debt, other debt (e.g., phone bill, health club membership, utilities), and debt that is not known.<sup>31</sup> In 2020, other debt and credit card debt were the most complained about debt types (see Figure 13).

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<sup>31</sup> The Bureau's complaint form requires consumers to select the type of debt from a list of options, including "I don't know." See *supra* note 19.

**FIGURE 13: DEBT COLLECTION COMPLAINTS BY TYPE OF DEBT AND OUTCOMES**



Consumers also identify the issue that best describes the problem they experienced. For debt collection complaints, options include: *attempts to collect debt not owed; communication tactics; false statements or representation; threatened to contact someone or share information improperly; took or threatened to take negative or legal action; and, written notification about debt*. The most common issue was *attempts to collect debt not owed* (see Figure 14).

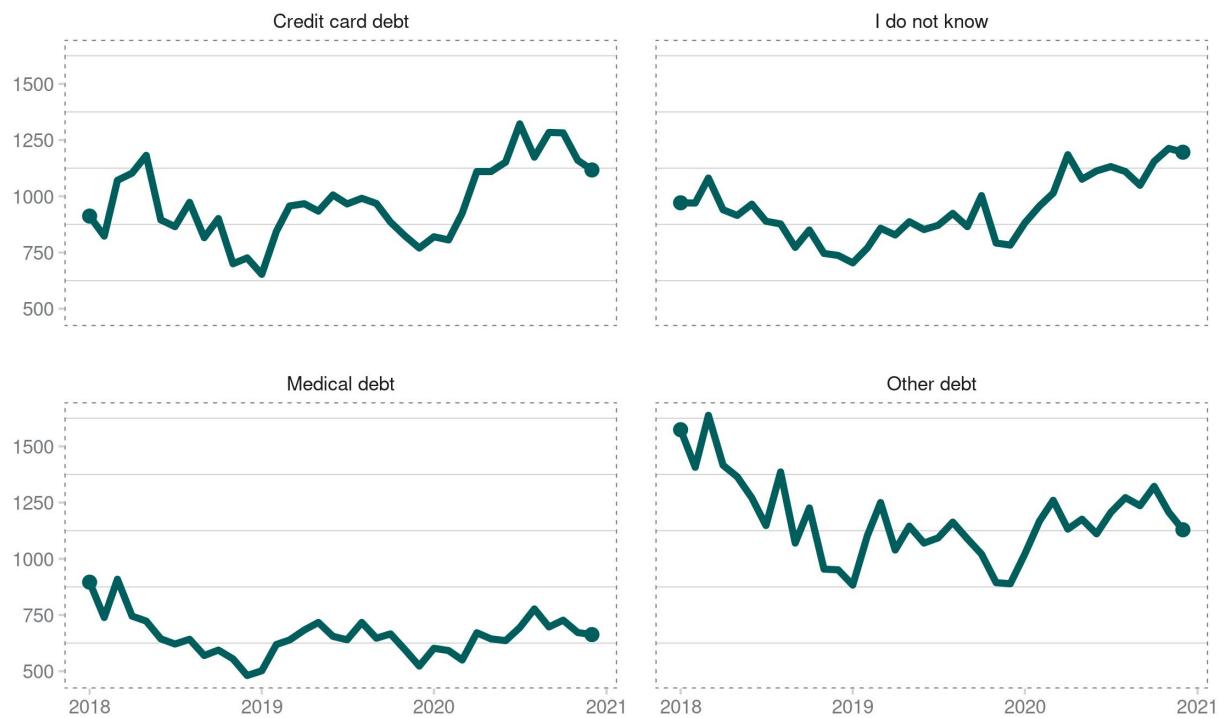
**FIGURE 14: DEBT COLLECTION COMPLAINTS BY ISSUES AND OUTCOMES**



Debt collection complaint volume increased in 2020. Companies responded, on average, to more than 4,300 debt collection complaints per month (compared to a monthly average 3,700 complaints in 2019 and 4,100 complaints in 2018). Among the types of debt consumers

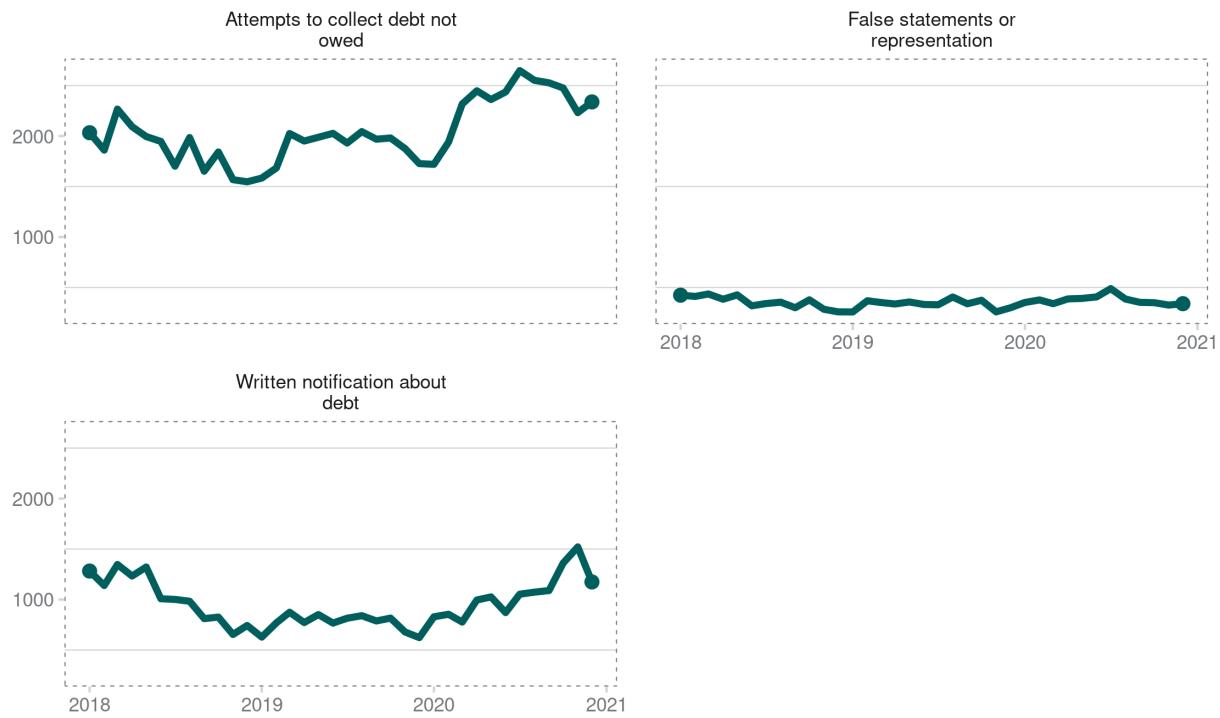
identified in their complaint, credit card debt increased 22% from the prior two years' monthly average (see Figure 15). Debt the consumer did not recognize also continued to be a common debt type, increasing 25% in 2020 from the prior two years' monthly average.

**FIGURE 15: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF DEBT COLLECTION COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



The most common debt collection complaint was about attempts to collect a debt that the consumer reports is not owed. This has been the predominant issue selected by consumers since the Bureau began accepting debt collection complaints in 2013. In 2020, this issue increased 24% compared to the prior two years' monthly average (see Figure 16). In these complaints, consumers described a range of topics, such as being called about debts they do not recognize, attempts to collect a debt that belongs to someone else, and being in collections for services or products they did not receive.

**FIGURE 16: MONTHLY COMPLAINT VOLUME FOR ISSUE(S) OF DEBT COLLECTION COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Consumers also often reported that a debt in collection was the result of identity theft. Complaints about debt resulting from identity theft have been increasing for several years. In these complaints, consumers often reported that they first learn of the existence of the debt after reviewing their credit reports. Many of these consumers described completing an identity theft report and contacting the collectors listed on their credit report in an attempt to remove the debt. In response to these complaints, third-party collectors often provided copies of validation notices and detailed information about where the debt originated. Some debt collectors discontinued collection efforts entirely.

Complaints involving written notifications about debt is also a common issue reported by consumers. The Fair Debt Collection Practices Act (FDCPA) requires collectors within five days after the initial communication with a consumer, to provide the consumer with a written notice informing them, among other things, of their right to dispute, unless this information is contained in the initial communication or the consumer has paid the debt. Most consumers who complained about written notifications report they have not received enough information to verify the debt. These consumers often complained of notices being vague or not having sufficient information to identify the account in question; therefore, in their complaints, consumers often asked for additional information, including supporting documentation. Additionally, similar to complaints about identity theft, many consumers reported first learning

of the debt after reviewing their credit report. These consumers often stated that the limited amount of information furnished on their credit report made it difficult to understand details about the source of the debt.

In their complaints about collection activities, consumers often expressed difficulty in making payments or meeting existing agreements because of a loss in income.

There were several examples of tenants who reported vacating, voluntarily or otherwise, their apartments following the onset of the pandemic. These consumers were later referred to third-party collections because of outstanding balances or insufficient security deposits. Some of these consumers reported having entered into modified lease agreements and settling their accounts prior to departure. In response to these complaints, companies typically provided a detailed ledger of charges or discontinued collection of the account.

Complaints about communication tactics and threatening to contact someone or sharing information improperly decreased in 2020. This may be explained, in part, by restrictions on debt collectors imposed by states. For example, many states imposed temporary restrictions on debt collection practices in order to protect consumers including prohibiting certain communications from collectors and banning debt collection altogether.<sup>32</sup>

Consumer complaints suggest that ordinary collection practices (e.g., calls to consumers, wage garnishment, etc.) resumed during the summer months. In complaints about communication tactics, consumers reported a variety of issues: frequent or repeated calls; ignored requests to stop calling; and interactions where the collector was rude and aggressive.

In 2020, consumers more frequently described receiving text messages concerning debts that they purportedly owed. Complaints about this issue, however, remain small in number. In complaints where consumers describe receiving a text, they often express suspicion of the text or concern that it is scam. It appears that few third-party collectors are attempting to collect a debt via text message. Indeed, in the company responses of some of the largest third-party collectors, collectors stated that they do not use text messages to currently collect debts. For those collectors that do employ text messaging to collect a debt, some responded to the consumers complaint stating that they removed the consumers' number from further collection efforts.

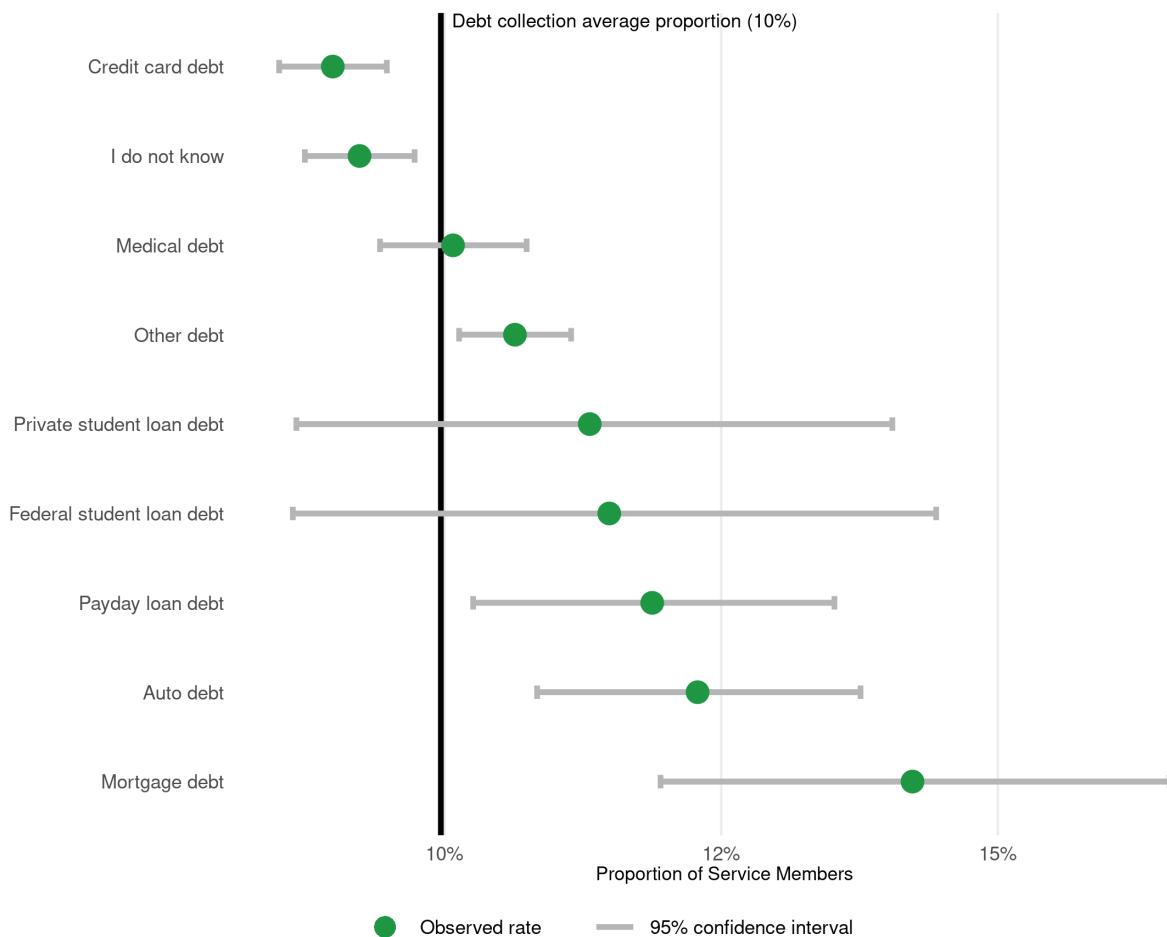
Similar to last year, debt collection was the second-most complained about product by servicemembers and made up a greater share of complaints for servicemembers than for non-

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<sup>32</sup> See e.g., FDCPA 2021 Annual Report, *supra* note 30 (“Some states instituted pandemic measures that impacted the debt collection industry and consumers. These measures include prohibitions on new wage garnishments or bank attachments, and a requirement that consumers be offered the option to defer scheduled payments.”) (citations omitted).

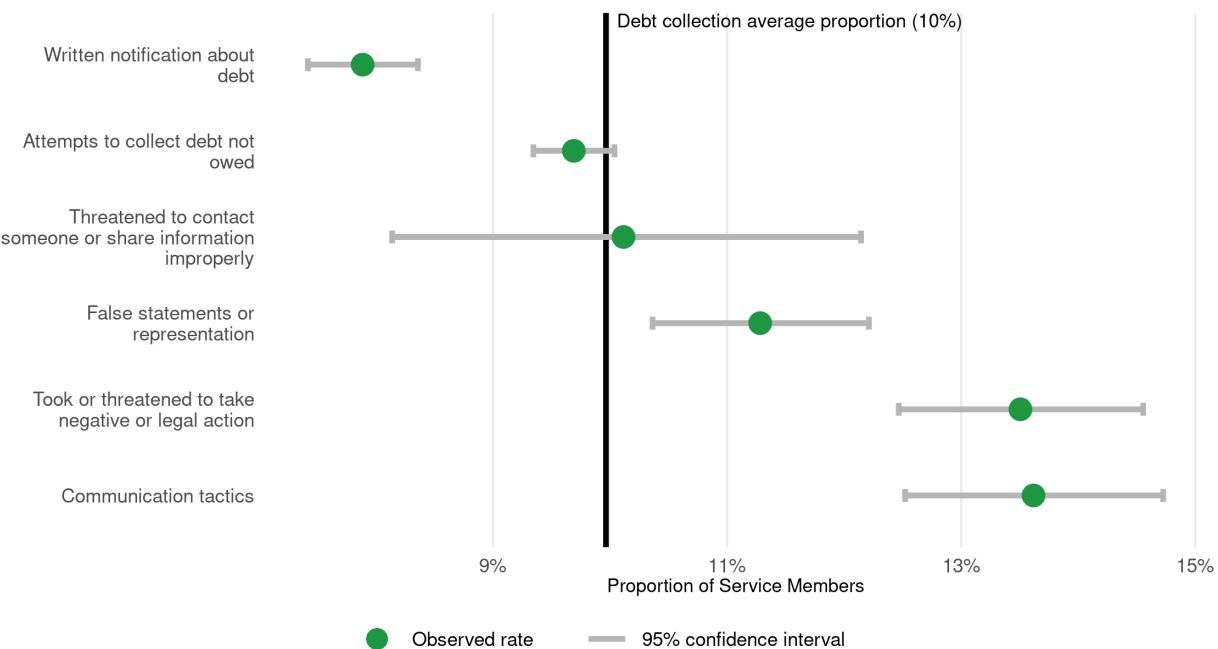
servicemembers (see Section 2, Figure 5). On average, servicemembers submitted 10% of debt collection complaints with a greater percentage complaining about debts relating to mortgage and auto debt (see Figure 17).

**FIGURE 17: PROPORTION OF SERVICEMEMBER COMPLAINTS FOR DEBT COLLECTION TYPES**



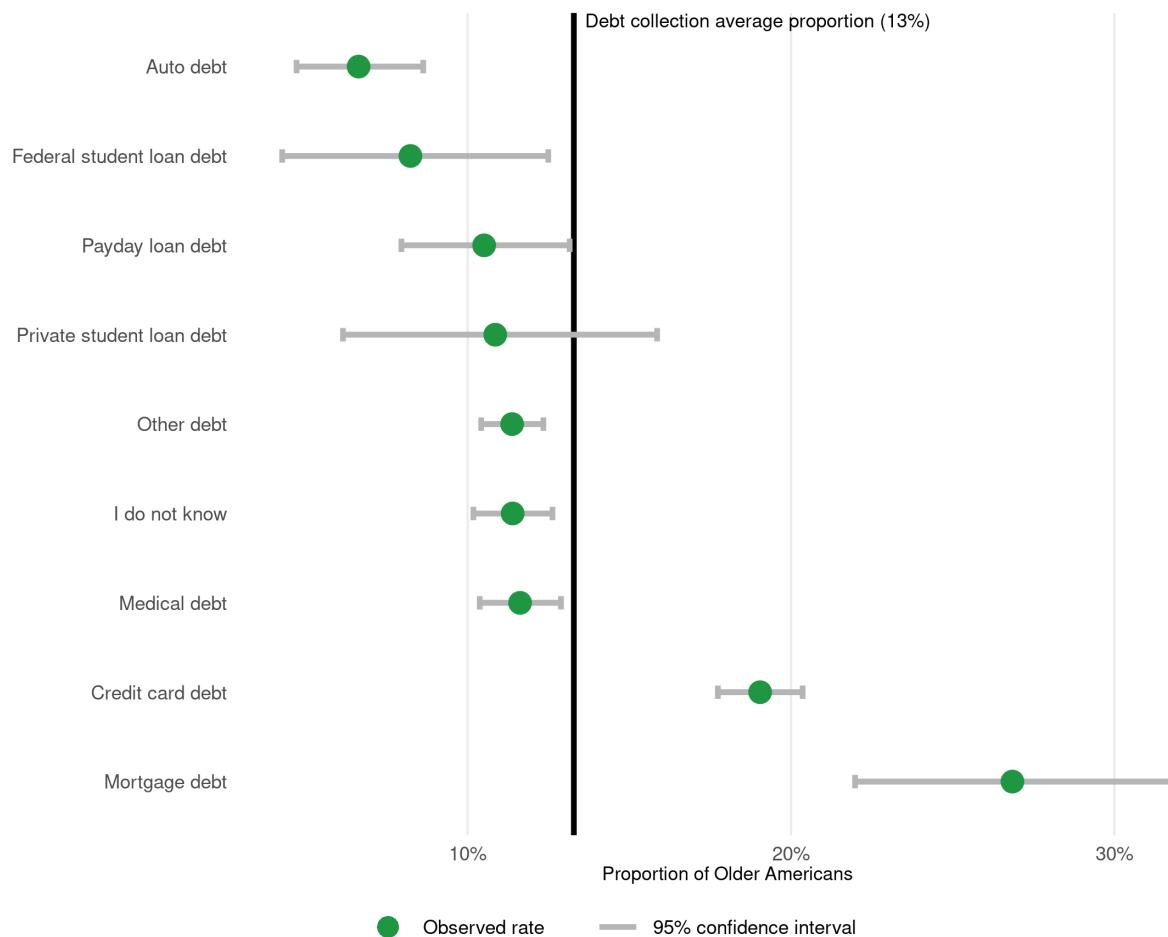
A greater share of complaints about communication tactics and debt collectors taking or threatening to take negative or legal action were submitted by servicemembers (see Figure 18).

**FIGURE 18: PROPORTION OF SERVICEMEMBER COMPLAINTS FOR DEBT COLLECTION ISSUES**



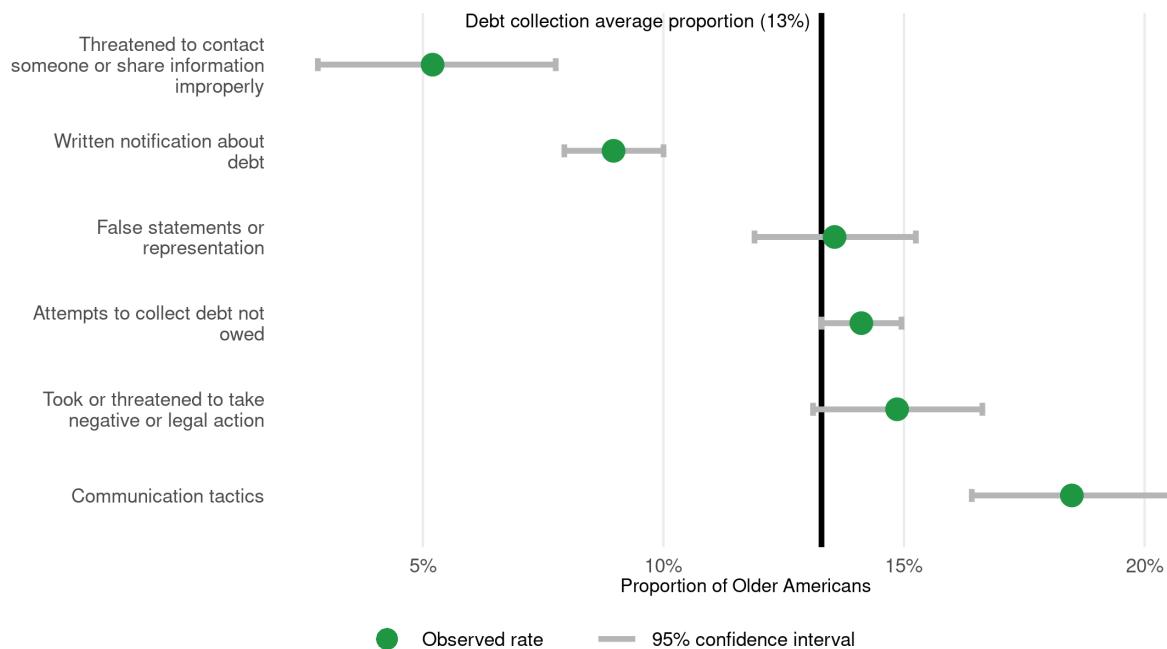
Debt collection comprised a smaller percentage of complaints for older consumers than for consumers under 62 years old. Within these complaints, a greater percentage of older consumers complaints about debts related to mortgage and credit cards (see Figure 19).

**FIGURE 19: PROPORTION OF OLDER AMERICANS COMPLAINTS FOR DEBT COLLECTION TYPES**



Similar to servicemembers, a greater share of complaints about communication tactics were submitted by older consumers (see Figure 20).

**FIGURE 20: PROPORTION OF OLDER AMERICANS COMPLAINTS FOR DEBT COLLECTION ISSUES**

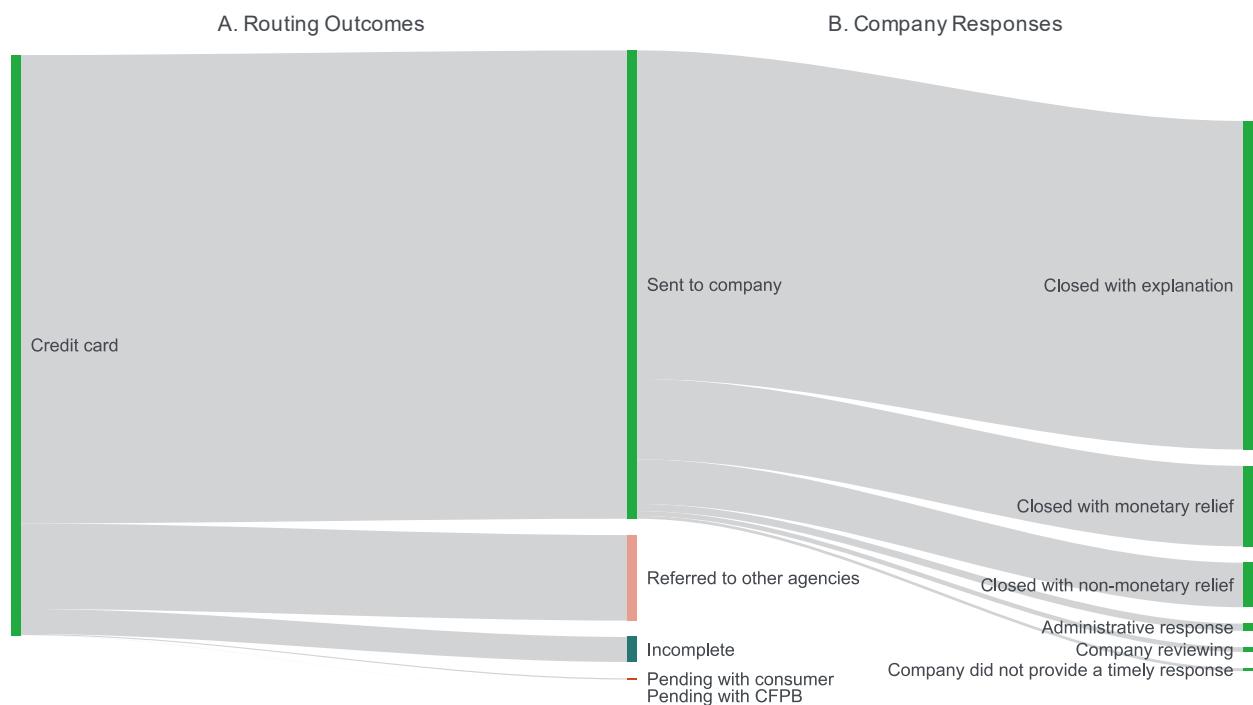


## 4.3 Credit cards

The Bureau received approximately 35,900 credit card complaints in 2020. The Bureau sent approximately 29,000 (or 81%) of these complaints to companies for review and response, referred approximately 5,400 (or 15%) to other regulatory agencies, and found 4% to be incomplete. As of February 1, 2021, 0.2% of credit card complaints were pending with the consumer and 0.01% were pending with the Bureau (see Figure 21A, Routing Outcomes).

Companies responded to approximately 99% of credit card complaints sent to them for review and response. Companies closed 70% of complaints with an explanation, 17% with monetary relief, and 9% with non-monetary relief. Companies provided an administrative response for 2% of complaints. As of February 1, 2021, 1% of complaints were pending review by the company. Companies did not provide a timely response for 0.6% of complaints (see Figure 21B, Company Responses).

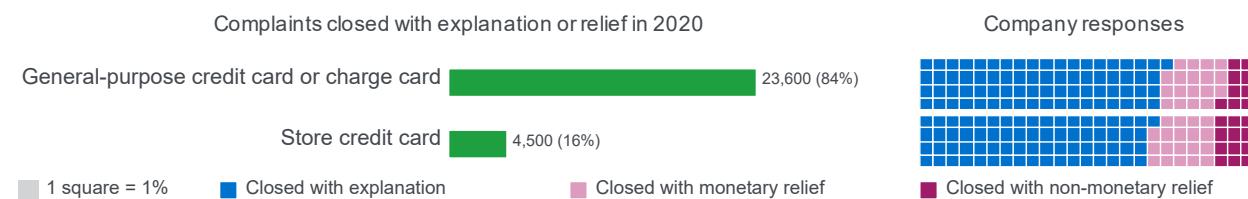
**FIGURE 21: CREDIT CARD COMPLAINTS BY OUTCOMES**



The remainder of this analysis focuses only on those credit card complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 95% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

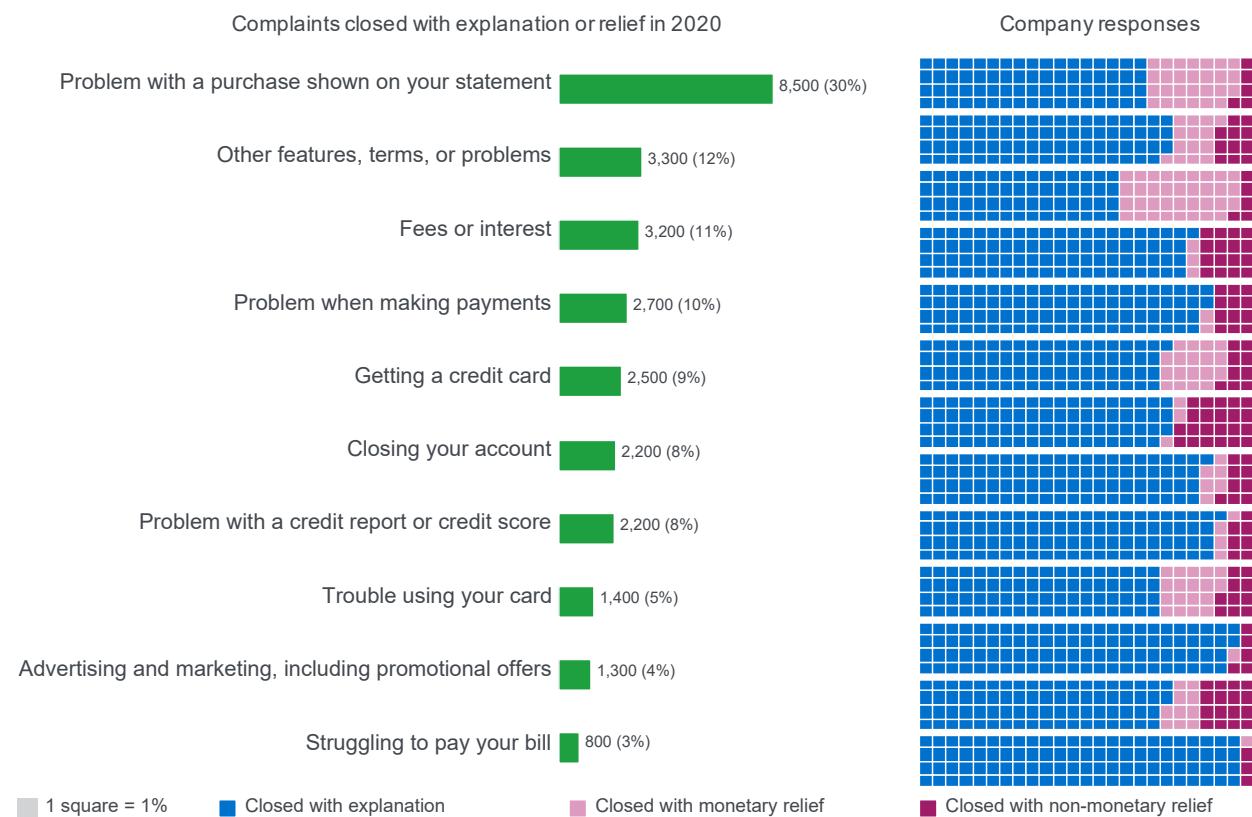
When submitting credit card complaints, consumers specify whether they are complaining about a general-purpose credit card (or charge card) or a store credit card. In 2020, consumers complained about general-purpose credit cards more frequently than store credit cards (see Figure 22).

**FIGURE 22: CREDIT CARD COMPLAINTS BY TYPE AND OUTCOMES**



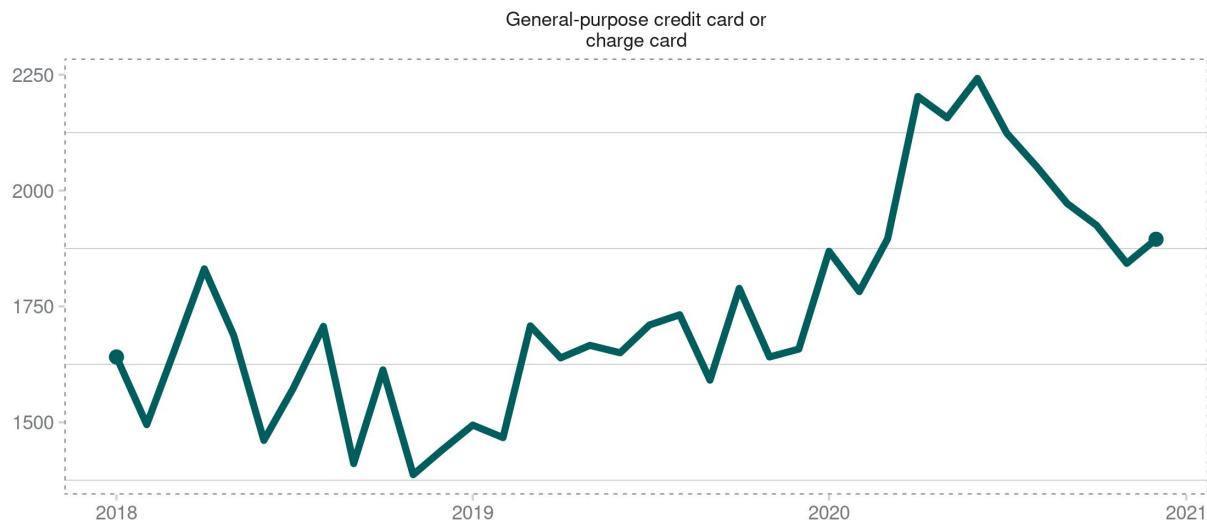
Consumers also identify the issue that best describes the problem they experienced. For credit card complaints, options include: *advertising and marketing, including promotional offers; closing credit card account; fees or interest; getting a credit card; other features, terms, or problems; problem when making payments; problem with a credit report or credit score; problem with a purchase shown on a statement; trouble using card; and, struggling to pay bill*. The most common issue was *problem with a purchase shown on your statement* (see Figure 23).

**FIGURE 23: CREDIT CARD COMPLAINTS BY ISSUES AND OUTCOMES**



The volume of credit card complaints increased in 2020. Companies responded, on average, to more than 2,300 credit card complaints per month (compared to a monthly average 1,870 complaints in 2019 and 1,900 complaints in 2018). Complaints about general purpose credit cards had the greatest change in volume, increasing 24% from the prior two years' monthly average (see Figure 24). This increase accelerated around the time of the COVID-19 national emergency declaration.

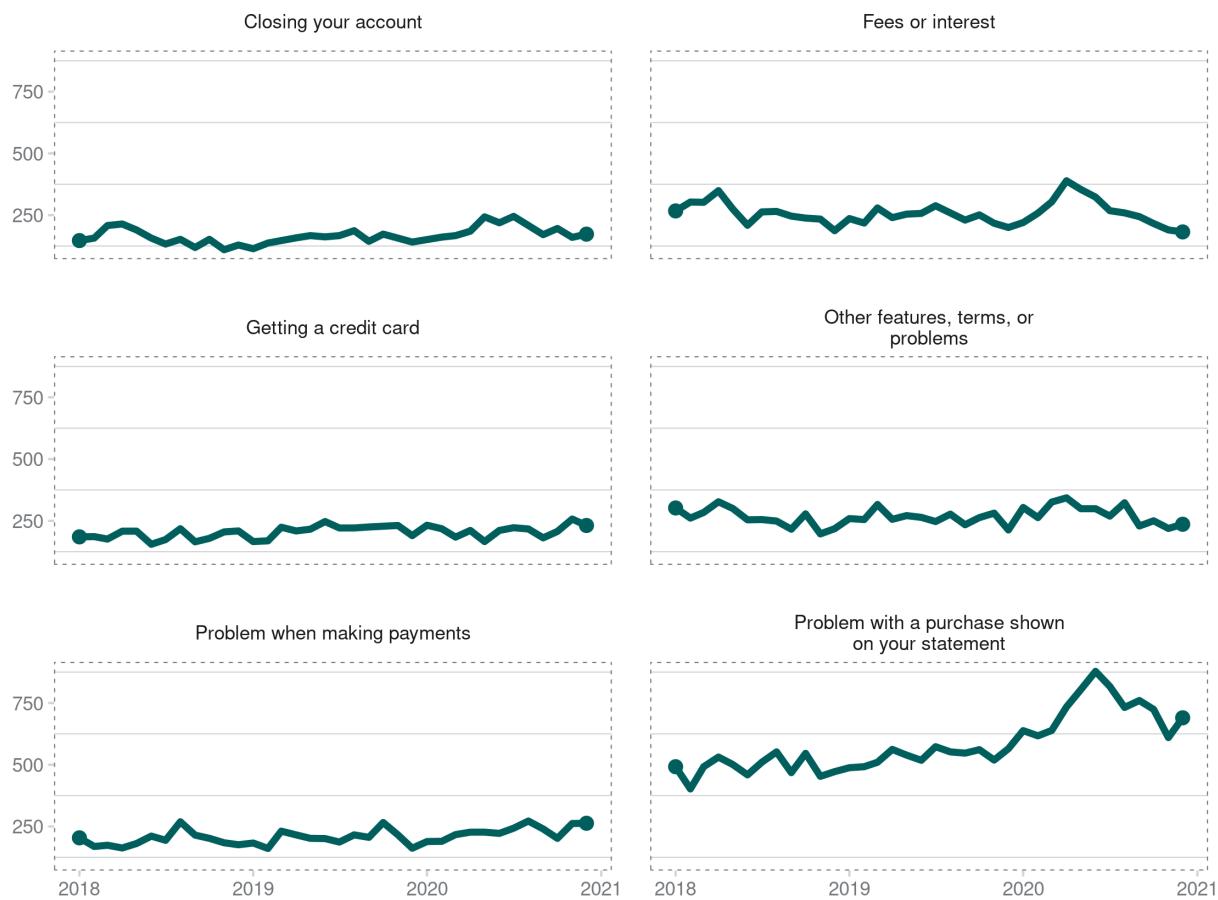
**FIGURE 24: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF CREDIT CARD COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Similar to 2019, consumers who complained about purchases on their statements described card issuers not resolving disputes. These consumers often raised concerns about refund requests and purchases resulting from fraud or identity theft. Some consumers reported receiving a security alert and declining fraudulent transactions, but later receiving a billing statement with the fraudulent charges still included.

Consumers often reported problems with purchases on their statements (see Figure 25). Many of these consumers complained about difficulties in obtaining refunds as their travel plans, sporting events, concerts, and other bookings were cancelled around the time of the COVID-19 national emergency declaration. Both consumers who had their purchases cancelled by service providers and consumers who proactively cancelled their purchases reported difficulties in obtaining refunds. Consumers attempting to invoke chargeback rights reported communication and customer service issues with their card issuers, including not being able to reach representatives via phone. In response to these complaints, card issuers typically apologized for long wait times, explaining that they were attempting to adapt to new working conditions. Additionally, card issuers often directed consumers to work with the merchant to arrange a refund. In some limited circumstances, some card issuers reversed the charges or credited consumers' credit card reward accounts with points and travel vouchers.

**FIGURE 25: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF CREDIT CARD COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Some consumers affected by COVID-19 contacted their card issuers to seek alternative repayment or deferment options, often after experiencing a disruption in income. Some consumers who took advantage of these options reported that issuers were not implementing these options as promised (e.g., interest is not being waived as advertised) or expressed confusion because account statements did not reflect enrollment in these options. In response to these complaints, companies often explained that they had recently or were in the process of updating relevant systems to recognize new workout options. Other card issuers assured consumers that they were enrolled in the deferment program, but monthly statements would continue to show a balance due. In these complaints, consumers often expressed concern about potential negative effects on their credit report.

Consumers also described issues with late fees assessed even while enrolled in a deferral program or after they had contacted their creditor and informed them of a financial hardship. In response to these complaint types, some companies reimbursed consumers for assessed late fees

and informed them that interest would continue to accrue on their account during the deferment period.

As consumers responded to the effects of COVID-19, some reported issues with reduced credit limits. Some consumers stated that when contacting their card issuers regarding the negative action taken on their account, they were informed that their credit line was decreased or closed because they had not used enough of the credit line or that the account was closed due to inactivity.<sup>33</sup> In response to these complaints, companies often stated that the credit card agreement allows them to investigate consumer credit records and to close an account at any time, for any reason.

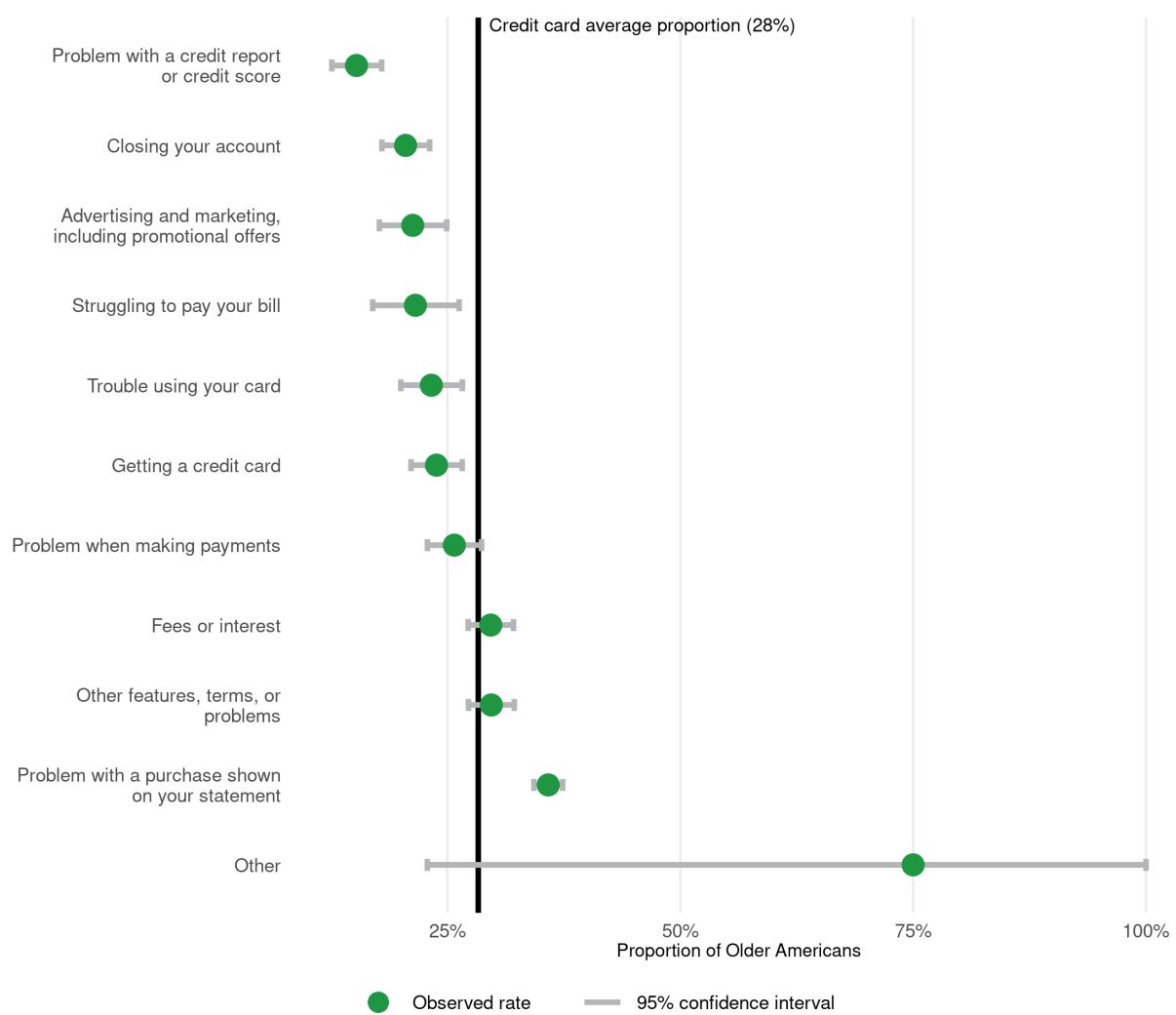
Credit cards were the second-most complained about product by older consumers and made up a greater share of complaints for older consumers than for their younger counterparts (see Section 2, Figure 6). Within these complaints, older consumers submitted a greater percentage complaining about problems with a purchase shown on their statement (see Figure 26). Similar to 2019, on average, older consumers were less likely to submit complaints related to struggling to pay their bill and closing their accounts.<sup>34</sup>

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<sup>33</sup> See Consumer Fin. Prot. Bureau, *Data Point: The early effects of the COVID-19 pandemic on consumer credit* (Aug. 2020), available at [https://files.consumerfinance.gov/f/documents/cfpb\\_early-effects-covid-19-consumer-credit\\_issue-brief.pdf](https://files.consumerfinance.gov/f/documents/cfpb_early-effects-covid-19-consumer-credit_issue-brief.pdf).

<sup>34</sup> See Federal Reserve Bank of N.Y., *Quarterly Report on Household Debt and Credit* (Q4 2020) (Feb. 2020), available at [https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/HHD\\_C\\_Report\\_2020Q4.xlsx](https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/HHD_C_Report_2020Q4.xlsx) (credit card users aged 60-69 had the lowest rates of balances transitions to 90 days delinquency in all four quarters of 2020; credit card users aged 70+ had the second lowest rates).

**FIGURE 26: PROPORTION OF OLDER AMERICANS COMPLAINTS FOR CREDIT CARD ISSUES**

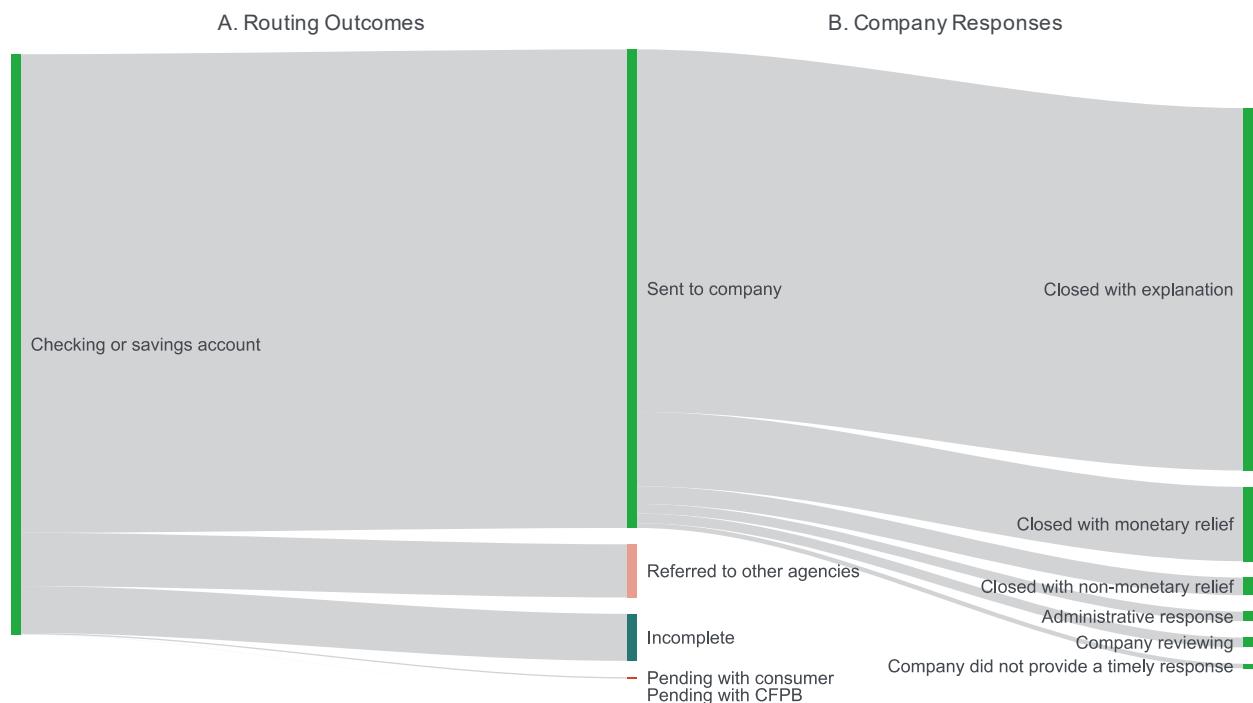


## 4.4 Checking or savings account

The Bureau received approximately 30,000 checking or savings account complaints in 2020. The Bureau sent approximately 24,800 (or 82%) of these complaints to companies for review and response, referred 9% to other regulatory agencies, and found 8% to be incomplete. Of the 9% of checking or savings account complaints referred to other agencies, most were complaints submitted about credit unions and other depository institutions with less than \$10 billion in assets. As of February 1, 2021, 0.2% of checking or savings account complaints were pending with the consumer and 0.02% were pending with the Bureau (see Figure 27A, Routing Outcomes).

Companies responded to approximately 99% of checking or savings account complaints sent to them for review and response. Companies closed 76% of complaints with an explanation, 16% with monetary relief, and 4% with non-monetary relief. Companies provided an administrative response for 2% of complaints. As of February 1, 2021, 2% of complaints were pending review by the company. Companies did not provide a timely response for 1% of complaints (see Figure 27B, Company Responses).

**FIGURE 27: CHECKING OR SAVINGS ACCOUNT COMPLAINTS BY OUTCOMES**

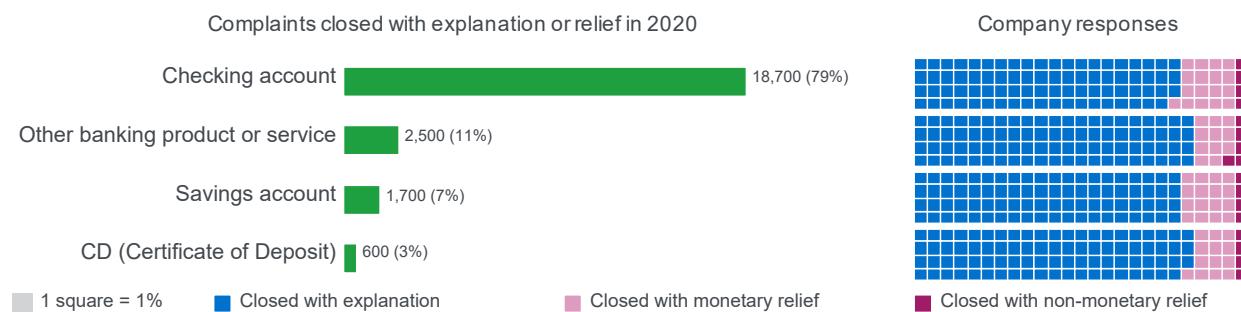


The remainder of this analysis focuses only on those checking or savings account complaints for which the company confirmed a commercial relationship with the consumer and responded

with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 94% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

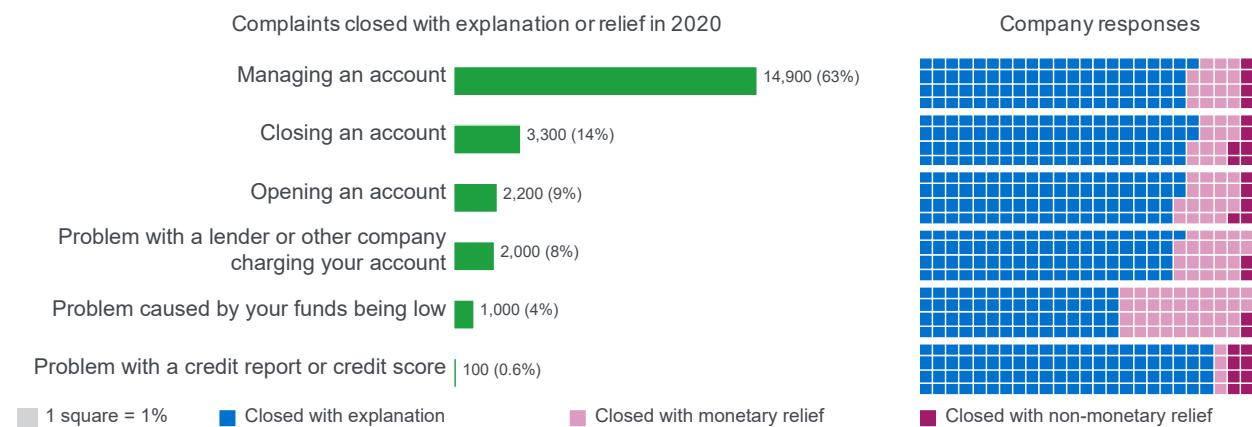
When submitting checking or savings account complaints, consumers specify the type of product. Options include; checking account, savings account, certificate of deposit (CD), and other banking product or service. In 2020, checking account was the most complained about product type (see Figure 28). Although ownership rates of checking and savings accounts are similar, it is not surprising that checking accounts are the subject of more complaints as they are used for everyday transacting—a frequent issue raised by consumers in complaints.

**FIGURE 28: CHECKING OR SAVINGS ACCOUNT COMPLAINTS BY TYPE OF PRODUCT OR SERVICE AND OUTCOMES**



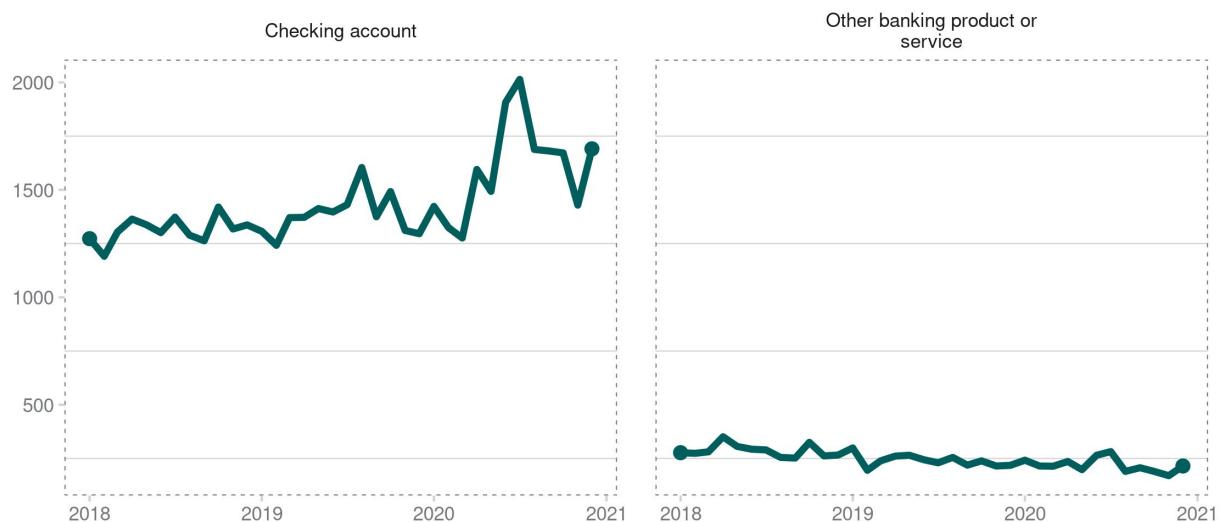
Consumers also identify the issue that best describes the problem they experienced. For checking or savings account complaints, options include; *closing an account; opening an account; managing an account; problem caused by funds being low; problem with a lender or other company charging your account; and, problem with credit report or credit score*. The most common issue was *managing an account* (see Figure 29).

**FIGURE 29: CHECKING OR SAVINGS ACCOUNT COMPLAINTS BY ISSUES AND OUTCOMES**



Checking or savings account complaint volume increased in 2020. Complaints about checking accounts had the greatest increase in volume, increasing 19% from the prior two years' monthly average (see Figure 30).

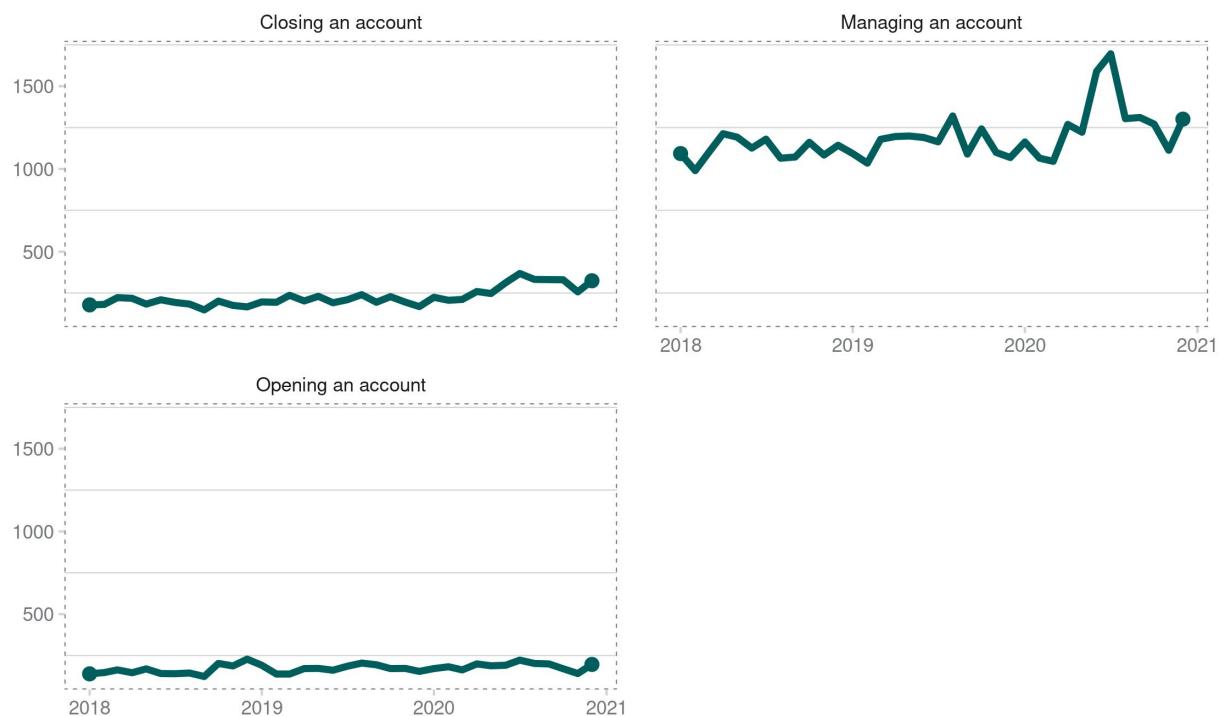
**FIGURE 30: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF CHECKING OR SAVINGS ACCOUNT COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Similar to 2019, the most common checking or savings accounts complaint was about managing the account. In 2020, this issue increased 12% compared to the prior two years average (see Figure 31). In these complaints, many consumers reported issues with depositing and withdrawing funds and using ATM cards. Consumers also submitted complaints about fund availability. For example, consumers described financial institutions placing holds on deposited

funds without notice or extending the availability of funds longer than what the consumer had been informed.

**FIGURE 31: MONTHLY COMPLAINT VOLUME FOR ISSUE(S) OF CHECKING OR SAVINGS ACCOUNT COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Consumers continued to complain about closing their account. In 2020, this issue increased 44% compared to the prior two years average (see Figure 31). In these complaints, some consumers described how their account was closed without notice, whereas others complained about not receiving the balance of their closed account in a timely manner. In response to these complaints, some financial institutions referenced the account agreement and provided a description explaining the account closure. Some financial institutions also stated that they had or would mail outstanding account funds to consumers.

Notable in 2020, consumers described a variety of issues related to the disbursement of Economic Impact Payments in mid-April. For example, for consumers who had an overdrawn account, some financial institutions informed those consumers that they advanced an amount equal to the negative balance so consumers could use the entire amount of the Economic Impact Payment. Financial institutions typically stated that these advances would be reversed and expressed their willingness to waive overdraft fees. Consumers detailed additional issues about Economic Impact Payments, such complaints that their payment had been sent to closed

accounts. Consumers also reported that some credit unions swept payment proceeds to make up for other delinquent accounts.

Unauthorized transactions are a common concern reported by consumers. Some consumers described learning of fraudulent transactions only after their accounts were overdrawn. In response, financial institutions often emphasized the importance of safeguarding account information and timely reporting unauthorized or suspicious account activity. In limited circumstances, some financial institutions approved previously denied claims and credited consumers' accounts.

Virtual banking continues to be an issue raised by consumers. The usage of online banking or financial institutions' mobile banking applications reportedly expanded since the pandemic, prompted by stay-at-home orders and financial institutions limiting access to branch lobbies.<sup>35</sup> Consumers described issues with accessing their accounts, errors and delays in online bill payments, and discrepancies in deposits. Financial institutions typically responded to consumers by directing them to the terms and conditions, deposit agreements, and account disclosures.

Checking or savings account complaints made up a greater share of complaints for older consumers than for their younger counterparts (see Section 2, Figure 6). Older consumer comprised approximately 22% of checking or savings complaints; however, similar to complaints received in 2019, they made up a greater share of certain products—most significantly, certificates of deposit (see Figure 32). These differences likely reflect the differences in overall rate of ownership of these products by age.

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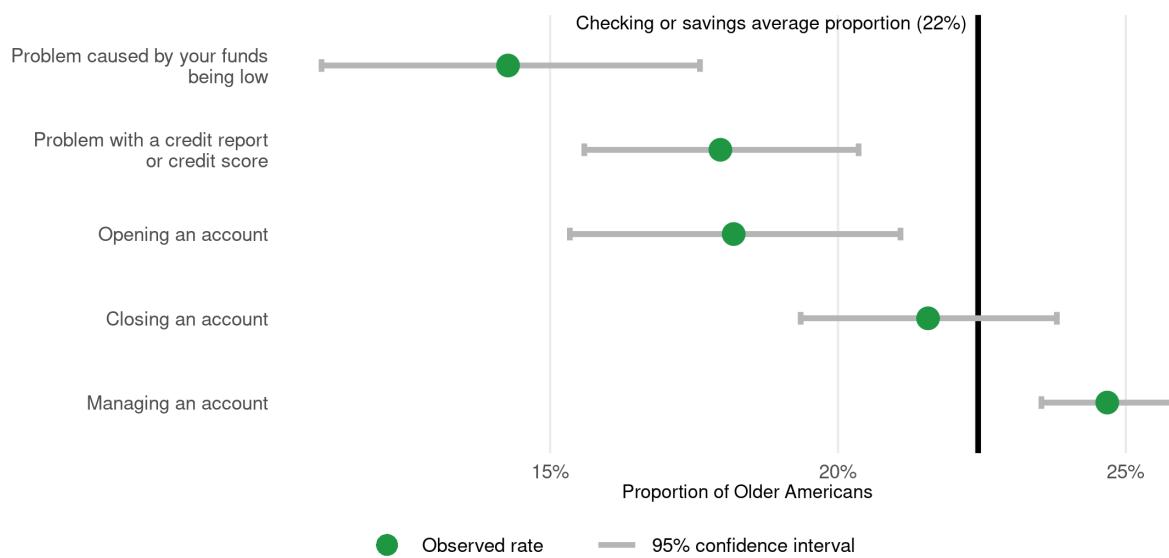
<sup>35</sup> See e.g., Governor Michelle W. Bowman, Technology and the Regulatory Agenda for Community Banking, Board of Governors of the Federal Reserve System, Dec. 02, 2020, available at <https://www.federalreserve.gov/newsevents/speech/bowman20201204a.htm> (“In the financial sector, I believe we may be seeing a quantum leap in the use of digital deposit, digital payments and online lending. One large financial service provider reported a 200 percent increase in new mobile banking registrations during the early phases of the pandemic.”) (citations omitted).

**FIGURE 32: PROPORTION OF OLDER AMERICANS COMPLAINTS FOR CHECKING OR SAVINGS TYPES**



Of the complaints submitted by older consumers, a smaller share of complaints were about problems caused by funds being low and opening accounts, whereas a greater share were about managing an account (see Figure 33). In complaints about managing their account, some older consumers described difficulties with bank closures in response to COVID-19. These consumers sometimes described not being familiar with mobile banking services that financial institutions frequently directed their customers to in light of branch closures.

**FIGURE 33: PROPORTION OF OLDER AMERICANS COMPLAINTS FOR CHECKING OR SAVINGS ISSUES**

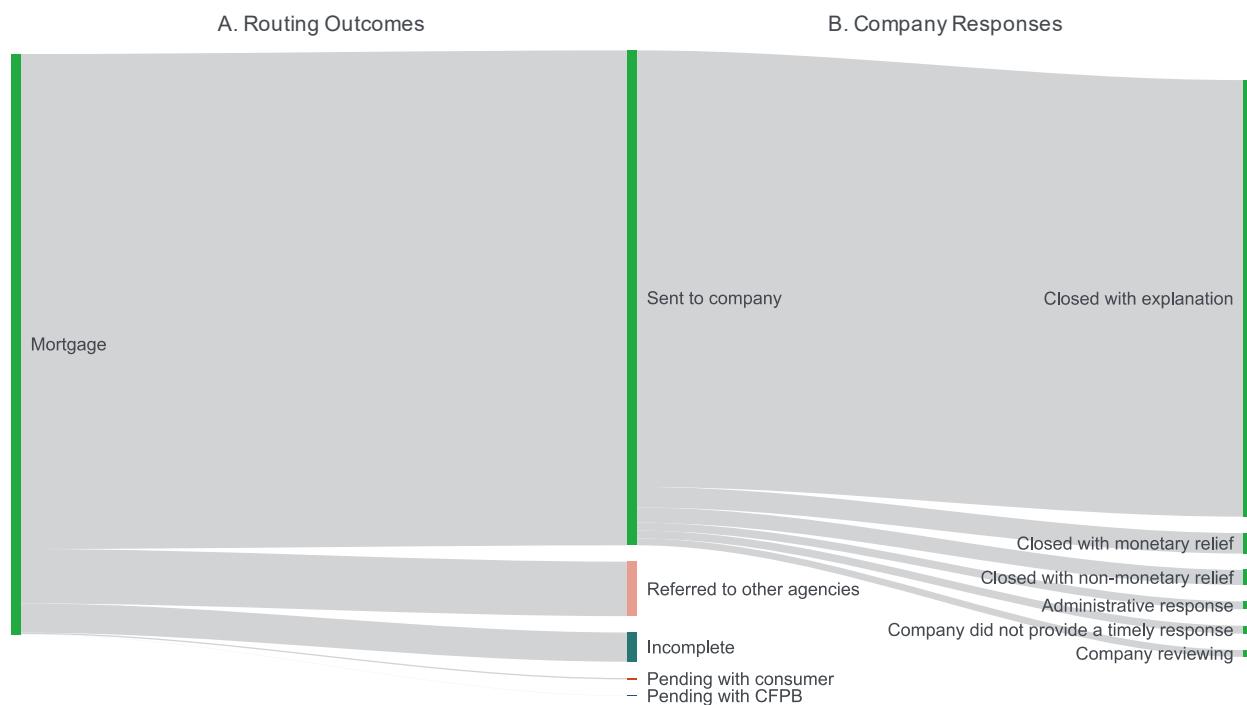


## 4.5 Mortgages

The Bureau received approximately 29,400 mortgage complaints in 2020. The Bureau sent approximately 25,100 (or 85%) of these complaints to companies for review and response, referred 9% to other regulatory agencies, and found 5% to be incomplete. As of February 1, 2021, 0.2% of mortgage complaints were pending with the consumer and 0.03% were pending with the Bureau (see Figure 34A, Routing Outcomes).

Companies responded to approximately 98% of mortgage complaints sent to them for review and response. Companies closed 88% of complaints with an explanation, 3% with non-monetary relief, and 4% with monetary relief. Companies provided an administrative response for 2% of complaints. As of February 1, 2021, 1% of complaints were pending review by the company. Companies did not provide a timely response for 2% of complaints (see Figure 34B, Company Responses).

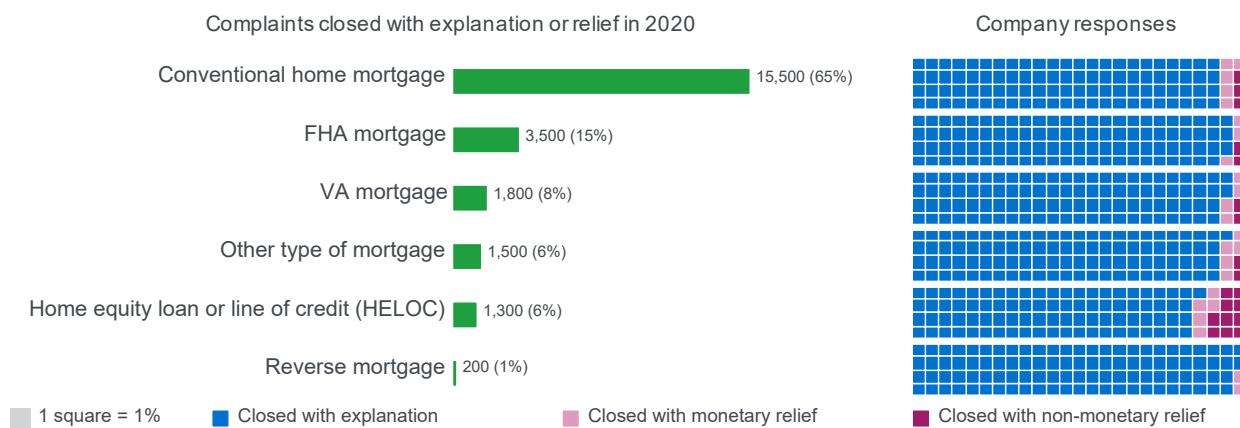
**FIGURE 34: MORTGAGE COMPLAINTS BY OUTCOMES**



The remainder of this analysis focuses only on those mortgage complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 95% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

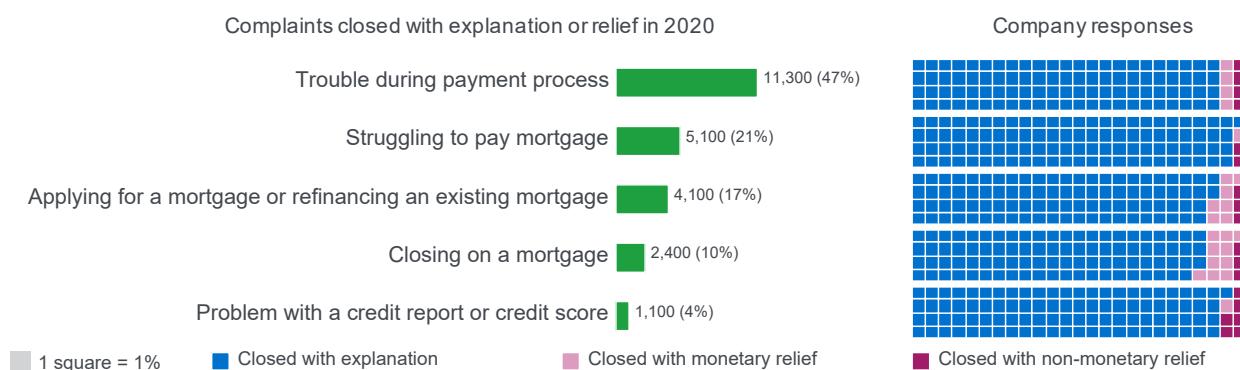
When submitting mortgage complaints, consumers specify the type of mortgage. Options include; conventional home mortgage, Federal Housing Administration (FHA) mortgage, home equity loan or line of credit (HELOC), reverse mortgage, Veterans Administration (VA) mortgage, and other types of mortgages. In 2020, conventional home mortgages were the most complained about mortgage type (see Figure 35).

**FIGURE 35: MORTGAGE COMPLAINTS BY TYPE AND OUTCOMES**



Consumers also identify the issue that best describes the problem they experienced. For mortgage complaints, options include; *applying for a mortgage or refinancing an existing mortgage; closing on a mortgage; problem with a credit or consumer report; struggling to pay mortgage; and, trouble during payment process*. The most common issue was *trouble during payment process* (see Figure 36).

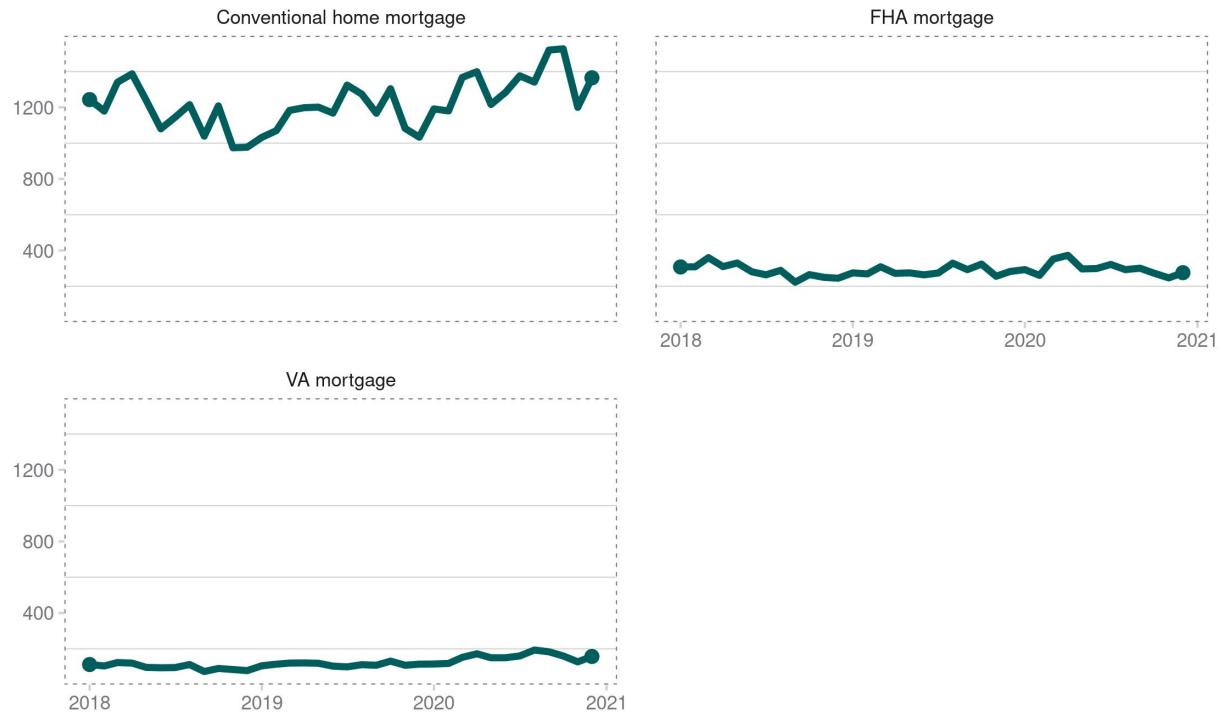
**FIGURE 36: MORTGAGE COMPLAINTS BY ISSUES AND OUTCOMES**



Mortgage complaint volume increased in 2020. Among the types of mortgages consumers identified in their complaint, conventional home mortgages increased 14% from the prior two

years' monthly average (see Figure 37). VA mortgages increased 45% from the prior two years' monthly average; however, the volume of this mortgage type remains low compared to other types.

**FIGURE 37: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF MORTGAGE COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Similar to 2019, the most common issue continued to be about problems consumers experienced during the payment process. Consumers continued to submit complaints about payment-related issues. Some of these consumers described how they followed guidance provided by their servicers when submitting funds above the required monthly payment amount, but the extra money was not applied as intended. For example, some consumers reported that they paid additional money towards principal in accordance with their servicers' instructions and the additional funds were deposited in a miscellaneous account or added to their escrow account. For some consumers, even after contacting their servicer, the following month's additional payment towards principal was not applied correctly. In response to these complaints, most servicers took corrective action and applied funds as intended by their customers.

In response to COVID-19, both federal and state governments took actions to protect homeowners. Most notably, the CARES Act provided relief for homeowners with federally backed and Government Sponsored Entities backed mortgages. Most mortgages were eligible

under the CARES Act, including those from the Federal Housing Administration, U.S. Department of Veterans Affairs (VA), U.S. Department of Agriculture, Fannie Mae, and Freddie Mac.<sup>36</sup>

Under the CARES Act, homeowners with an eligible mortgage who had experienced financial hardship due to the pandemic had the right to request and obtain a forbearance on their mortgage for up to 180 days. Homeowners additionally had the right to request and obtain an extension for up to another 180 days (for a total of up to 360 days). The CARES Act also established a moratorium on mortgage foreclosures.<sup>37</sup> Both protections have since been extended multiple times via executive and administrative action.<sup>38</sup> State governments also took steps to provide similar protections. These included state-issued moratoriums on foreclosures, forbearance for mortgages not covered under the CARES Act, and free mortgage assistance and foreclosure-relief services.

In 2020, some consumers who reported taking advantage of forbearance options as provided by the CARES Act described experiencing problems with misapplied payments when attempting to bring their loan current upon exiting a forbearance plan. In response, companies typically corrected account payment histories and credit reports.

Complaints provide some evidence that legislative responses to COVID-19 had their intended effect. In spring 2020, around the time of the COVID-19 national emergency declaration, there was an increase in mortgage complaints about struggling to pay (see Figure 38). This increase was only temporary. Shortly after the implementation of the CARES Act, mortgage complaints about struggling to pay decreased and continued to decline for the remainder of the year. For 2020 overall, these complaints decreased 32% from the prior two years' monthly average.

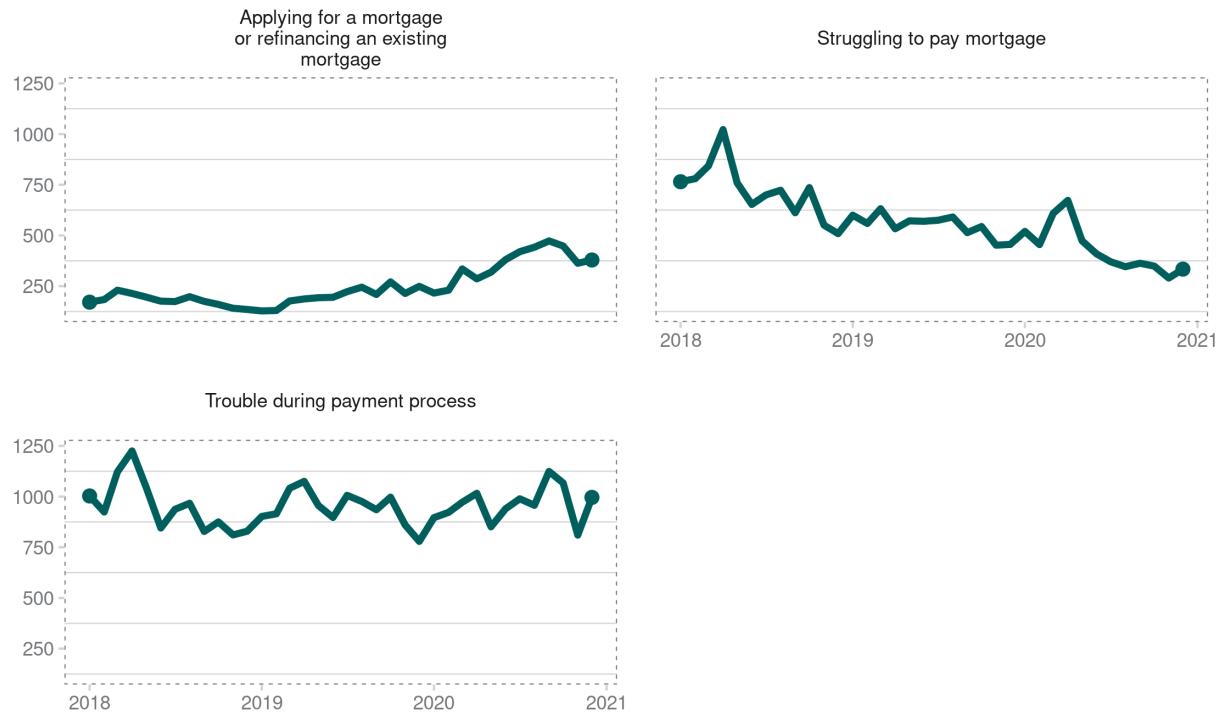
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<sup>36</sup> See Consumer Fin. Prot. Bureau, Learn about mortgage relief options and protections, available at <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/mortgage-relief/> (last accessed Feb. 17, 2020).

<sup>37</sup> 15 U.S.C. § 9056(c).

<sup>38</sup> See Consumer Fin. Prot. Bureau, Mortgage relief deadlines extended, available at <https://www.consumerfinance.gov/about-us/blog/mortgage-relief-deadlines-extended/> (last accessed Feb. 17, 2020).

**FIGURE 38: MONTHLY COMPLAINT VOLUME FOR ISSUES(S) OF MORTGAGE COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Some consumers reported receiving confusing or conflicting information when they inquired about extending their forbearance plan. These consumers reported being told by representatives that financial documentation would be required to have their mortgage loan reviewed for a forbearance extension. In response to these complaints, some mortgage servicers granted their customers an extension and others apologized for document requests made in error. Some consumers who were seeking loss mitigation reported processing delays, duplicate requests for information, and wrongful denials. In response, servicers often reiterated their documentation requirements or explained their loss mitigation decisions.

Much like in 2019, consumers continued to report many of the same issues involving escrow accounts. Consumers reported problems with escrow analysis statements reflecting shortages and discrepancies in accounting of escrow contributions. Some of these consumers described identifying escrow-related issues coinciding with the transfer of their loan to another servicer. For example, shortly after the transfer of their loan, some consumers described receiving an escrow analysis statement reflecting a shortage where no shortage had been identified by the prior servicer. Additionally, many of these consumers had no knowledge of an increase in amounts due for taxes, insurance premiums, or both. In response to these complaints, companies provided consumers with a history of escrow account activity, including

disbursements made by the prior servicer. Typically, servicers informed consumers that they did not identify errors in the escrow analysis.

Complaints about applying for a mortgage or refinancing an existing mortgage increased in 2020, likely driven by increased origination and refinancing activity due to low mortgage interest rates.<sup>39</sup> Complaints about applying for a mortgage increased 88% from the prior two years' monthly average (see Figure 38). Consumers applying for purchase and refinance loans raised issues about processing delays, stricter lending requirements, and unexpected denials. Some self-employed consumers complained of overly burdensome documentation requirements to support their applications. In response to these complaint types, companies typically provided a history of the consumer's application history and cited lending guidelines.

The volume of complaints that mention Property Assessed Clean Energy (PACE) remained low in 2020.<sup>40</sup> Consumers submitted complaints that include PACE or PACE-related terms in both mortgage and consumer loan product categories. The issues consumers described remained consistent with the issues detailed in 2019: unclear terms that resulted in costlier loans than consumers anticipated; issues related to liens attached to property; loan origination and servicing issues, including escrow-related problems resulting from tax assessments associated with PACE. Program Administrators responded to complaints often by directing consumers to agreements, explaining how the product works, or providing copies of account documents.

Consistent with 2019, mortgage products' differences exist in specific populations: VA loans for servicemembers and reverse mortgages for older consumers, in particular. These differences mirror the availability of these products in their respective communities. Servicemembers submitted approximately 15% of mortgage complaints. VA mortgages, which make up 8% of the mortgage complaint volume, were submitted overwhelmingly by consumers who self-identified as a servicemember (see Figure 39).<sup>41</sup>

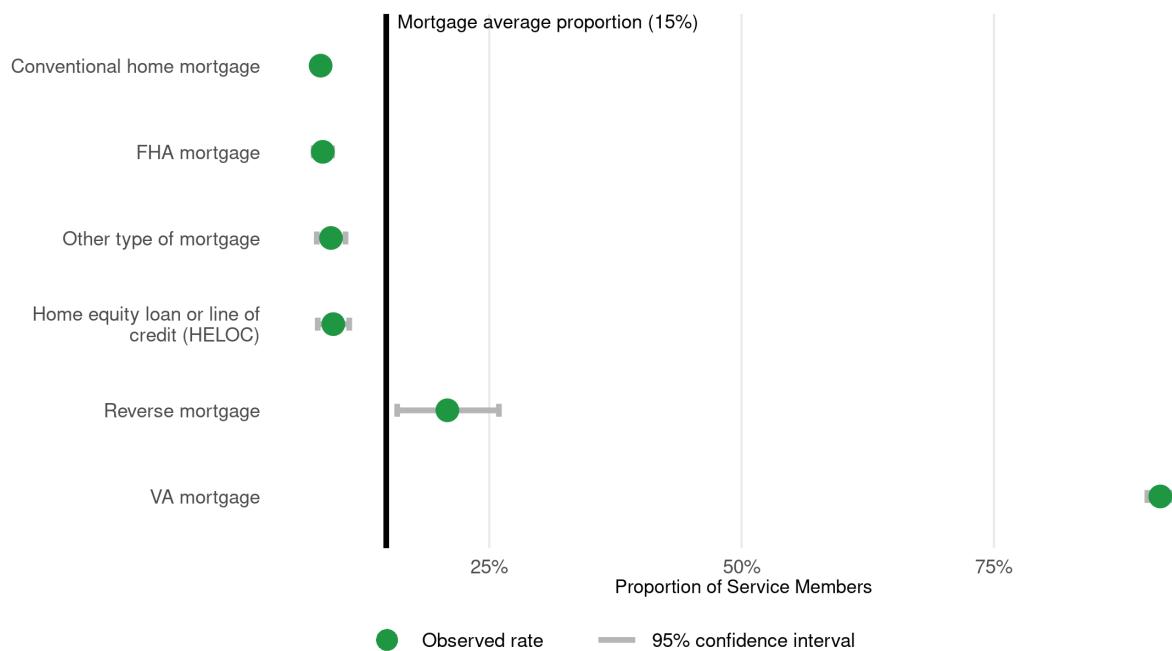
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<sup>39</sup> See Board of Governors of the Federal Reserve System: The Unusual Composition of Demand during the Pandemic (Jan. 14, 2021), available at <https://www.federalreserve.gov/econres/notes/feds-notes/the-unusual-composition-of-demand-during-the-pandemic-20210114.htm>.

<sup>40</sup> PACE, also known in some states as "HERO loans," is a mechanism that provides consumers funding for energy efficiency, renewable energy and water conservation projects. Unlike typical consumer products, PACE financing is repaid as an assessment on consumers' local property tax bill.

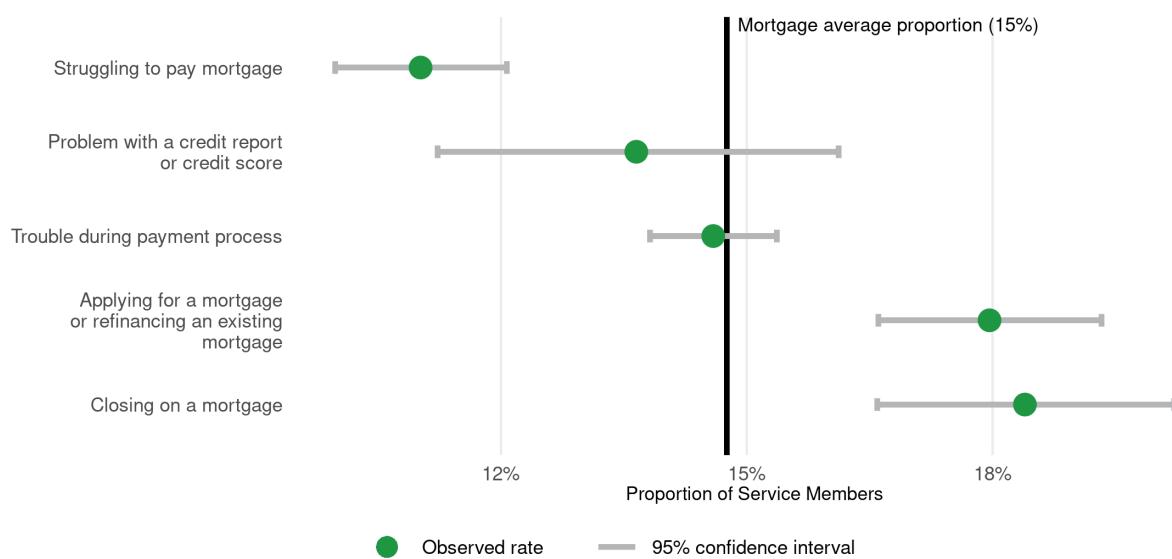
<sup>41</sup> VA mortgage eligibility is limited to servicemembers. Servicemember status is an optional field. For some intake channels, this field is not available (e.g., a consumer who mails a complaint may not reference their servicemember status). The 9% of VA loan complaints that come from non-servicemembers may include some servicemembers who did not provide their servicemember status.

**FIGURE 39: PROPORTION OF SERVICEMEMBER COMPLAINTS FOR MORTGAGE TYPES**



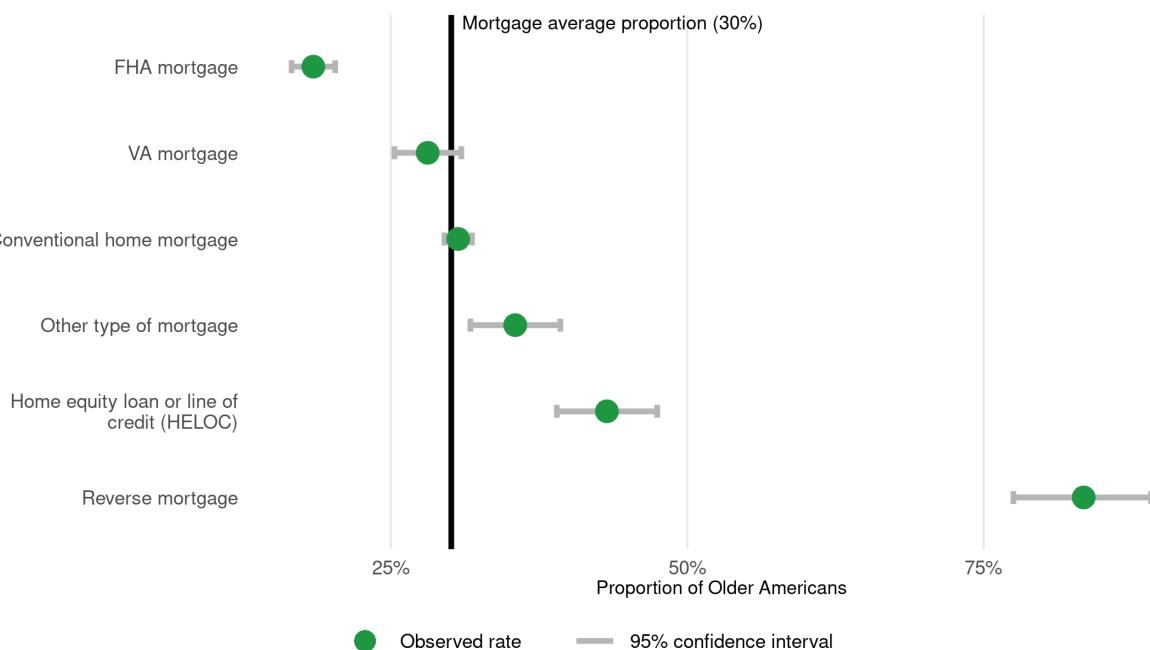
Also similar to 2019, the issues servicemembers identified in their mortgage complaints were associated with purchasing a home: applying for a mortgage, refinancing, or closing on a mortgage (see Figure 40).

**FIGURE 40: PROPORTION OF SERVICEMEMBER COMPLAINTS FOR MORTGAGE ISSUES**



Older consumers submitted approximately 30% of mortgage complaints. Reverse mortgages, which made up 1% of mortgage complaints in 2020, were submitted overwhelmingly by consumers who self-identified being 62 years of age or older (see Figure 41).<sup>42</sup>

**FIGURE 41: PROPORTION OF OLDER AMERICANS COMPLAINTS FOR MORTGAGE TYPES**



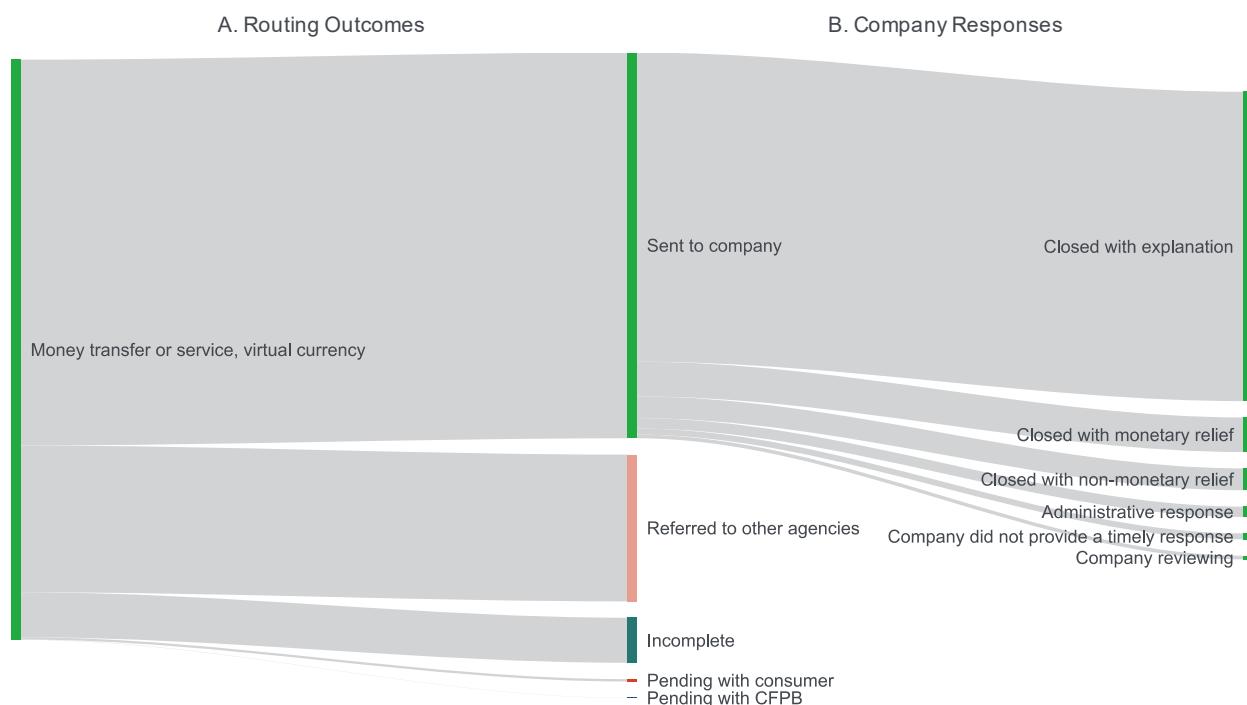
<sup>42</sup> Similar to VA mortgages for servicemembers, reverse mortgages have eligibility requirements that limit the product to homeowners who are at least 62 years old. See 24 CFR § 206.33. As with servicemember status, providing age information is optional.

## 4.6 Money transfers, money services, and virtual currencies

The Bureau received approximately 12,800 money transfer, money service, and virtual currency (collectively referred to as “money services” in this section) complaints in 2020. The Bureau sent approximately 8,500 (or 67%) of these complaints to companies for review and response, referred approximately 3,200 (or 25%) to other regulatory agencies, and found 8% to be incomplete. As of February 1, 2021, 0.4% of money services complaints were pending with the consumer and 0.03% were pending with the Bureau (see Figure 42A, Routing Outcomes).

Companies responded to approximately 98% of money services complaints sent to them for review and response. Companies closed 80% of complaints with an explanation, 9% with monetary relief, and 6% with non-monetary relief. Companies provided an administrative response for 3% of complaints. As of February 1, 2021, 1% of complaints were pending review by the company. Companies did not provide a timely response for 2% of complaints (see Figure 42B, Company Responses).

**FIGURE 42: MONEY SERVICES COMPLAINTS BY OUTCOMES**

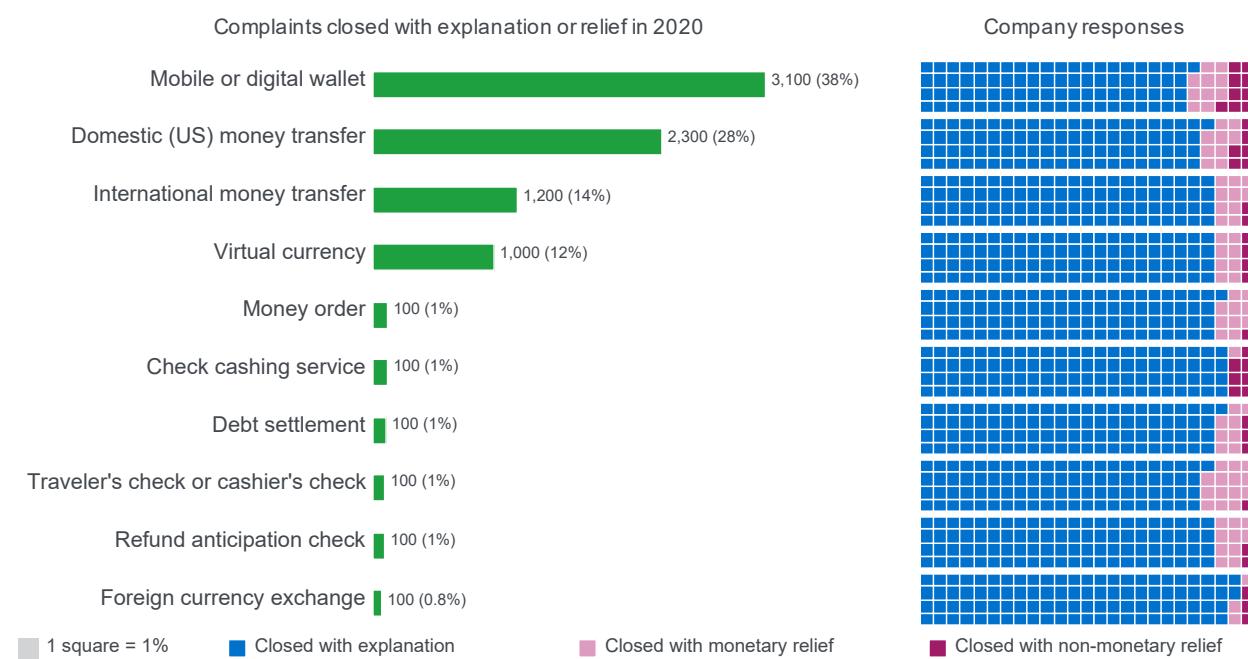


The remainder of this analysis focuses only on those money services complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief,

and closed with monetary relief). In 88% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

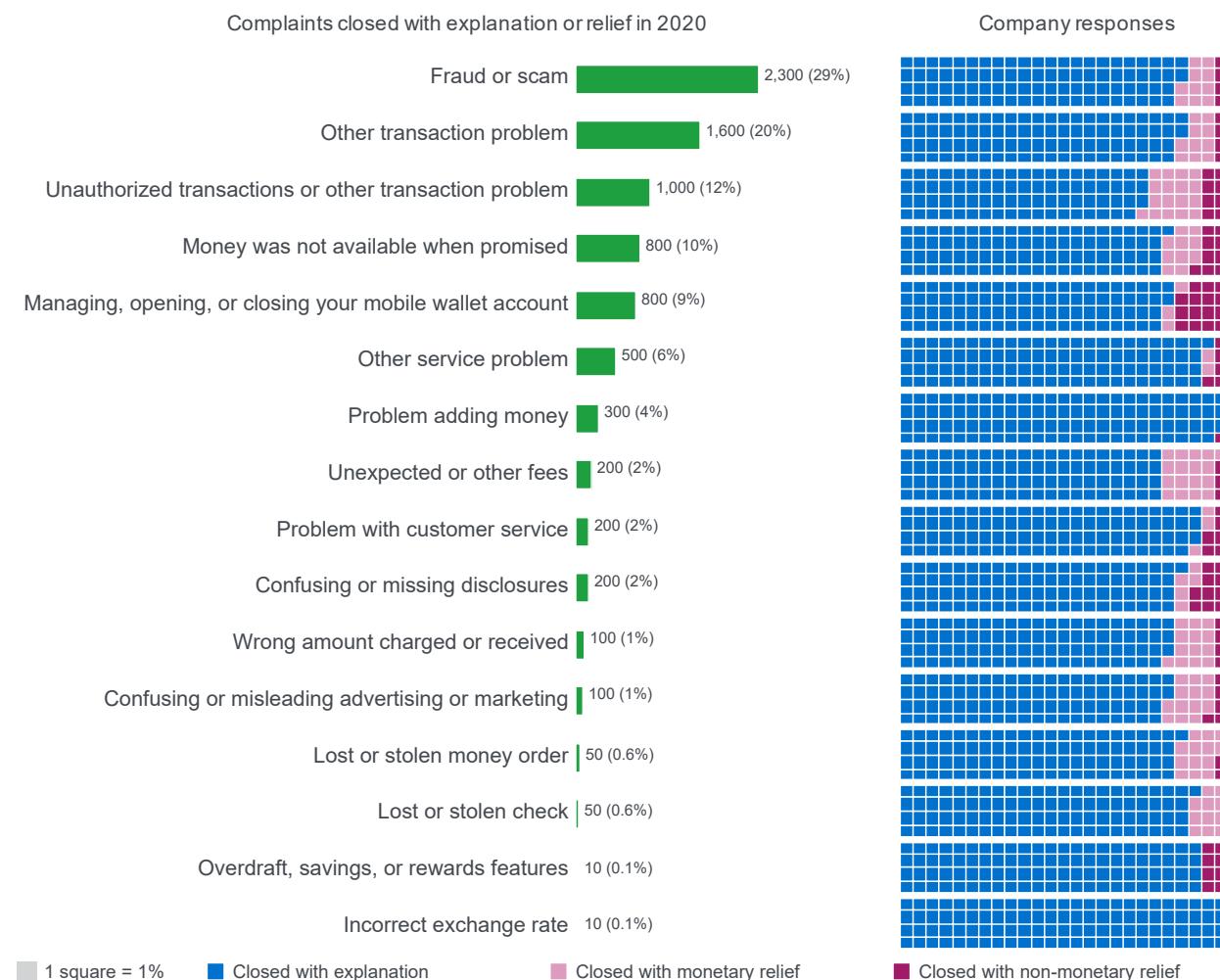
When submitting money services complaints, consumers specify the type of product. Options include: check cashing service; debt settlement; domestic (U.S.) money transfer; foreign currency exchange; international money transfer; mobile or digital wallet; money order; refund anticipation check; traveler's check or cashier's check; and, virtual currency. In 2020, mobile or digital wallet money transfers was the most complained about type of product (see Figure 43).

**FIGURE 43: MONEY SERVICES COMPLAINTS BY TYPE AND OUTCOMES**



Consumers also identify the issue that best describes the problem they experienced. For complaints about money services, options include: *confusing or misleading advertising and marketing; confusing or missing disclosures; fraud or scam; incorrect exchange rate; lost or stolen check; lost or stolen money order; managing, opening, or closing your mobile wallet account; money was not available when promised; other transaction problem; other service problem; overdraft, savings, or rewards features; problem adding money; problem with customer service; unauthorized transactions or other transaction problem; unexpected or other fees; and, wrong amount charged or received*. The most common issue was *fraud or scam* (see Figure 44).

**FIGURE 44: MONEY SERVICES COMPLAINTS BY ISSUES AND OUTCOMES**



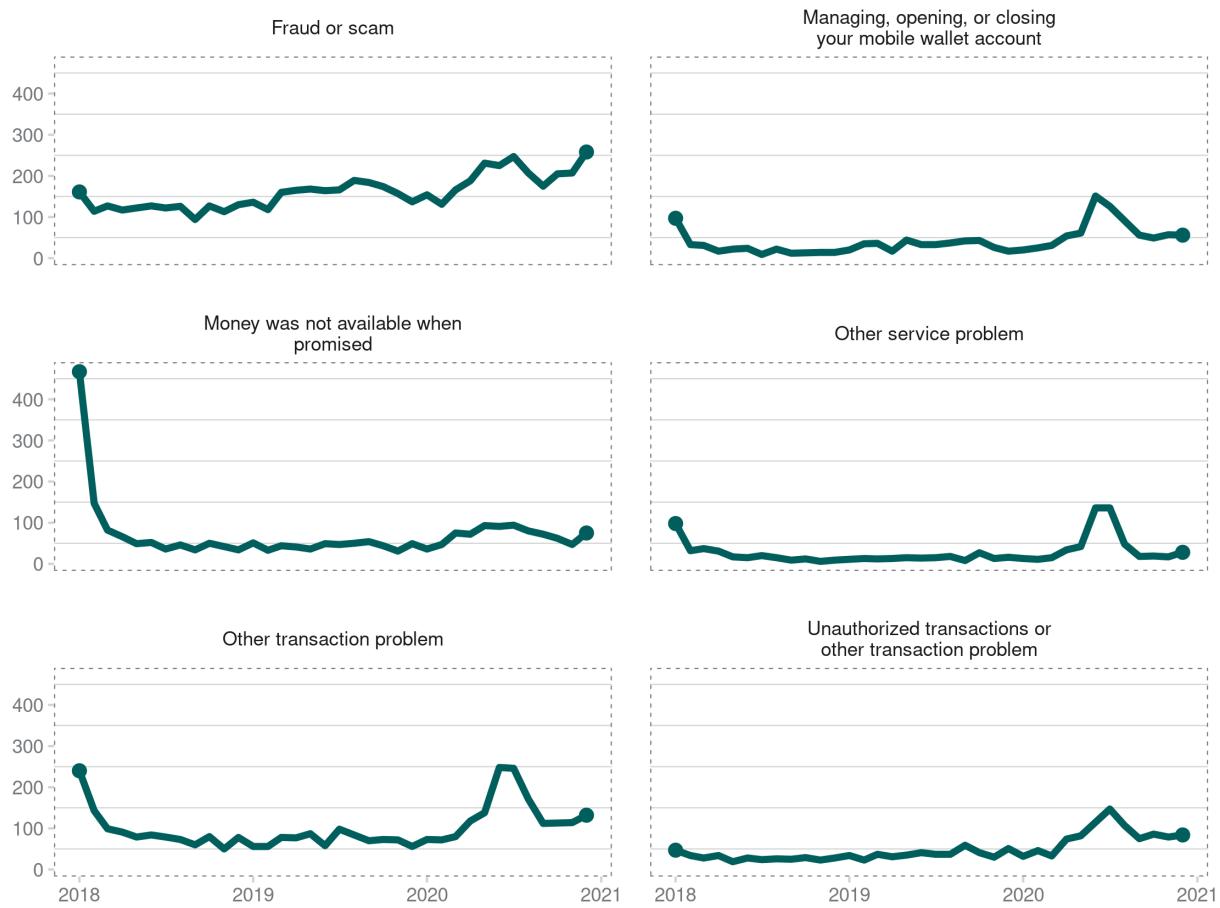
Money services complaint volume increased significantly in 2020. Companies responded, on average, to more than 670 of money services complaints per month (compared to a monthly average of 410 complaints in 2019 and 450 complaints in 2018). Among the types of products in this category, domestic money transfers increased 47% from the prior two years' monthly average and mobile or digital wallets increased 126% from the prior two years' monthly average (see Figure 45). These increases coincided with the declaration of the COVID-19 national emergency.

**FIGURE 45: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF MONEY SERVICES COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Complaints about fraud or scams remain the most common issue identified by consumers. In 2020, this issue increased 41% from the prior two years average (see Figure 46). Consumers described a variety of tactics used by people to convince them to send money or provide personal information. For example, some consumers described purchasing goods or services from online sellers who ultimately never delivered those goods or services. Consumers often described coordinating these purchases over social media platforms for purchases ranging from pets to household goods and concert tickets. Some consumers also described people posing as customer service representatives, government officials, and people associated with family and friends.

**FIGURE 46: MONTHLY COMPLAINT VOLUME FOR ISSUE(S) OF MONEY SERVICES COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Consumers also reported similar tactics related to COVID-19. For example, some consumers reported being contacted to send money to COVID-19-related charities, to support medical procedures, and to obtain medical and other protective supplies.

In response to these complaints, companies typically summarized the investigation they completed into consumers' claims, which often included a review of the login activity, transaction history, and prior customer service interactions. Often mobile and online payment providers stated that their platforms are meant for peer-to-peer payments among people who the consumer knows and trusts, such as family and friends. These companies also referred consumers to terms and conditions, which left the consumer with little recourse. In some limited circumstances, companies stopped or reversed the transaction from being completed.

Some consumers who complained about other transaction problems described difficulties in linking accounts to mobile applications. Some financial institutions implemented increased security measures on their systems, ultimately preventing their customers from using popular

third-party applications. In their complaints, consumers often expressed dissatisfaction about not being able to decide whether to link their accounts. In response to these complaints, financial institutions reiterated their commitment to security and explained why they prohibited the use of third-party applications.

In complaints about remittance transfer providers, consumers often described transaction and other service problems. Frequently these problems involved delays in the delivery of funds or failure to deliver the funds at all. Notable for 2020, consumers described how delays in the delivery of their funds exacerbated their difficulty in responding to the COVID-19 pandemic. Companies responded with a variety of reasons for these problems, including other compliance considerations (e.g., compliance with government sanctions, the Office of Foreign Asset Control), and technical difficulties.

Consumers identified debt settlement in a small number of money service complaints. In these complaints, consumers typically complained of exorbitant fees and companies not delivering advertised benefits. In response to these complaints, companies typically reviewed the agreement their customer agreed to and denied any wrongdoing.

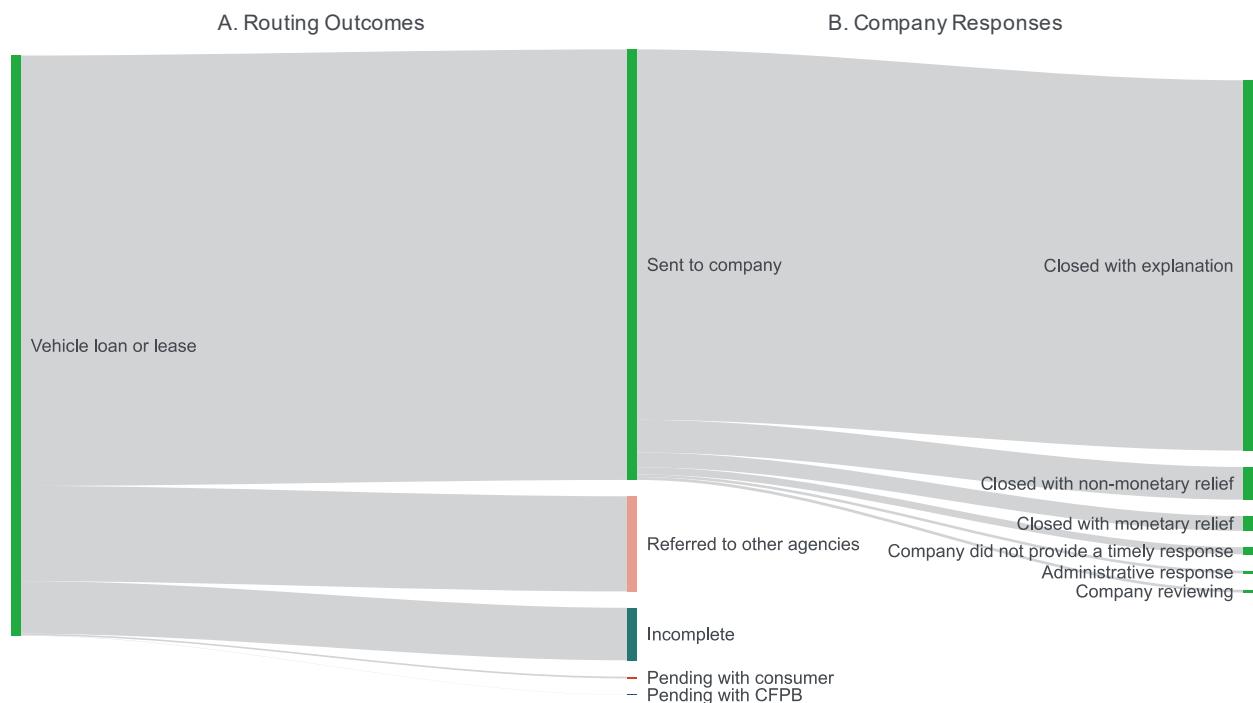
## 4.7 Vehicle loans or lease

The Bureau received approximately 9,500 vehicle loan or lease complaints in 2020. The Bureau sent approximately 7,000 (or 74%) of these complaints to companies for review and response, referred approximately 1,500 (or 16%) to other regulatory agencies, and found 9% to be incomplete. As of February 1, 2021, 0.3% of vehicle loan or lease complaints were pending with the consumer and 0.03% were pending with the Bureau (see Figure 47A, Routing Outcomes).

Some consumers submit complaints about vehicle dealerships. The Bureau generally does not send vehicle loan or lease complaints to vehicle dealerships for response unless the dealer retains motor vehicle installment sales contracts (often known as “buy here, pay here” dealers).

Companies responded to approximately 98% of vehicle loan or lease complaints sent to them for review and response. Companies closed 86% of complaints with an explanation, 8% with non-monetary relief, and 3% with monetary relief. Companies provided an administrative response for 0.6% of complaints. As of February 1, 2021, 0.7% of complaints were pending review by the company. Companies did not provide a timely response for 2% of complaints (see Figure 47B, Company Responses).

**FIGURE 47: VEHICLE LOAN OR LEASE COMPLAINTS BY OUTCOMES**

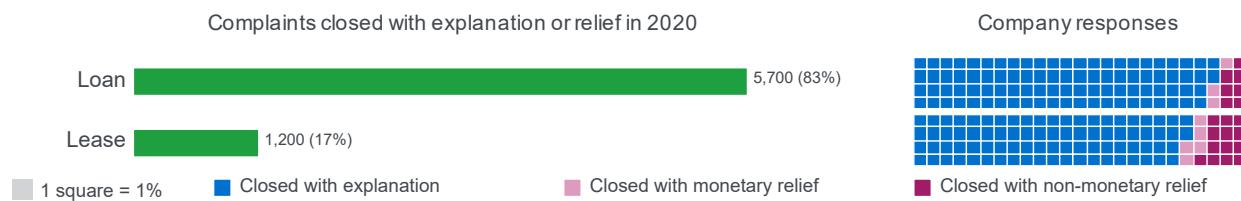


The remainder of this analysis focuses only on those vehicle loan or lease complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 95% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

Consumers who submit vehicle loan or lease complaints specify whether they are complaining about a vehicle loan or lease. In 2020, consumers complained about vehicle loans more frequently than vehicle leases (see Figure 48).

Americans owe more than \$1.2 trillion in vehicle loan debt, making vehicle loans the third largest consumer debt market in the United States behind mortgage and student loans.<sup>43</sup>

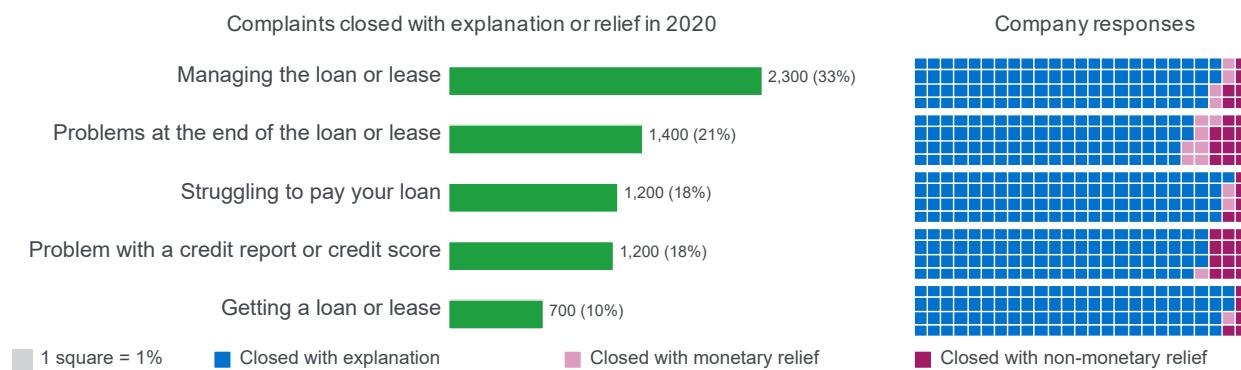
**FIGURE 48: VEHICLE LOAN OR LEASE COMPLAINTS BY TYPE AND OUTCOMES**



Consumers identify the issue that best describes the problem they experienced. For vehicle loan or lease complaints, options include: *getting a loan or lease; managing the loan or lease; problems at the end of the loan or lease; problem with credit report or credit score; and, struggling to pay loan*. The most common issue was *managing the loan or lease* (see Figure 49).

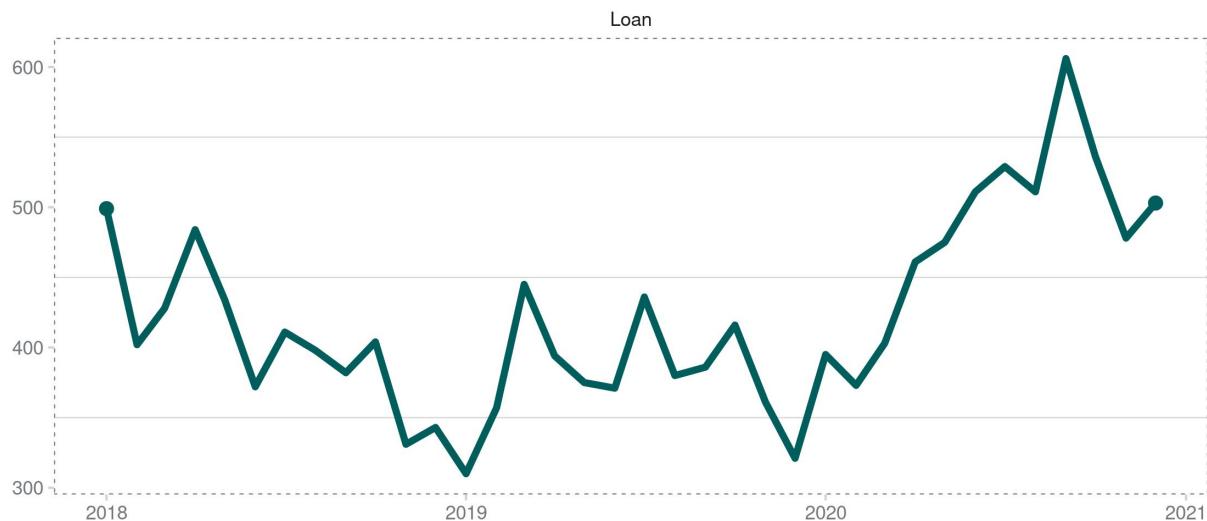
<sup>43</sup> See Board of Governors of the Federal Reserve System (FRB), Consumer Credit – G.19, Dec. 2020 (updated Feb. 5, 2021), available at <https://www.federalreserve.gov/releases/g19/current/>. This market includes loans for passenger cars and other vehicles (e.g., minivans, sport-utility vehicles, pickup trucks for personal use), but excludes loans for boats, motorcycles, and recreational vehicles.

**FIGURE 49: VEHICLE LOAN OR LEASE COMPLAINTS BY ISSUES AND OUTCOMES**



Vehicle loan or lease complaint volume increased in 2020. Companies responded, on average, to more than 570 vehicle loan or lease complaints per month (compared to a monthly average 450 complaints in 2019 and 470 complaints in 2018). Complaints about vehicle loans increased 22% from the prior two years' monthly average (see Figure 50).

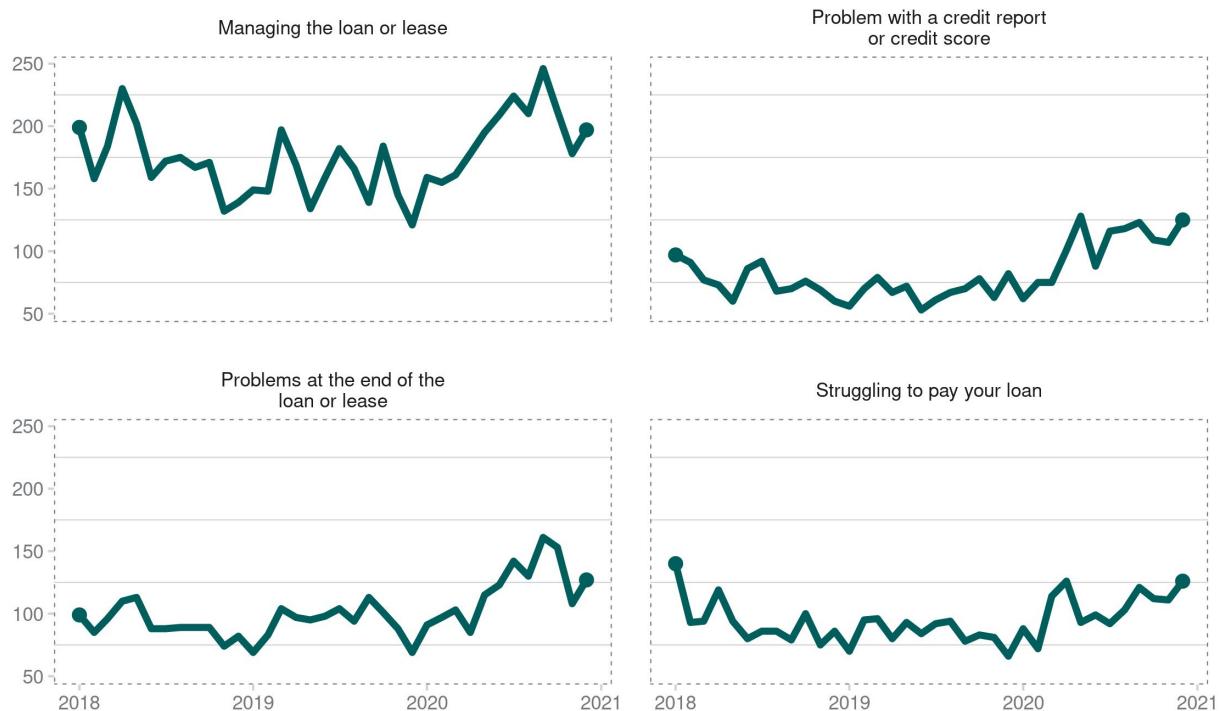
**FIGURE 50: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF VEHICLE LOAN OR LEASE COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



The most common vehicle loan or lease complaint was about managing the loan or lease. In 2020, this issue increased 17% compared to the prior two years average (see Figure 51). In these complaints, consumers often reported issues involving billing problems associated with their vehicle loan. Consumers complained about automatic payments, problems incurred while navigating lender websites and payment portals, and changes in payment due dates. Companies responded by providing an account history and details of dates and times a customer service

representative communicated with a consumer concerning a billing dispute and details of online account usage.

**FIGURE 51: MONTHLY COMPLAINT VOLUME FOR ISSUE(S) OF VEHICLE LOAN OR LEASE COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Problems at the end of the loan or lease continued to be a common issue identified by consumers. For example, some consumers with vehicle loans complained they were unable to receive their car title after their loan was paid off. Other consumers with vehicle leases often reported difficulties when their lease came to an end—including, for example, problems with excess mileage and damage or wear fees.

The COVID-19 pandemic created novel problems for some consumers at the end of their loan or lease. For example, following the issuance of stay-at-home orders in many states, some consumers with leases reported that they were unable to timely return their vehicle because of temporary dealership closures. When responding to these complaints, some lenders provided workout arrangements for consumers to return their vehicle or extended the term.

Consumers who reported issues about struggling to pay their loan increased slightly in 2020. Shortly after the declaration of the national emergency, there was an increase in complaint volume for this issue (see Figure 51). In these complaints, consumers often described that the lender had denied their request to lower payments. Some consumers also reported that the

lender was trying to repossess or disable their vehicle. Some consumers reported being unable to make their regularly scheduled payment because they had experienced a loss of income due to COVID-19. Consumers described contacting their lenders about their financial hardship and were told they would receive repayment options; however, some of these requests were later denied. In response to these complaints, some companies offered payment deferrals or stated they were granting extensions on a month-to-month and account-by-account basis.

Customer service continued to be a concern in 2020. Consumers reported extensive hold times before reaching a customer service representative. Consumers also described delays in lenders' responses to inquiries and requests for alternative payment options. Companies often responded that COVID-19 contributed to greater call volumes.

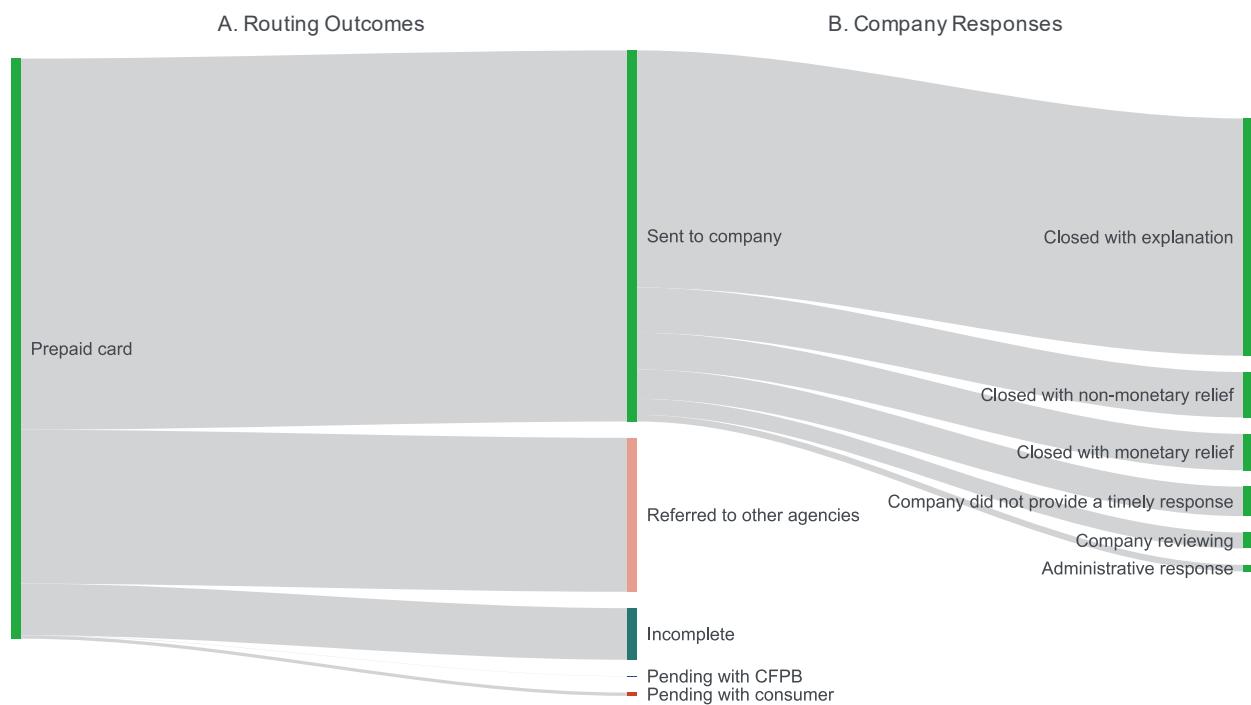
Consumers who complained about getting a vehicle loan or lease frequently reported problems with changes in terms mid-deal or after closing. Some consumers also described issues with confusing or misleading advertising or marketing. Companies generally responded to these complaints by providing a copy of the loan contract or by noting that the consumer agreed to terms outlined in their contract.

## 4.8 Prepaid cards

The Bureau received approximately 8,500 prepaid card complaints in 2020. The Bureau sent approximately 5,500 (or 64%) of these complaints to companies for review and response, referred approximately 2,300 (or 27%) to other regulatory agencies, and found 9% to be incomplete. As of February 1, 2021, 0.6% of prepaid card complaints were pending with the consumer and 0.04% were pending with the Bureau (see Figure 52A, Routing Outcomes).

Companies responded to approximately 92% of prepaid card complaints sent to them for review and response. Companies closed 64% of complaints with an explanation, 10% with monetary relief, and 12% with non-monetary relief. Companies provided an administrative response for 2% of complaints. As of February 1, 2021, 4% of complaints were pending review by the company. Companies did not provide a timely response for 8% of complaints (see Figure 52B, Company Responses).

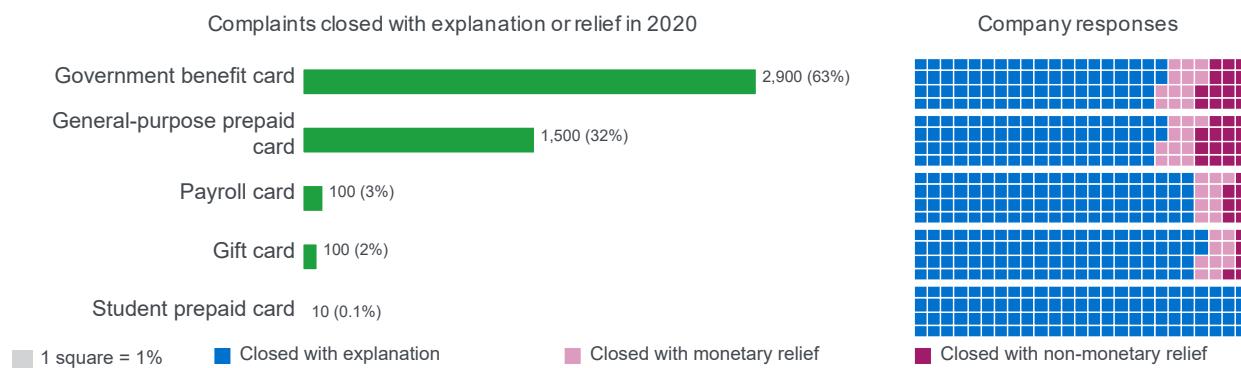
**FIGURE 52: PREPAID CARD COMPLAINTS BY OUTCOMES**



The remainder of this analysis focuses only on those prepaid card complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 92% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

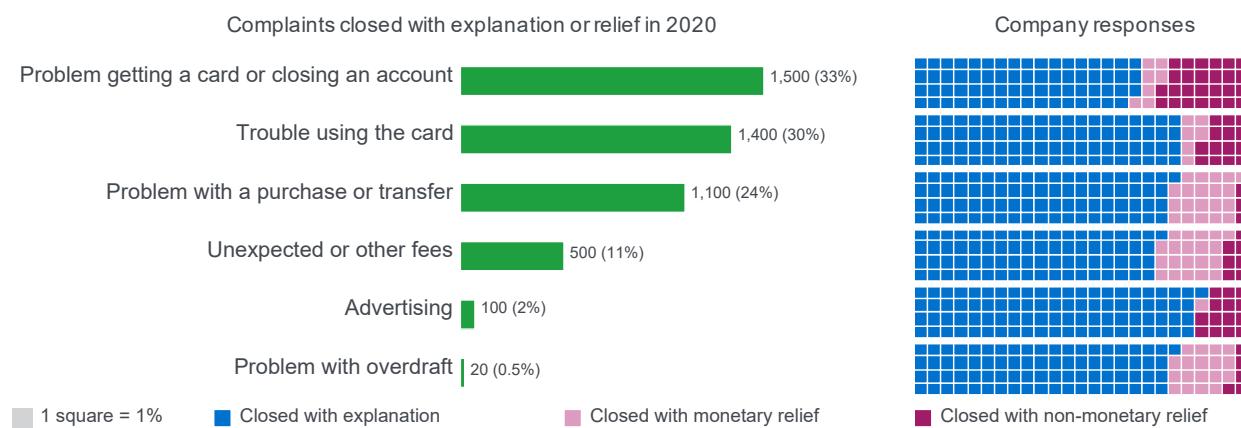
When submitting prepaid card complaints, consumers specify the type of product. Options include: general-purpose prepaid card; gift card; government benefit card; payroll card; and, student prepaid card. In 2020, government benefit cards were the most complained about prepaid product type (see Figure 53).

**FIGURE 53: PREPAID COMPLAINTS BY TYPE OF CARD AND OUTCOMES**



Consumers also identify the issue that best describes the problem they experienced. For prepaid card complaints, options include: *advertising; problem getting a card or closing an account; problem with a purchase or transfer; problem with overdraft; trouble using the card; and, unexpected or other fees*. The most common issue was *problem getting a card or closing an account* (see Figure 54).

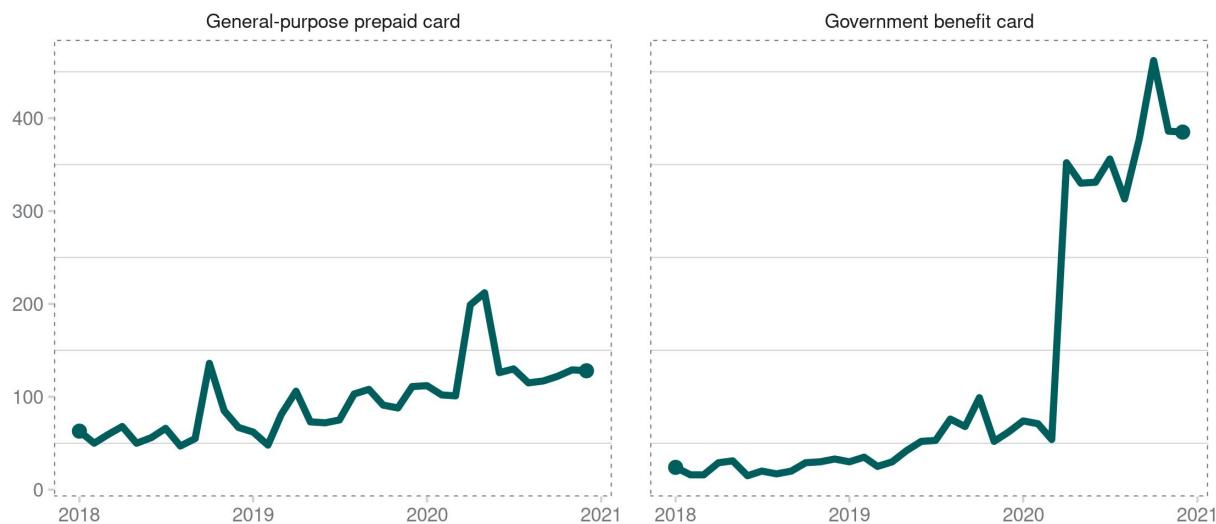
**FIGURE 54: PREPAID COMPLAINTS BY ISSUES AND OUTCOMES**



Prepaid card complaint volume increased significantly in 2020. Companies responded, on average, to approximately 390 prepaid card complaints per month (compared to a monthly average of 150 complaints in 2019 and 110 complaints in 2018). Complaints about government

benefit cards had the greatest change in volume, increasing 673% from the prior two years' monthly average (see Figure 55). This increase was driven largely by legislative and governmental responses to COVID-19. In particular, the CARES Act provided funds for consumers through Economic Impact Payments and enhanced unemployment benefits, both of which distributed money to many consumers through a prepaid debit card.<sup>44</sup>

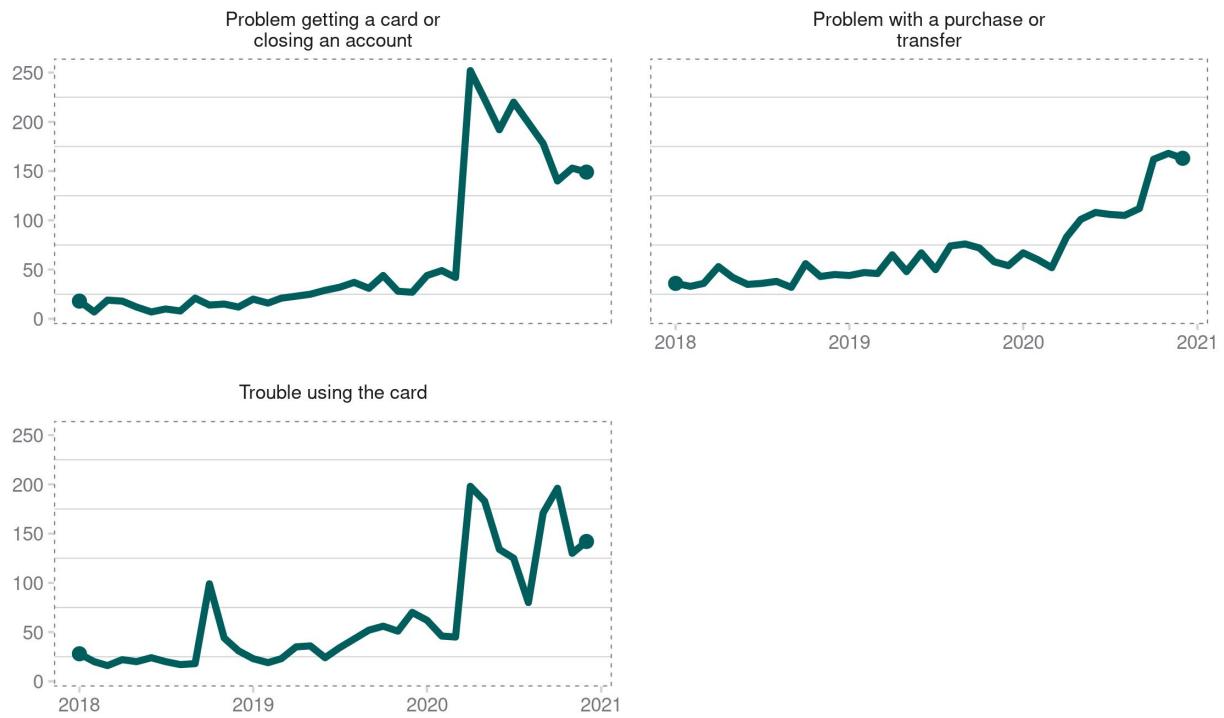
**FIGURE 55: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF PREPAID CARD COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Consumers who received prepaid cards for their Economic Impact Payments reported problems receiving their cards, including waiting weeks to receive their cards (see Figure 56). In some instances, consumers who had not yet received their cards were advised that funds had been added to their account, leaving them without access to funds at critical times. Companies generally responded that consumers failed the identification verification process or did not provide requested documentation, which delayed the processing of their card. Companies often resolved this issue by expediting a new prepaid card to the consumer.

<sup>44</sup> See e.g., Consumer Fin. Prot. Bureau, Economic Impact Payment (EIP) prepaid debit cards, available at <https://www.consumerfinance.gov/coronavirus/managing-your-finances/economic-impact-payment-prepaid-debit-cards/> (last accessed Feb. 12, 2020); see also Consumer Fin. Prot. Bureau, You have options for how to receive your unemployment benefits (Jun 23, 2020), available at <https://www.consumerfinance.gov/about-us/blog/receive-your-unemployment-benefits-options/>.

**FIGURE 56: MONTHLY COMPLAINT VOLUME FOR ISSUE(S) OF PREPAID CARD COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Consumers complained of similar issues for receiving unemployment benefits via prepaid cards. Like Economic Impact Payments, consumers complained about not receiving cards, problems with card activation, loss of account access, and having difficulty getting replacement cards.

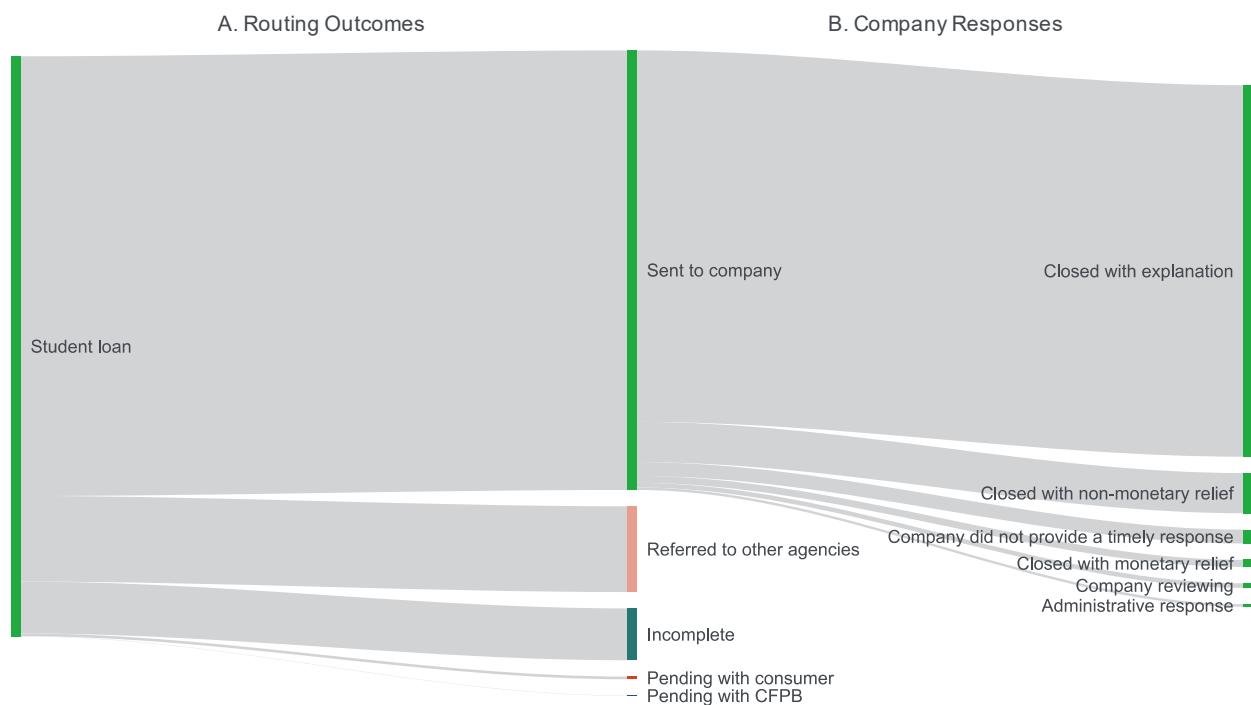
Many consumers also complained of having trouble using their prepaid cards. Consumers experienced problems activating the card and were unaware of blocks and holds placed on the card. Consumers described card purchases being declined because of insufficient available balances, which often had been depleted because of various fees and unauthorized transactions. Some consumers expressed concern that they could not access funds needed for living expenses. Companies responded by closing compromised accounts, issuing new cards, and investigating disputed claims. Companies also stated that account blocks, holds, and activation issues were due to identity verification measures.

## 4.9 Student loans

The Bureau received approximately 5,800 student loan complaints in 2020.<sup>45</sup> The Bureau sent approximately 4,400 (or 76%) of these complaints to companies for review and response, referred approximately 900 (or 15%) to other regulatory agencies, and found 9% to be incomplete. As of February 1, 2021, 0.5% of student loan complaints were pending with the consumer and 0.05% were pending with the Bureau (see Figure 57A, Routing Outcomes).

Companies responded to approximately 97% of student loan complaints sent to them for review and response. Companies closed 84% of complaints with an explanation, 9% with non-monetary relief, and 2% with monetary relief. Companies provided an administrative response for 0.6% of complaints. As of February 1, 2021, 1% of complaints were pending review by the company. Companies did not provide a timely response for 3% of complaints (see Figure 57B, Company Responses).

**FIGURE 57: STUDENT LOAN COMPLAINTS BY OUTCOMES**



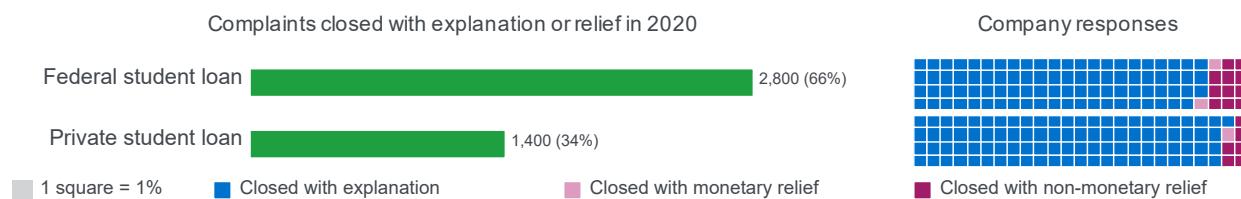
<sup>45</sup> Before consumers can submit student loan complaints to the Bureau, the Bureau's complaint form requires them to select the type of student loan. When consumers select *federal student loan* and an issue related to financial aid eligibility or related to receiving money from a federal student loan, the Bureau directs consumers to the Department of Education.

The remainder of this analysis focuses only on those student loan complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 93% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting student loan complaints, consumers specify whether they are complaining about a federal student loan or a private student loan. In 2020, consumers complained about federal student loans more frequently than private student loans (see Figure 58).

Americans owe more than \$1.7 trillion in student loan debt, making student loans the second largest debt market in the United States.<sup>46</sup> This market is predominantly comprised of federal student loans issued or guaranteed by the Department of Education (ED), which has more than \$1.5 trillion in outstanding loans across its Direct Loans, Federal Family Education Loans (FFEL), and Perkins Loans portfolios.<sup>47</sup>

**FIGURE 58: STUDENT LOAN COMPLAINTS BY TYPE OF LOAN AND OUTCOMES**



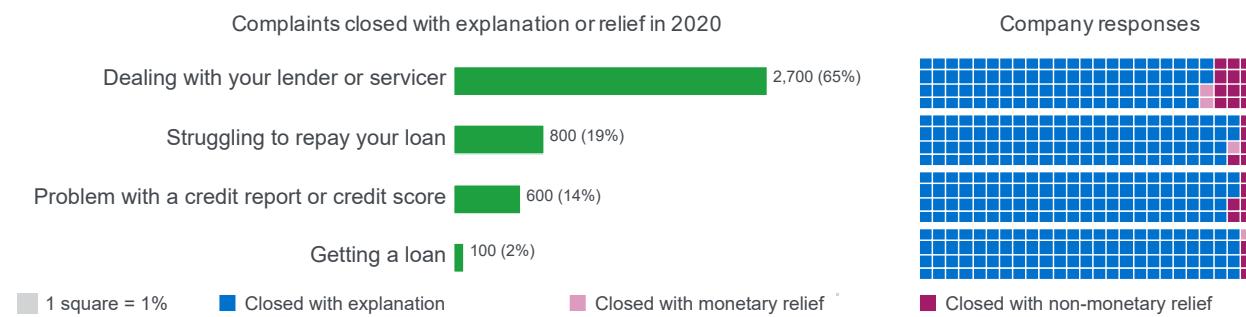
Consumers also identify the issue that best describes the problem they experienced. For student loans, options include: *dealing with a lender or servicer; getting a loan; problem with a credit or consumer report; and, struggling to repay a loan.*<sup>48</sup> The most common issue was *dealing with your lender or servicer* (see Figure 59).

<sup>46</sup> See Board of Governors of the Federal Reserve System (FRB), *supra* note 43.

<sup>47</sup> See also Federal Student Aid Portfolio Summary (2020-Q4), available at <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/PortfolioSummary.xls> (last accessed Feb. 12, 2021).

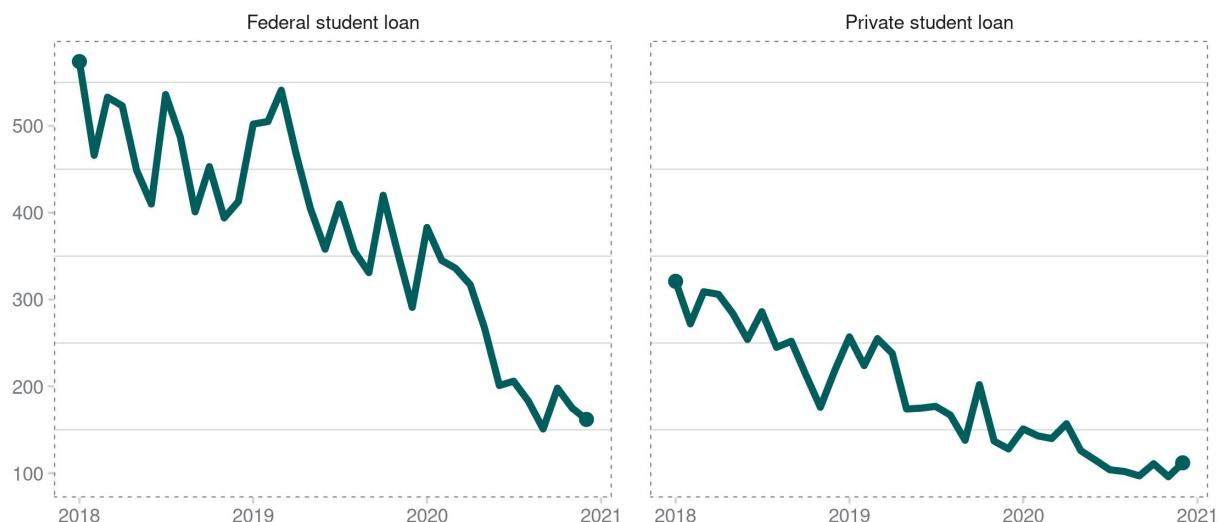
<sup>48</sup> See *supra* note 45.

**FIGURE 59: STUDENT LOAN COMPLAINTS BY ISSUES AND OUTCOMES**



Student loan complaint volumes declined considerably in 2020 for both federal and private student loans (see Figure 60). Companies responded, on average, to approximately 350 student loan complaints per month (compared to a monthly average of 580 complaints in 2019 and 700 complaints in 2018). Though this overall decrease is not attributable to a single factor, the response to the COVID-19 pandemic likely contributed significantly to its decrease since March 2020.

**FIGURE 60: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF STUDENT LOAN COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Notable among these measures, the CARES Act provided relief for borrowers of federal loans owned by ED. Included in the relief was an automatic suspension of principal payments and interest accrual from March 13, 2020 through September 30, 2020. These measures have since been extended several times via executive and administrative action to apply through much of 2021. In facilitation of these measures, most federally-held loans in post-grace status were

automatically placed in administrative forbearance status and were being reported as current to credit reporting agencies.

Borrowers with loans who did not qualify under the CARES Act were also provided a variety of short-term relief measures by their lenders and servicers. These measures included forbearance, temporary payment reductions, interest rate reductions, and the waiving of late fees and penalties. Most of these loans, however, have continued to accrue interest.

Despite the pandemic and its effects on the student loan market, the composition of issues in student loan complaints in 2020 was similar to the composition in 2019. Borrowers continued to submit federal student loan complaints to the Bureau at twice the rate of private student loan complaints, and approximately two-thirds of borrowers continued to identify dealing with their lender or servicer as the issue that best describes their problem. In complaints about servicing issues, however, 2020 saw an increase in borrowers requesting information about their loan balance and terms.

In these complaints, both federal and private student loan borrowers demonstrated confusion over what pandemic relief measures were available to them and how they would affect the terms of their loan repayment. The prevalence of complaints around the applicability of pandemic relief measures may be explained, in part, due to the limitations on what types of federal student loans qualify for relief pursuant to the CARES Act.

As the CARES Act applies only to federal loans that are ED-owned, FFEL loans owned by commercial lenders, Perkins loans owned by schools, and private student loans owned by states or state affiliated agencies, banks, credit unions, schools, or other private entities do not qualify for its relief measures.

Federal student loan borrowers with non-ED-owned loans complained that their loan servicers were not providing them with the relief they believed were entitled to by the CARES Act. These borrowers reported frustration over the continued accrual of interest on their loans and the limitation and expiration of forbearance options available to them. Some of these borrowers complained that their loans entered delinquent status as they stopped making payments under the incorrect assumption that their loans qualified for CARES Act relief. In response, many servicers stated that only student loans that are ED-owned were qualified for such relief measures. Some servicers also highlighted that they offered short term forbearance to qualified borrowers with non-ED owned loans.

Private student loan borrowers also expressed confusion and frustration over what relief measures were available to them. Often referencing personal hardships stemming from the pandemic and its effects on their ability to repay their loans, borrowers reported that they were seeking changes to the terms of their loans and alternative ways to postpone or lower monthly

payments. Some borrowers reported having exhausted pandemic related short-term forbearances that had been made available to them by their servicers. Servicers responded by noting the borrowers' ineligibility for additional relief measures and that the loan terms signed and agreed to by the borrower were to be upheld.

Exacerbating the confusion around pandemic relief were the difficulties borrowers had with communicating with their servicers. Borrowers reported being unable to reach customer service representatives to talk with their servicers about their issues. Some borrowers reported hold times of several hours on the phone or waiting months for a response to an inquiry. For those who were pursuing payment options, some described no methods other than phone to access potential options. Servicers would often respond by apologizing for not responding in a timely manner and by addressing the issue that borrowers noted.

Despite changes onset by the pandemic, federal borrowers continued to report difficulty in enrolling and recertifying their income driven repayment (IDR) plans. To take advantage of IDR payment plans, borrowers need to complete an application based on their income. These applications typically ask for information about a borrower's annual income, family size, and outstanding federal student loan debt and can be completed free of charge. These plans can result in affordable monthly payments with some borrowers paying as little as \$0 per month. The use of these IDR plans, such as Income-Based, Income-Contingent, Pay As You Earn (PAYE), and Revised Pay As You Earn (REPAYE), have continued to increase in popularity in 2020.<sup>49</sup>

In complaints about IDR payment plans, borrowers described submitting their applications and recertifications, but not receiving approval due to missing information. This missing information was often related to the borrower's or their spouse's income. Some borrowers reported that IDR plans and related paperwork were confusing and that they had difficulty reaching the servicer for more information. Indeed, some borrower complained that it took weeks or even months for their servicers to process their IDR documentation.

Notable for 2020, some borrowers reported that they were incorrectly notified by their servicer to recertify their IDR plans, despite the extension of IDR recertification deadlines to until after the end of the COVID emergency relief period. Some of these borrowers complained that unnecessarily going through with the recertification process resulted in higher calculated IDR payments. Servicers responded with apologies for providing inaccurate information, and some

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<sup>49</sup> See Federal Student Aid Portfolio by Repayment Plan, available at [https://studentaid.gov/sites/default/files/fsawg/datacenter/library/DI\\_PortfoliobyRepaymentPlan.xls](https://studentaid.gov/sites/default/files/fsawg/datacenter/library/DI_PortfoliobyRepaymentPlan.xls) (last accessed Feb. 17, 2021).

servicers adjusted the IDR payments back to the income information borrowers provided in 2019.

Federal student loan borrowers also continued to submit complaints about the Public Service Loan Forgiveness (PSLF) program in 2020. In their complaints to the Bureau, borrowers reported that their servicers were inaccurately calculating the number of qualifying payments and that requests for servicer review of qualifying payments were not timely addressed.

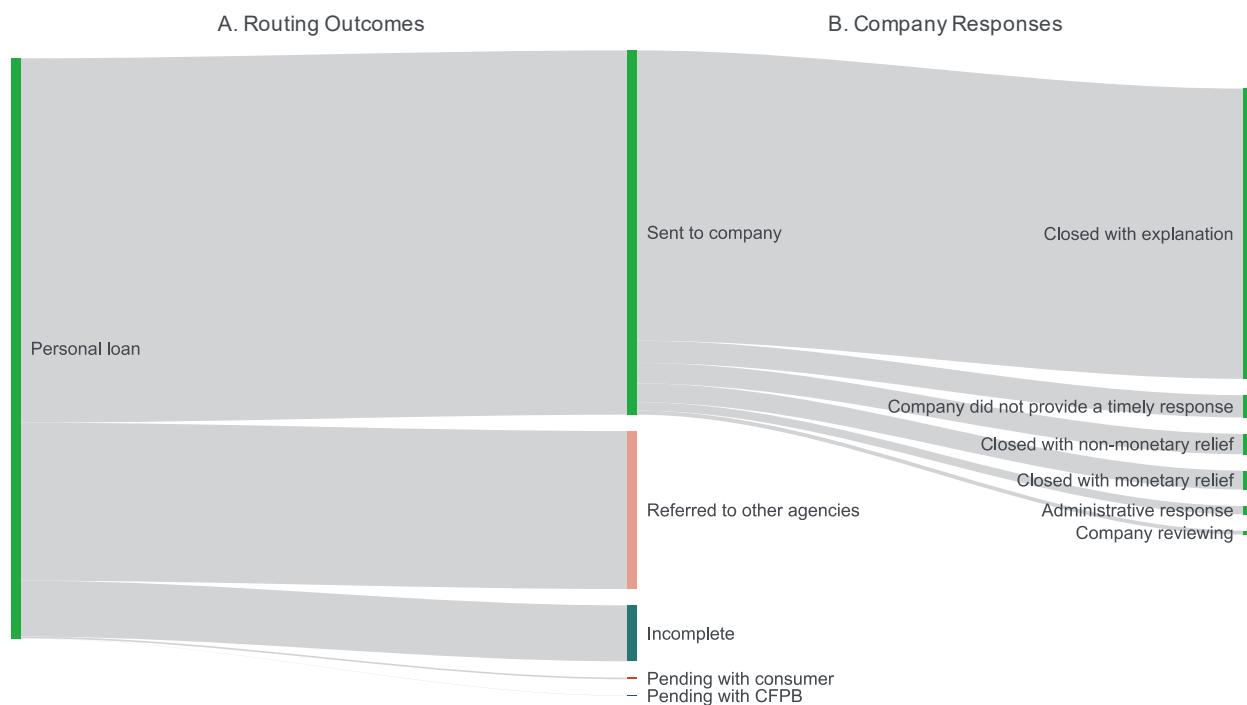
Although the CARES Act instructs servicers to treat suspended payments as qualifying payments for the purposes of PSLF, some borrowers reported their servicers had not accurately counted their suspended payments. Servicers responded by apologizing for the inconvenience and correcting the payment counts. Some recently unemployed student loan borrowers submitted complaints expressing concern that because they have been laid off from their public service employer, their suspended payments will not count towards their 120-payment requirement. In response to these complaints, student loan servicers stated that they will follow the guidance issued by ED.

## 4.10 Personal loans

The Bureau received approximately 4,700 personal loan complaints in 2020. The Bureau sent approximately 3,000 (or 63%) of these complaints to companies for review and response, referred approximately 1,300 (or 27%) to other regulatory agencies, and found 10% to be incomplete. As of February 1, 2021, 0.3% of personal loan complaints were pending with the consumer and 0.04% were pending with the Bureau (see Figure 61A, Routing Outcomes).

Companies responded to approximately 94% of personal loan complaints sent to them for review and response. Companies closed 80% of complaints with an explanation, 6% with non-monetary relief, and 5% with monetary relief. Companies provided an administrative response for 2% of complaints. As of February 1, 2021, 1% of complaints were pending review by the company. Companies did not provide a timely response for 6% of complaints (see Figure 61B, Company Responses).

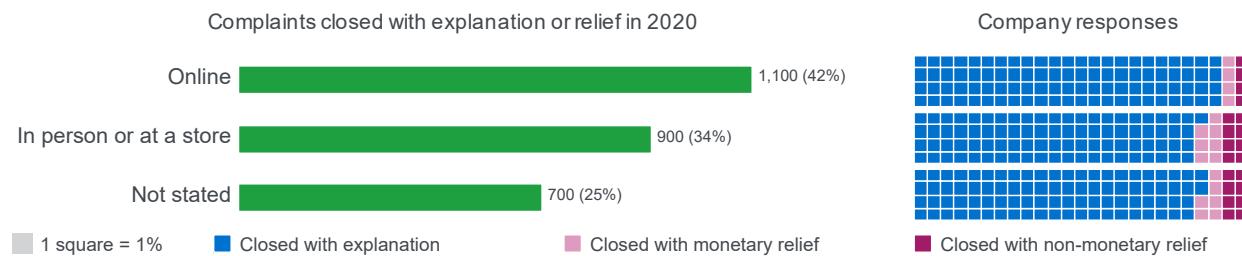
**FIGURE 61: PERSONAL LOAN COMPLAINTS BY OUTCOMES**



The remainder of this analysis focuses only on those personal loan complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 93% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

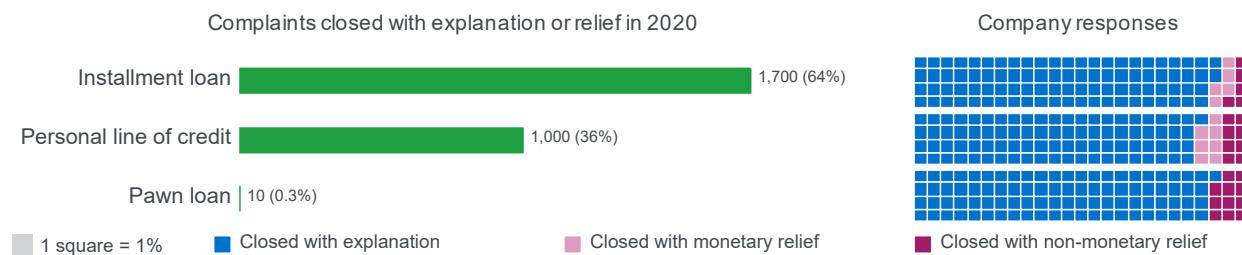
When submitting personal loan complaints, consumers specify whether they obtained the loan online or at a store (in person). In 2020, consumers complained about personal loans obtained online more than personal loans obtained at a store (see Figure 62).

**FIGURE 62: PERSONAL LOAN COMPLAINTS BY LOAN SOURCE AND OUTCOMES**



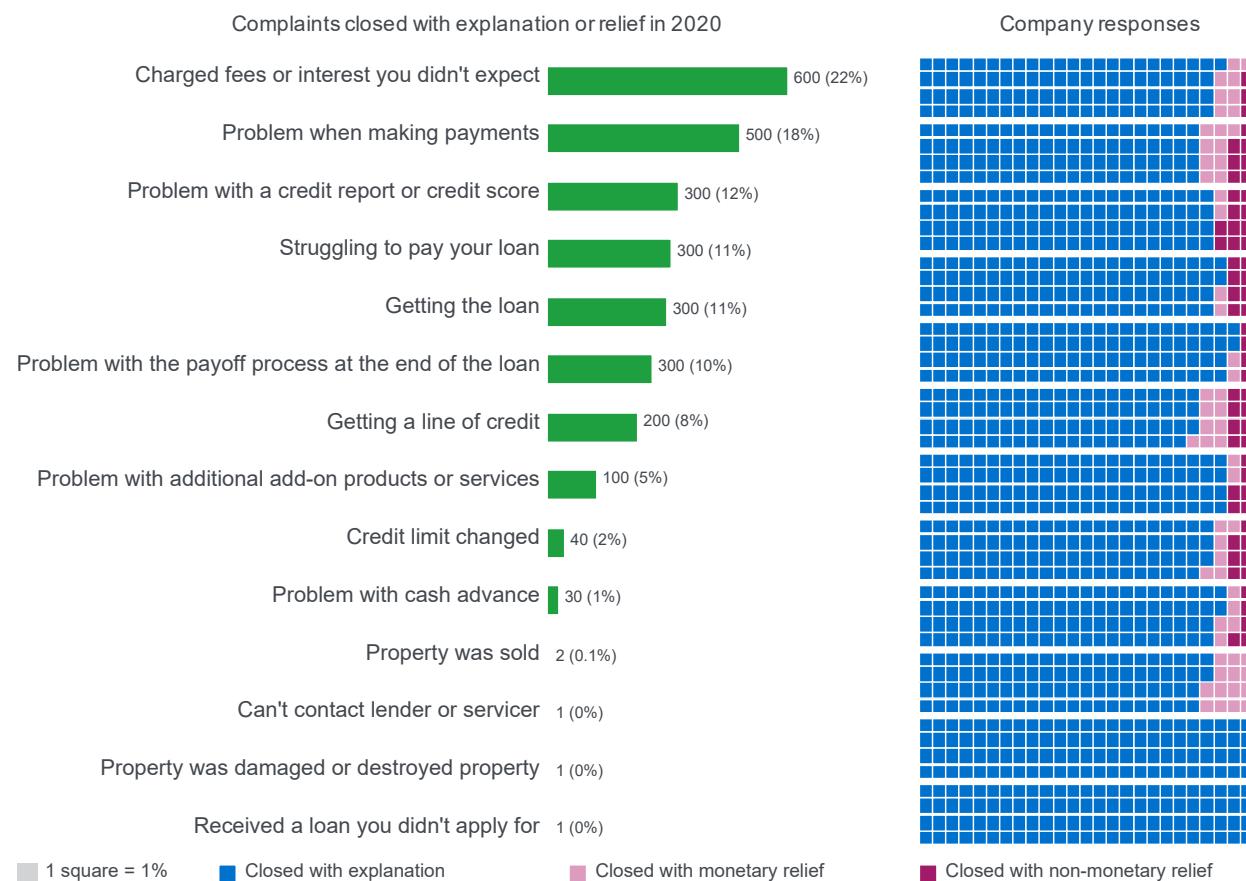
When submitting personal loan complaints, consumers specify the type of product. Options include: installment loan, personal line of credit, or pawn loan. In 2020, installment loans were the most complained about type of personal loan product (see Figure 63).

**FIGURE 63: PERSONAL LOAN COMPLAINTS BY TYPE AND OUTCOMES**



Consumers also identify the issue that best describes the problem they experienced. For personal loan complaints, options are: *can't contact lender or servicer; charged unexpected fee or interest; credit limit changed; getting the loan; getting a line of credit; problem with a credit report or score; problem with additional add-on product or services; problem with cash advance; problem with the payoff process at the end of the loan; problem when making payments; and, struggling to pay loan*. The most common issue was *charged fees or interest you didn't expect* (see Figure 64).

**FIGURE 64: PERSONAL LOAN COMPLAINTS BY ISSUES AND OUTCOMES**



Personal loan complaint volume remained relatively steady in 2020. The loan products consumers complained about varied and appeared to have been obtained for a range of purposes (e.g., unexpected expenses, debt consolidation, home improvement expenses, financing of other goods and services). Based on consumers' descriptions in their complaints, some lenders appear to be marketing new products aimed at assisting borrowers with financial problems they encounter as a result of the COVID-19 pandemic.

Complaints about being charged unexpected fees remains the most frequently reported issue in 2020. In these complaints, consumers often expressed surprise to find excessive amounts of fees and interest assessed on their loans, with some rates exceeding several hundred percent. Consumers often questioned the legitimacy of these interest rates, late fees, and additional finance charges assessed to their loan accounts, and accused companies of taking advantage of customers. Consumers stated lenders rejected requests for rate reductions, making it more difficult to reduce loan balances and payoff loans. In response to these complaints, companies typically referenced contractual agreements, which they stated clearly disclosed loan terms that were acknowledged and agreed to by consumers.

Consumers raised issues about how companies furnished loan information to credit reporting agencies. Consumers complained that although payments were made timely, loan companies reported erroneous delinquency and incorrect account statuses, which negatively affected their credit histories and credit scores. In response to these complaints, companies generally investigated the consumer disputes and reported that information was reported accurately.

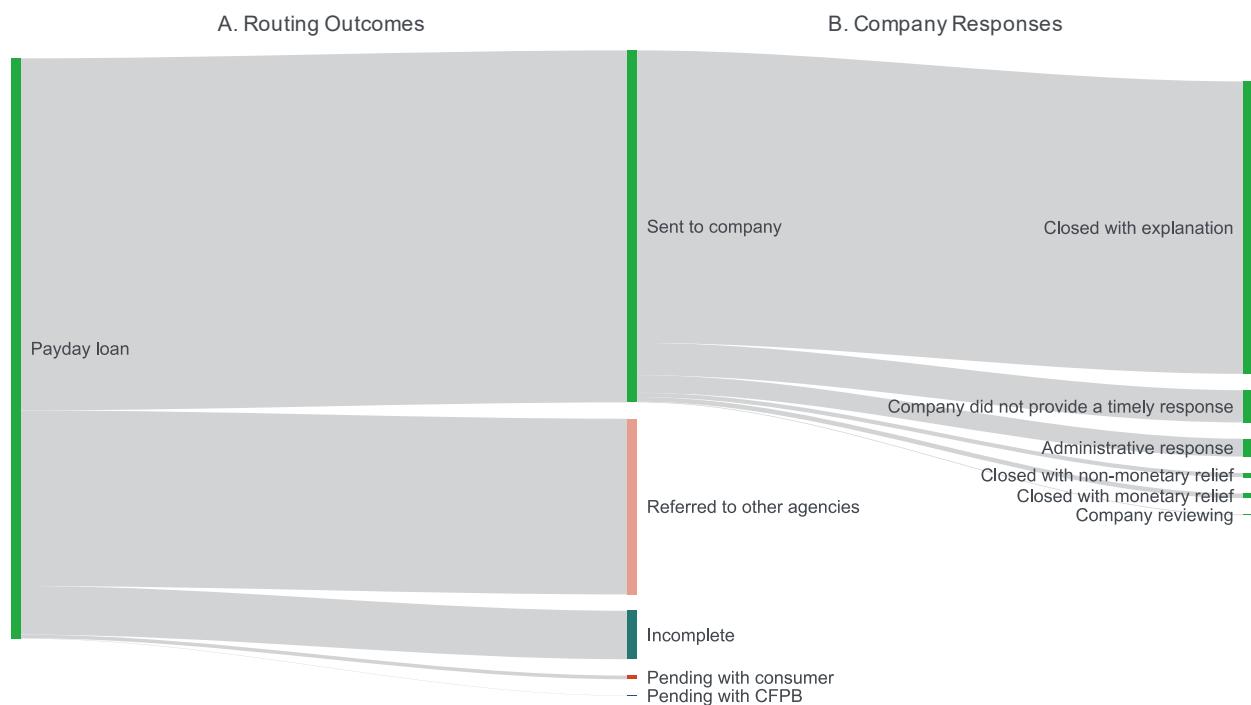
Notable in 2020, consumers reported difficulty in obtaining loans because of more stringent lending standards and due to recent unemployment. Consumers often questioned lender decisions to deny credit and some consumers stated lenders unfairly denied credit for prohibited or erroneous reasons. Consumers reported being denied for a failure to present identification or income verification, despite their statements that they provided those documents directly to the lender. Additionally, consumers expressed confusion about receiving pre-approved and pre-screened solicitations for loans and credit lines that were ultimately denied. In response, lenders generally provided information on the application received from the consumer along with any reasons for granting or denying the loan.

## 4.11 Payday loans

The Bureau received approximately 1,600 payday loan complaints in 2020. The Bureau sent approximately 1,000 (or 61%) of these complaints to companies for review and response, referred approximately 500 (or 30%) to other regulatory agencies, and found 8% to be incomplete. As of February 1, 2021, 0.6% of payday loan complaints were pending with the consumer and 0.06% were pending with the Bureau (see Figure 65A, Routing Outcome).

Companies responded to approximately 91% of payday loan complaints sent to them for review and response. Companies closed 83% of complaints with an explanation, 1% with monetary relief, and 1% with non-monetary relief. Companies provided an administrative response for 5% of complaints. As of February 1, 2021, 0.2% of complaints were pending review by the company. Companies did not provide a timely response for 9% of complaints (see Figure 65B, Company Responses).

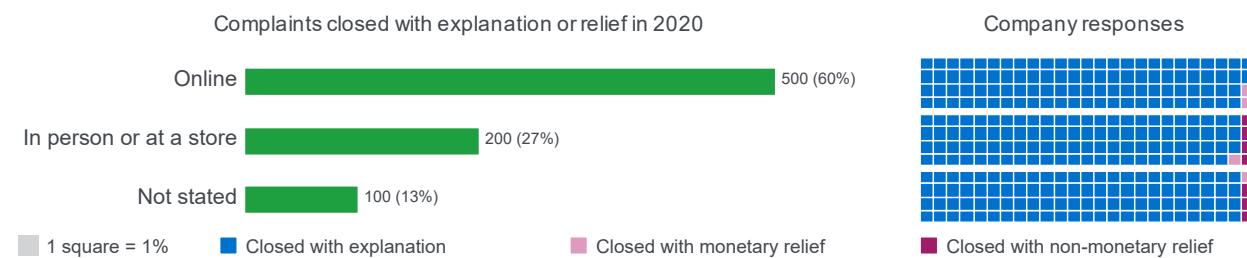
**FIGURE 65: PAYDAY LOAN COMPLAINTS BY OUTCOMES**



The remainder of this analysis focuses only on those payday loan complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 86% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

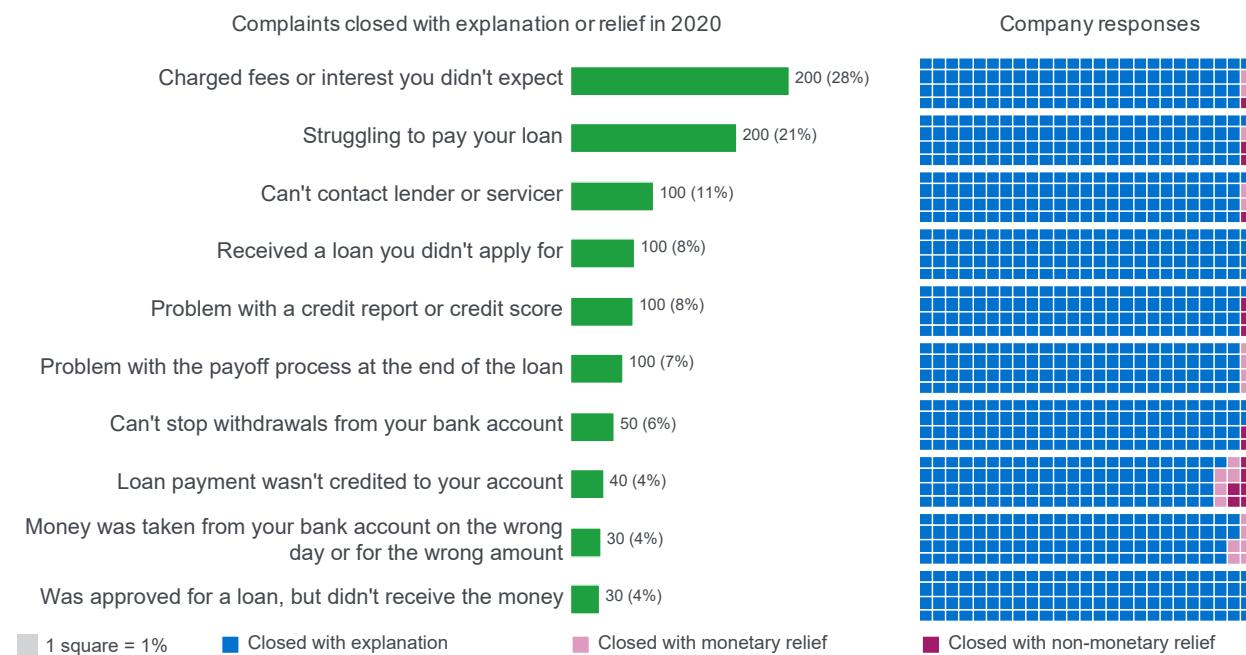
When submitting payday loan complaints, consumers specify whether they obtained the loan online or at a store (in person). In 2020, consumers complained about payday loans obtained online more than payday loans obtained at a store (see Figure 66).

**FIGURE 66: PAYDAY LOAN COMPLAINTS BY LOAN SOURCE AND OUTCOMES**



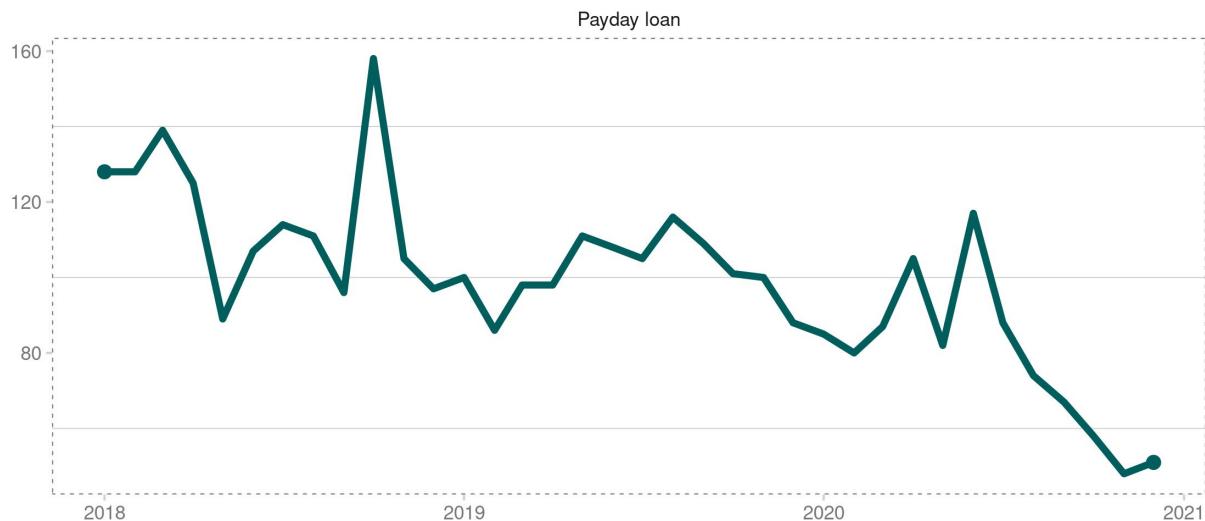
Consumers also identify the issue that best describes the problem they experienced. For payday loan complaints, options include: *cannot contact lender or servicer; cannot stop withdrawals from bank account; charged unexpected fees or interest; loan payment was not credited to account; money was taken from bank account on the wrong day or for the wrong amount; problem with a credit report or credit score; problem with the payoff process at the end of the loan; received a loan consumer did not apply for; struggling to pay loan; and, was approved for a loan, but didn't receive the money*. The most common issue was *charged fees or interest you didn't expect* (see Figure 67).

**FIGURE 67: PAYDAY LOAN COMPLAINTS BY ISSUES AND OUTCOMES**



Payday loan complaint volume decreased significantly in 2020. Companies responded, on average, to approximately 70 complaints per month (compared to approximately 90 in 2019 and 110 in 2018) (see Figure 68).

**FIGURE 68: MONTHLY COMPLAINT VOLUME FOR TYPE(S) OF PAYDAY LOAN COMPLAINTS THAT MAKE UP 80% OF OVERALL PRODUCT VOLUME**



Complaints about being charged unexpected fees remains the most frequently reported issue in 2020. In these complaints, consumers often expressed concern about the high interest rates or fees associated with their loan. Some indicated that the rates or fees were known in advance and they took the loan expecting to be able to repay it timely. Often these consumers stated that subsequent circumstances—such as the loss of employment, medical issues, or effects of COVID-19—prevented them from paying the loan in full and perpetuated the debt. Other consumers stated that the interest rate and fees were not disclosed until after the loan was obtained. Some expressed concern that the interest rates charged exceeded their state’s maximum rate for lending and questioned its legality.

Consumers sometimes requested help from lenders, such as forgiveness for the debt, waiving of a finance charge, or a settlement for less than the full amount owed. Some loans in this category do not appear to be single payment loans but rather small dollar loans with high interest rates and biweekly payments. Consumers with those types of loans expressed concern that most of the payment was applied to the interest.

Consumers complained about collection efforts made by companies. Concerns included frequent calls, contact with family and friends, and calls to the borrower’s employer. Consumers expressed concern that such contact could adversely affect them, and some characterized the contact as embarrassing or harassing. Many consumers sought additional time to pay, restructuring to more reasonable repayment amounts, or the cessation of collection efforts entirely.

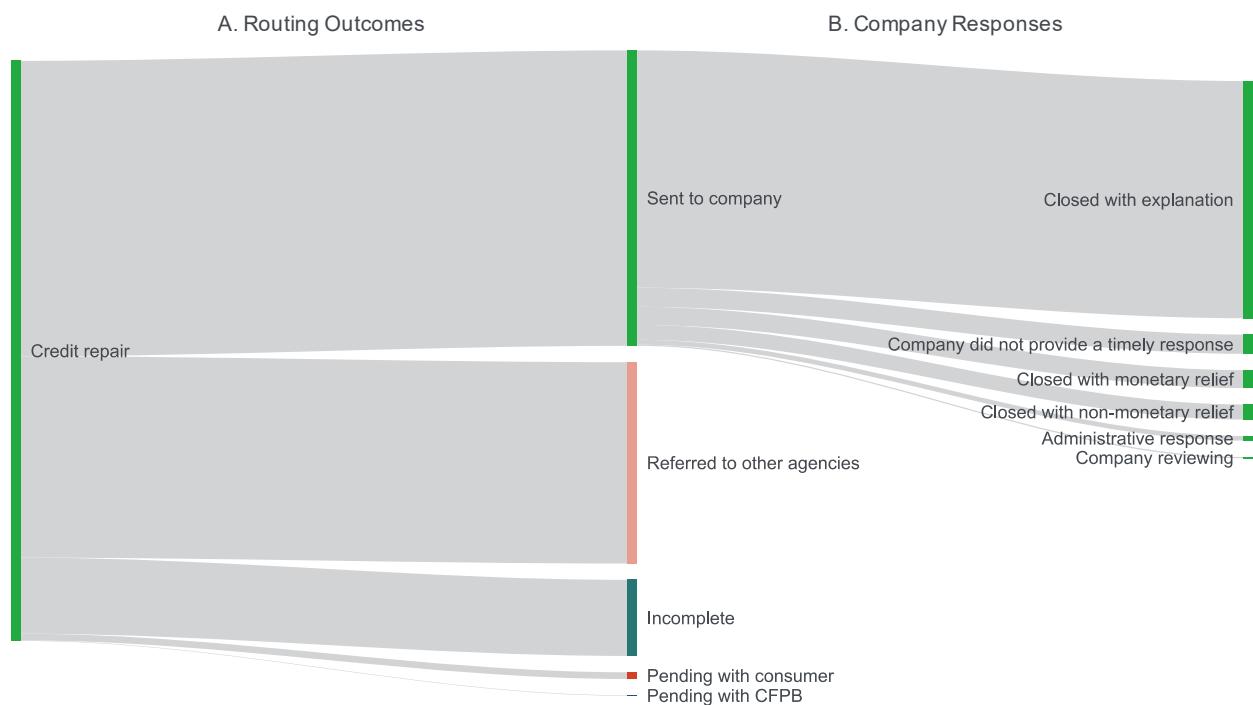
Consumers also submitted complaints about the difficulties they encountered when attempting to revoke previously authorized payments. Some consumers stated requests were not answered or acknowledged, requests were not implemented, or incorrect information was provided. Some consumers who revoked their Automated Clearing House (ACH) authorization complained that the company negotiated a check or used a debit card to obtain payment. Some consumers who made alternate payment arrangements or informed the company that they could not afford to pay did not realize that they needed to revoke their authorization formally.

## 4.12 Credit repair

The Bureau received approximately 1,000 credit repair complaints in 2020. The Bureau sent approximately 500 (or 51%) of these complaints to companies for review and response, referred approximately 350 (or 35%) to other regulatory agencies, and found approximately 130 (or 13%) to be incomplete. As of February 1, 2021, 1.1% of credit repair complaints were pending with the consumer and 0.1% were pending with the Bureau (see Figure 69A, Routing Outcomes).

Companies responded to approximately 94% of credit repair complaints sent to them for review and response. Companies closed 80% of complaints with an explanation, 6% with monetary relief, and 5% with non-monetary relief. Companies provided an administrative response for 2% of complaints. As of February 1, 2021, 0.4% of complaints were pending review by the company. Companies did not provide a timely response for 6% of complaints (see Figure 69B, Company Responses).

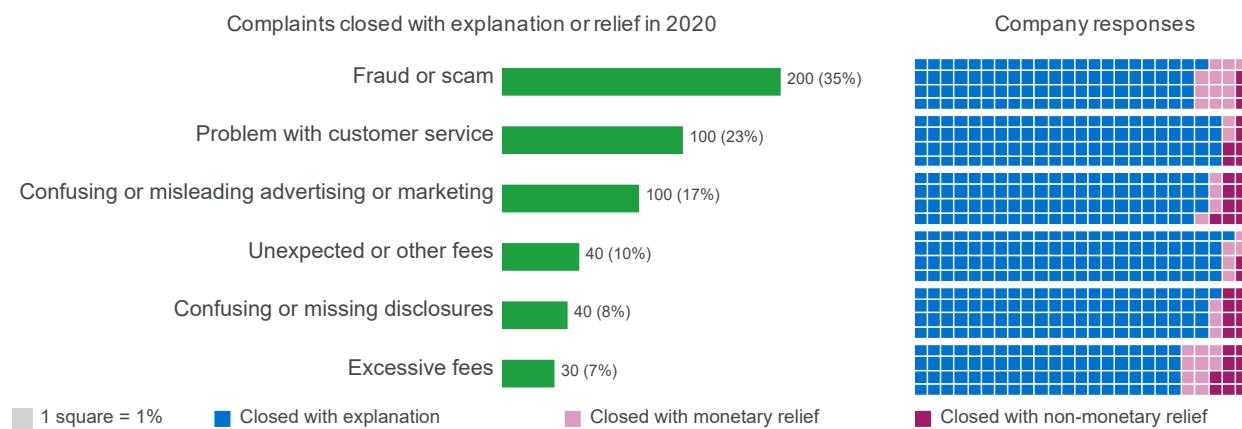
**FIGURE 69: CREDIT REPAIR COMPLAINTS BY OUTCOMES**



The remainder of this analysis focuses only on those credit repair complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 85% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

Consumers identify the issue that best describes the problem they experienced. For credit repair complaints, options include: *confusing or misleading advertising or marketing; confusing or missing disclosures; excessive fees; fraud or scam; problem with customer service; and, unexpected or other fees*. The most common issue was *fraud or scam* (see Figure 70).

**FIGURE 70: CREDIT REPAIR COMPLAINTS BY ISSUES AND OUTCOMES**



Consumers do not appear to readily distinguish between the large numbers of different products that purport to help them with their credit reports and scores. These services include traditional credit repair services, credit monitoring services, debt settlement services, and new products that are marketed towards improving consumers' credit scores (e.g., Experian Boost or UltraFICO). From complaints, many consumers appear to turn to these services after they learn about low credit scores or inaccurate items on their credit report. And across all of these products, consumers frequently mention a disconnect between how the product appeared in marketing materials and the results that they ultimately received after purchasing the product or service. Another common issue involves difficulty consumers encountered cancelling both credit monitoring and credit repair services. Frequently consumers complained that charges were made to their credit card or bank account after cancellation.

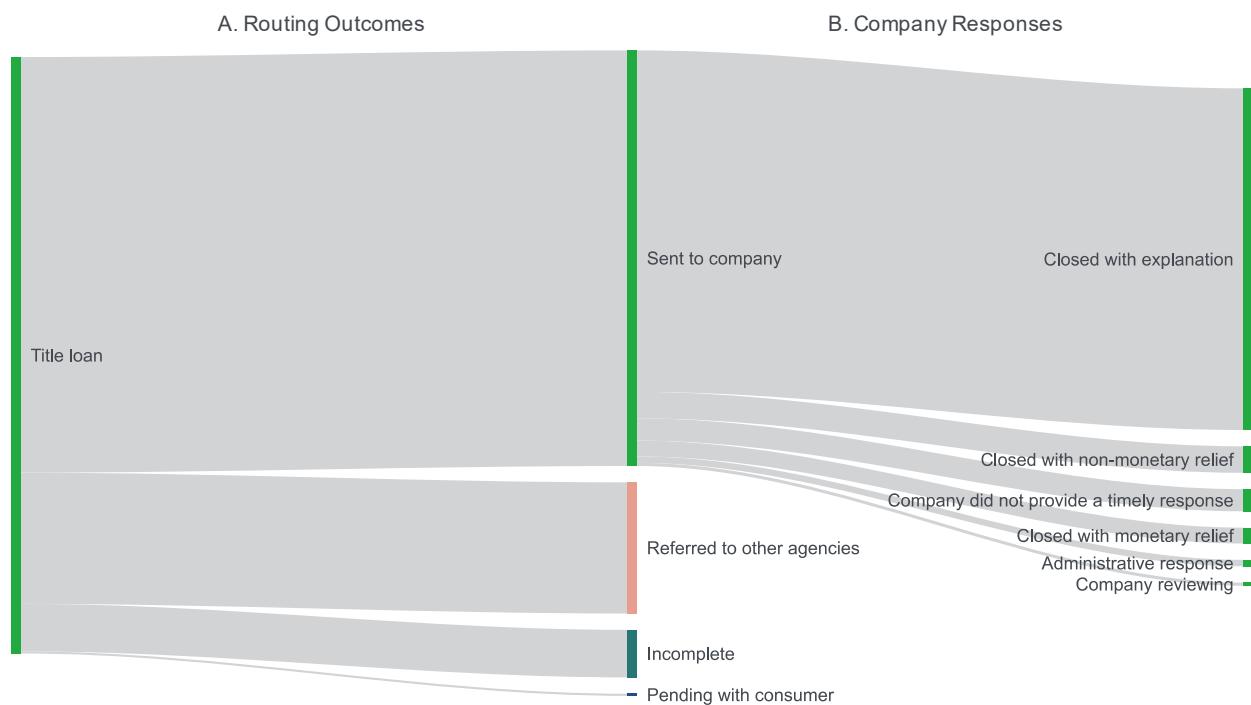
For complaints submitted about credit repair companies, consumers frequently claim that they did not receive promised benefits, that services were substandard, or that services were not provided. Consumers also raised issues about aggressive sales tactics and frequent telemarketing calls.

## 4.13 Title loans

The Bureau received approximately 600 title loan complaints in 2020. The Bureau sent approximately 390 (or 70%) of these complaints to companies for review and response, referred approximately 130 (or 22%) to other regulatory agencies, and found 8% to be incomplete. As of February 1, 2021, 0.4% of title loan complaints were pending with the consumer and 0% were pending with the Bureau (see Figure 71A, Routing Outcomes).

Companies responded to approximately 94% of title loan complaints sent to them for review and response. Companies closed 82% of complaints with an explanation, 6% with non-monetary relief, and 4% with monetary relief. Companies provided an administrative response for 2% of complaints. As of February 1, 2021, 0.8% of complaints were pending review by the company. Companies did not provide a timely response for 5% of complaints (see Figure 71B, Company Responses).

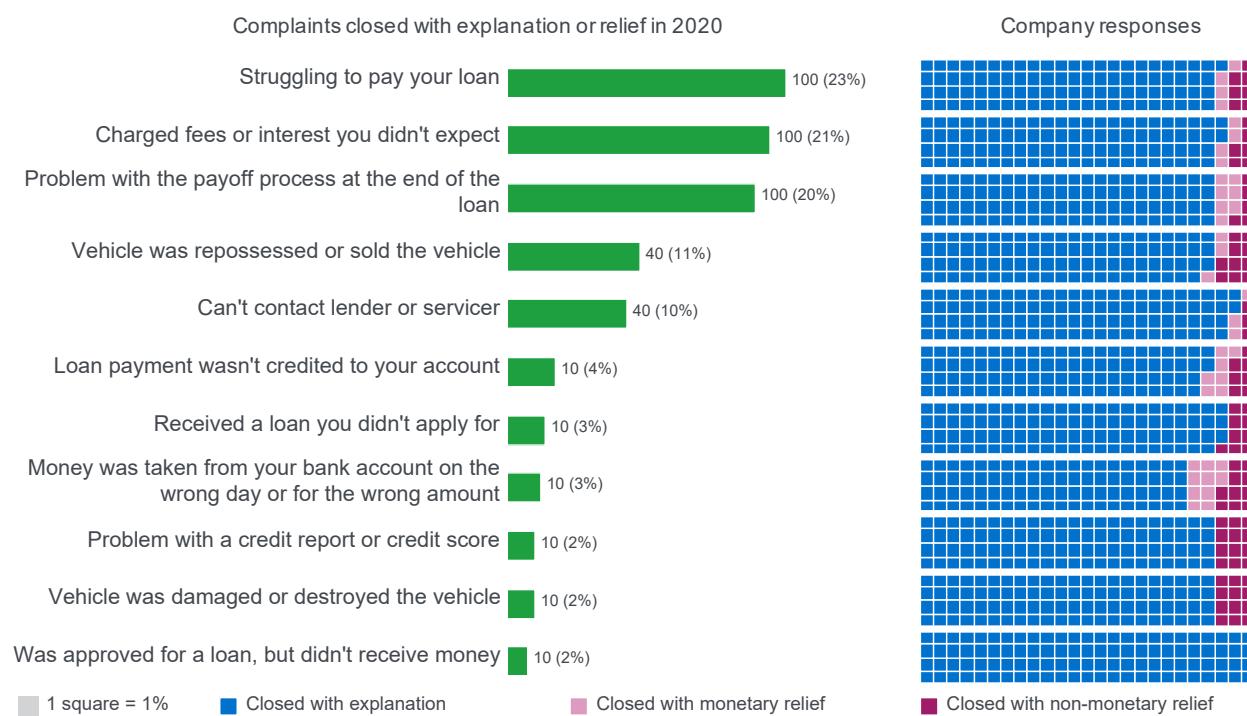
**FIGURE 71: TITLE LOAN COMPLAINTS BY OUTCOMES**



The remainder of this analysis focuses only on those title loan complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief). In 92% of these complaints, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

When submitting title loan complaints, consumers identify the issue that best describes the problem they experienced. For title loans, options include: *cannot contact lender or servicer; cannot stop withdrawals from bank account; charged unexpected fees or interest; loan payment was not credited to account; money was taken from bank account on the wrong day or for the wrong amount; problem with a credit or consumer report; problem with the payoff process at the end of the loan; received a loan consumer did not apply for; struggling to pay loan; vehicle was damaged or destroyed the vehicle; vehicle was repossessed or sold the vehicle; and, was approved for a loan, but did not receive money*. The most common issue was *struggling to pay your loan* (see Figure 72).

**FIGURE 72: TITLE LOAN COMPLAINTS BY ISSUES AND OUTCOMES**



Struggling to pay has been a common issue in title loan complaints for several years. In these complaints, consumers often describe being in difficult financial circumstances and turning to title loans to meet everyday expenses. This year, consumers described the increased economic difficulties caused by COVID-19. Some consumers reported proactively notifying their lenders of their inability to make payments. Despite these efforts, however, consumers described receiving multiple collection calls about past due loan payments and attempts to bring the account current. Other consumers reported being denied alternative repayment assistance. Some companies responded that temporary reduced payment plans were created and offered to consumers requesting assistance. They also stated that collection calls were discontinued after receiving consumers' requests.

In 2020, consumers continued to report submitting monthly payments on their title loans, but never making progress in decreasing the principal balance because of interest rates they described as excessive. These consumers claimed that lenders were taking advantage of their customers. Generally, companies stated that consumers agreed to the contractual terms disclosed and outlined in their contractual agreements. Some companies also explained that the consumers' loans were simple interest loans requiring timely monthly payments.

# 5. Conclusion

In 2020, Consumer Response continued to deliver on its statutory obligations while assessing complaints for accuracy, completeness, and timeliness. This work coincided with two unique challenges. The COVID-19 Pandemic not only impacted the financial marketplace, but also the Bureau and its staff, who adjusted their operations to meet the public's need. Meanwhile, Consumer Response recorded record complaint volume, averaging 45,200 complaints per month in 2020 compared to 29,300 per month in 2019. Complaints remain a valuable tool in understanding trends in the marketplace.

# Appendix

**TABLE 2:** TOTAL COMPLAINTS BY CONSUMER'S LOCATION AND PRODUCT IN 2020

Consumer's Location	Checking or savings	Credit card	Credit or consumer reporting	Credit repair	Debt collection	Money transfer or service, virtual currency	Mortgage	Payday loan	Personal loan	Prepaid card	Student loan	Title loan	Vehicle loan or lease	Grand Total
Alabama	279	306	9,166	16	1,376	141	256	26	90	141	71	10	119	12,001
Alaska	21	32	265	2	94	25	47	5	4	10	7	-	3	515
American Samoa	-	1	1	-	-	-	1	-	-	-	1	-	-	4
Arizona	650	740	3,629	21	1,603	241	698	30	98	146	112	29	239	8,240
Arkansas	137	173	6,848	2	667	65	126	1	25	105	27	7	68	8,254
California	3,999	5,249	36,727	141	9,688	1,542	4,502	139	626	1,039	634	101	1,098	65,532
Colorado	410	636	2,250	20	1,022	188	600	24	63	237	106	13	138	5,712
Connecticut	439	402	1,816	5	561	150	438	9	46	53	70	3	119	4,115
Delaware	145	193	1,325	4	449	66	140	18	19	26	16	1	48	2,452
District of Columbia	188	183	1,131	4	258	78	181	8	18	25	45	1	48	2,169
Federated Micronesia	-	-	-	-	-	1	-	-	-	-	-	-	-	1
Florida	2,603	3,398	46,069	84	7,971	928	2,845	107	405	413	379	37	1,004	66,290
Georgia	1,210	1,262	20,872	45	5,584	497	1,324	42	220	458	235	36	511	32,305
Guam	3	1	5	-	4	12	2	-	-	-	1	-	-	28
Hawaii	58	157	532	2	188	35	94	3	14	15	19	-	22	1,139
Idaho	63	91	389	3	186	25	107	9	17	18	14	4	27	954

Consumer's Location	Checking or savings	Credit card	Credit or consumer reporting	Credit repair	Debt collection	Money transfer or service, virtual currency	Mortgage	Payday loan	Personal loan	Prepaid card	Student loan	Title loan	Vehicle loan or lease	Grand Total
Illinois	1,356	1,253	10,046	35	2,426	455	904	58	150	207	205	15	286	17,408
Indiana	379	330	2,293	10	814	192	334	37	58	96	97	7	103	4,754
Iowa	110	126	558	4	293	39	115	14	14	51	44	3	38	1,413
Kansas	116	215	630	1	381	37	115	14	24	49	37	4	34	1,658
Kentucky	216	209	1,167	5	592	141	159	29	41	73	48	6	57	2,743
Louisiana	262	248	6,070	12	1,440	110	259	33	62	142	56	7	113	8,819
Maine	64	87	190	2	138	30	77	3	7	31	21	1	23	674
Maryland	757	837	6,671	21	1,745	332	1,049	42	125	142	167	9	230	12,133
Massachusetts	545	1,207	4,136	15	2,189	258	598	24	47	138	176	6	273	9,620
Michigan	607	793	4,815	20	1,719	315	592	35	102	190	142	11	203	9,550
Minnesota	306	456	1,805	16	766	102	304	15	61	75	97	8	95	4,108
Mississippi	160	154	2,765	4	516	85	100	13	49	96	33	6	53	4,035
Missouri	355	349	3,390	17	1,325	154	304	33	81	162	84	8	126	6,394
Montana	38	45	183	3	142	16	66	6	4	15	15	-	18	551
Nebraska	67	103	353	2	218	31	89	7	8	21	15	1	16	931
Nevada	403	473	4,696	17	1,276	163	351	19	61	160	63	9	130	7,830
New Hampshire	80	107	247	3	173	34	116	1	5	24	26	3	21	841
New Jersey	1,032	1,474	9,766	20	2,453	451	1,261	41	122	173	179	9	342	17,332
New Mexico	116	114	469	8	296	57	131	11	19	67	23	1	28	1,341
New York	2,323	3,163	21,915	53	4,538	795	1,500	25	213	331	382	20	504	35,781
North Carolina	744	867	9,049	25	2,219	347	887	53	139	133	160	13	293	14,933

Consumer's Location	Checking or savings	Credit card	Credit or consumer reporting	Credit repair	Debt collection	Money transfer or service, virtual currency	Mortgage	Payday loan	Personal loan	Prepaid card	Student loan	Title loan	Vehicle loan or lease	Grand Total
North Dakota	15	37	127	-	65	12	10	1	2	21	8	-	11	309
Northern Mariana Islands	-	-	-	-	1	-	-	-	-	-	-	-	-	1
Ohio	877	1,001	6,491	30	2,310	406	599	68	108	315	218	16	265	12,714
Oklahoma	136	206	1,012	7	714	68	200	21	46	142	34	1	83	2,672
Oregon	282	406	909	5	570	99	330	14	50	101	72	2	59	2,905
Pennsylvania	1,357	1,277	17,993	39	2,529	662	963	55	124	507	217	15	294	26,042
Puerto Rico	52	86	984	4	143	18	76	-	14	1	8	3	24	1,415
Rhode Island	90	95	433	-	238	37	100	6	13	17	23	-	24	1,077
South Carolina	327	380	5,820	11	1,364	126	408	30	79	83	91	13	168	8,905
South Dakota	36	35	111	-	78	13	30	1	9	12	10	-	11	346
Tennessee	425	444	9,334	10	1,506	146	410	48	123	181	106	13	164	12,912
Texas	1,942	2,495	36,813	89	10,665	802	1,981	192	416	479	431	51	823	57,195
U.S. Armed Forces - Americas	-	2	8	-	2	2	1	-	1	-	1	-	-	17
U.S. Armed Forces - Europe	5	11	44	-	28	4	10	-	1	2	4	-	-	109
U.S. Armed Forces - Middle East	1	-	2	-	1	2	-	-	-	-	-	-	-	6
U.S. Armed Forces - Pacific	2	8	14	-	21	2	6	-	1	-	4	-	5	63
United States Minor Outlying Islands	8	4	28	1	17	7	3	3	2	2	2	-	3	80
Unspecified	2,347	1,644	4,688	69	2,222	1,517	1,471	139	335	1,118	339	32	501	16,455
US Virgin Islands	4	3	72	-	5	2	3	-	-	-	2	-	1	92
Utah	105	213	2,375	4	476	64	180	10	35	34	32	3	51	3,582

Consumer's Location	Checking or savings	Credit card	Credit or consumer reporting	Credit repair	Debt collection	Money transfer or service, virtual currency	Mortgage	Payday loan	Personal loan	Prepaid card	Student loan	Title loan	Vehicle loan or lease	Grand Total
Vermont	48	60	71	3	51	12	43	1	5	7	6	-	6	314
Virginia	770	922	5,475	17	2,145	348	894	53	155	178	171	14	287	11,441
Washington	588	662	2,565	17	1,284	212	620	34	94	139	135	9	127	6,488
West Virginia	73	83	240	3	146	32	55	5	12	37	19	1	18	725
Wisconsin	254	371	1,361	15	741	103	305	20	60	81	83	2	97	3,499
Wyoming	29	27	134	2	99	10	19	3	4	9	5	-	6	347
<b>Grand Total<sup>50</sup></b>	<b>30,014</b>	<b>35,906</b>	<b>319,343</b>	<b>968</b>	<b>82,731</b>	<b>12,844</b>	<b>29,389</b>	<b>1,638</b>	<b>4,726</b>	<b>8,528</b>	<b>5,828</b>	<b>564</b>	<b>9,458</b>	<b>542,271</b>

<sup>50</sup> Total column includes approximately 300 complaints where no specific consumer financial product was selected by consumers.