

CONSUMER FINANCIAL PROTECTION BUREAU | JULY 2020

# Complaint Bulletin

Complaints mentioning coronavirus keywords



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# 1. Introduction

Consumer complaints and company responses provide the Bureau with near real-time information about the types of challenges consumers are experiencing with financial products and services and how companies are responding to their customers' concerns.

The Bureau uses a variety of approaches to identify trends and possible consumer harm in complaints. Examples include:

- 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 secure Government Portal.

This Complaint Bulletin reflects complaint data as of June 15, 2020.<sup>1</sup> For this issue, complaints mentioning coronavirus are complaints that include certain keywords, such as COVID, coronavirus, pandemic, CARES Act, and stimulus (see Section 2). This issue also highlights changes in overall complaint volume before and after the declaration of the national emergency (see Section 3) and includes observations based on a systematic review of complaints that mention coronavirus keywords (see Section 4).

A subset of these complaints is available in the [Consumer Complaint Database](#). The Consumer Complaint Database is a collection of complaints about consumer financial products and services that we sent to companies for response. Complaints are published after the company responds, confirming a commercial relationship with the consumer, or after 15 days, whichever comes first. Complaints referred to other regulators, such as complaints about depository

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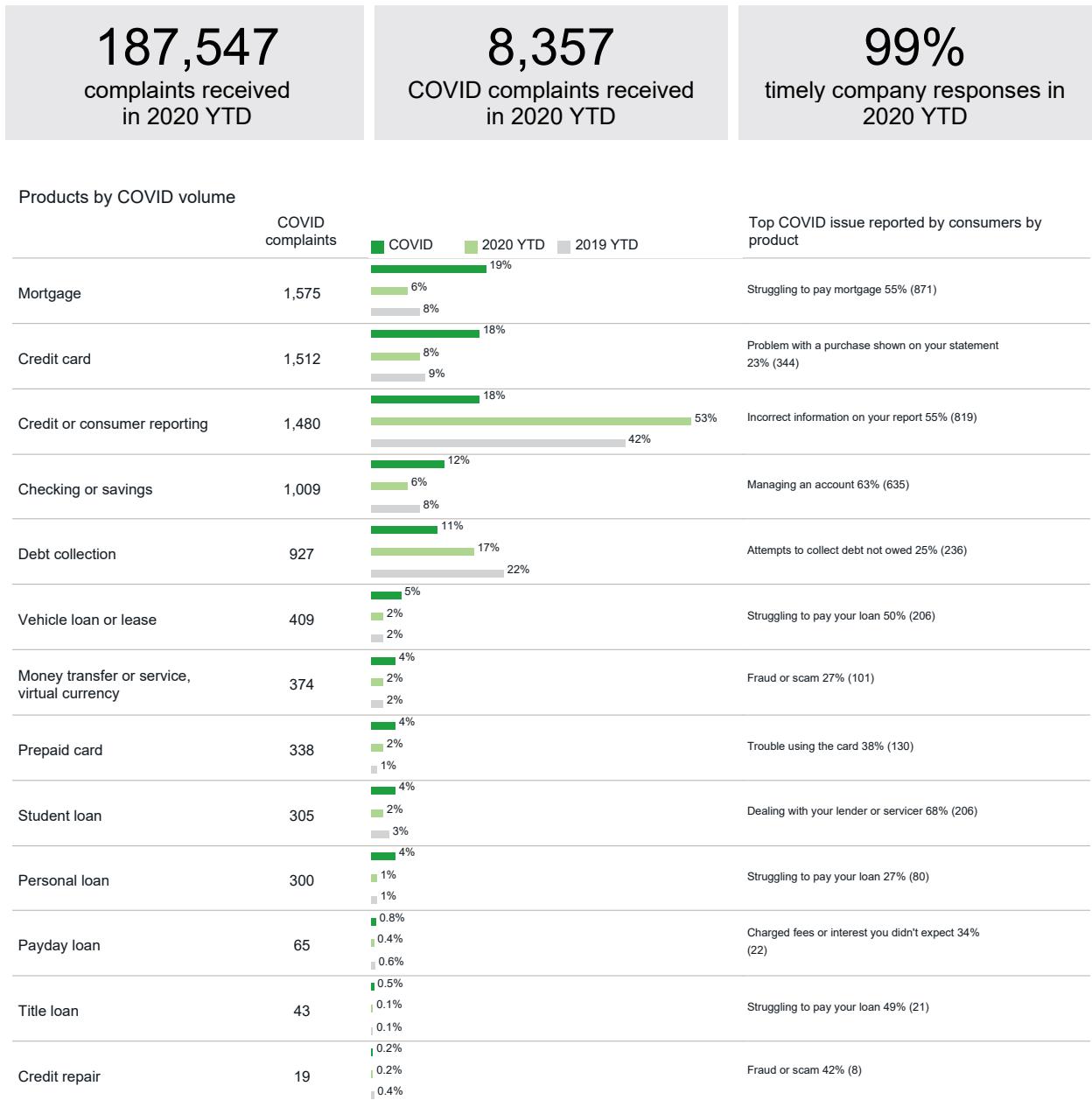
<sup>1</sup> This report is based on dynamic data and may differ from other public reports.

institutions with less than \$10 billion in assets, are not published in the Consumer Complaint Database. Narratives from complaints are published if the consumer opts to share it publicly and after the Bureau takes steps to remove personal information.

To view complaints at a state-level, visit the Consumer Complaint Database. Users can filter and sort complaints. Users can also search published complaint narratives for key words of interest.

## 2. Complaints mentioning coronavirus keywords

FIGURE 1: COMPLAINTS MENTIONING CORONAVIRUS KEYWORDS, JAN. 1, 2020 TO MAY 31, 2020.

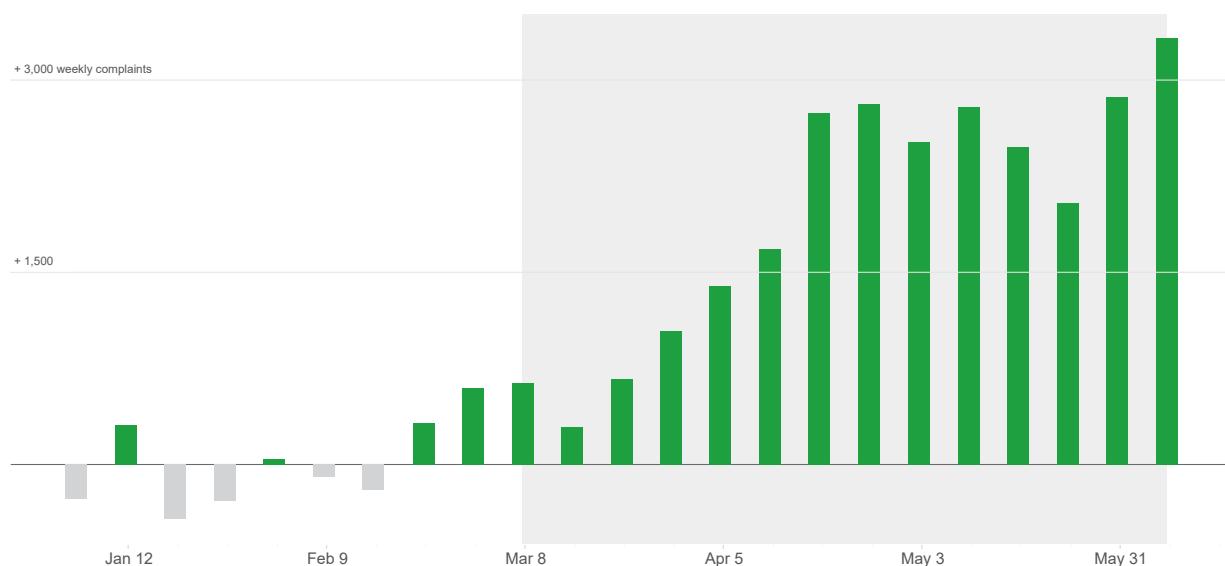


- Consumers have submitted approximately 187,000 complaints to the Bureau in 2020, including more than 8,000 complaints that include coronavirus keywords.
- In April and May 2020, the Bureau’s Office of Consumer Response received approximately 42,400 and 44,100 complaints, respectively.
- Servicemembers submitted approximately 1,000 complaints mentioning coronavirus keywords from March through May 2020: 10% of complaints submitted by servicemembers were COVID related compared to 6% of non-servicemembers. The term *Servicemembers* refers to self-identified servicemembers, veterans, and military families.
- Older consumers submitted approximately 300 complaints mentioning coronavirus keywords from March through May 2020: 10% of complaints submitted by older consumers were COVID related compared to 7% of non-older consumers. The term *Older consumers* refers to consumers who voluntarily reported their age as 62 years or older.
- In March and April 2020, complaints mentioning coronavirus keywords were most often submitted about mortgages and credit cards. This differed from complaints overall, which were most often about credit or consumer reporting and debt collection.
- In May 2020, the Bureau received more complaints mentioning coronavirus keywords about credit or consumer reporting than about any other consumer financial product or service.
- From March through May 2020, mortgage, credit card, and credit or consumer reporting complaints top the list for complaints that mention coronavirus keywords, with 19%, 18%, and 18% of complaints, respectively.
- Among mortgage complaints that mention coronavirus keywords, 55% of consumers identified struggling to pay the mortgage as their primary issue.
- Among credit card complaints that mention coronavirus keywords, 23% of consumers identified a problem with a purchase shown on their statement as their primary issue.
- Among credit or consumer reporting complaints that mention coronavirus keywords, 55% of consumers identified incorrect information on their report as their primary issue.

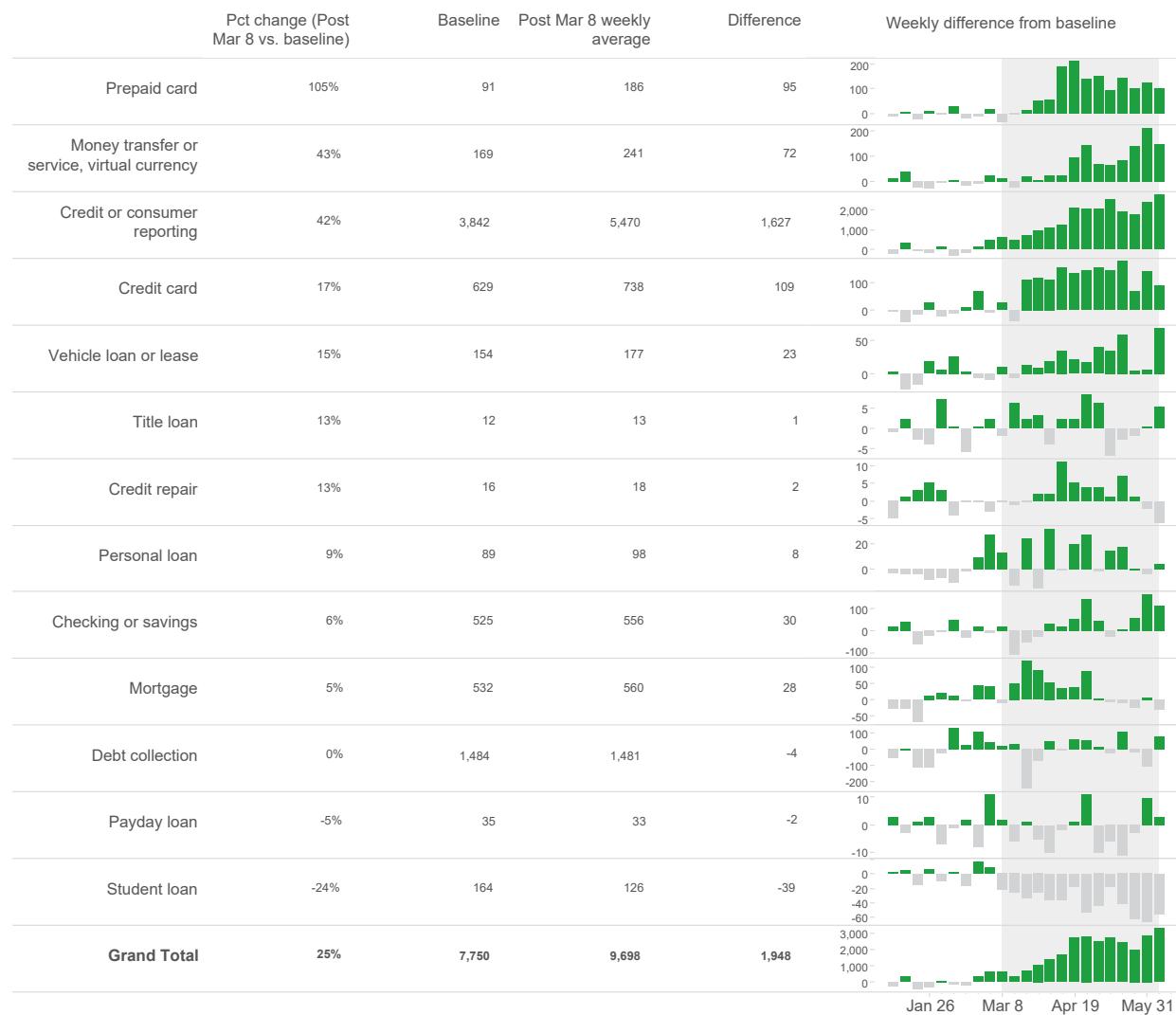
### 3. Complaint volume changes

The President declared a national emergency the week of March 8, 2020. Prior to that declaration, from January 5 to March 7, 2020, the Bureau received an average of 7,750 complaints per week. For the remainder of this report, we use that weekly average as a baseline. Figures 2 and 3 plot differences in weekly complaint volume from this baseline for all complaints received.

**FIGURE 2:** WEEKLY DIFFERENCE FROM BASELINE, JAN. 5, 2020 TO JUNE 13, 2020.



**FIGURE 3: PRODUCTS BY AVERAGE WEEKLY PERCENT CHANGE, JAN. 5, 2020 TO JUNE 13, 2020.<sup>2</sup>**



- Comparing the weekly average complaint volume before and after the emergency declaration, shows that prepaid card complaints saw the greatest percent increase and student loan complaints saw the greatest percent decrease. Some of these changes may be explained, in part, by recent changes in market conditions, such as increased unemployment and the implementation of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

<sup>2</sup> This figure does not display complaints where no specific consumer financial product was selected by consumers; however, those complaints are included in the “Grand Total.”

- Before and after the emergency declaration, consumers submitted more complaints about credit or consumer reporting each week on average than any other product.

# 4. Complaint Analysis Highlights

The following observations are the result of a systematic review of the approximately 8,000 complaints that mention coronavirus keywords, using topic modeling, text analytics, and individual complaint and company response review, for example. Many of the observations from the last Complaint Bulletin remain relevant and are some of the most common issues consumers described in the complaints submitted to the Bureau.<sup>3</sup> For example, consumers continued to describe:

- contacting their loan servicers and creditors to discuss alternative payment options;
- being unable to reach customer service representatives to talk with companies about their issue;
- issues accessing their unemployment benefits, such as problems with withdrawing funds from their cards and problems with lost prepaid cards that they no longer had in their possession; and
- concerns about credit reporting and continued attempts to collect a debt.

While consumers' complaints submitted to the Bureau mentioning coronavirus keywords spanned the range of consumer financial products and services, the systematic review also noted additional product-specific issues in consumers' more recent complaints. The following observations are based on a review of consumers' complaints and companies' responses. These observations reflect the breadth of issues consumers described experiencing during the national emergency in their complaints, though consumers described these issues less frequently than the persistent issues highlighted above. Complaints and the issues described should be considered in the broader market context.

- **Consumers submitted complaints about deferment programs being offered by credit card issuers.** Some consumers who are taking advantage of these options reported that issuers are not implementing the terms of these options as advertised (e.g., interest is not being waived as advertised) or expressed confusion because account statements do not reflect enrollment in these options. In response to these complaints, some companies explained that they updated relevant systems to recognize new workout options, while others assured the consumer that they are enrolled in a deferment program but monthly statements will continue to show a balance due.

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<sup>3</sup> See Consumer Fin. Prot. Bureau, Complaint Bulletin: Complaints mentioning coronavirus keywords (May 2020), available at [https://files.consumerfinance.gov/f/documents/cfpb\\_complaint-bulletin\\_coronavirus-complaints.pdf](https://files.consumerfinance.gov/f/documents/cfpb_complaint-bulletin_coronavirus-complaints.pdf).

- **Consumers reported that some mortgage servicers are providing information that conflicts with guidance regarding lump sum payments.** Consumers who reported having a federally backed mortgage described receiving information from their servicers that after the expiration of the forbearance period, a lump sum payment would be due on the mortgage loan account. Some consumers reported that their servicer told them that options other than a lump sum repayment were not available. In response to these complaints, some companies stated that they would work with the consumer when the forbearance period ended.
- **Consumers reported significant drops in their credit scores because of how their student loan was reported.** Many of these consumers learned of the drop in their score after receiving an alert from their credit monitoring service. In response to these complaints, the servicer acknowledged the error and informed consumers that it was working with the nationwide consumer reporting agencies to ensure the accuracy of the information it reported.
- **Consumers increasingly discussed stimulus funds following the first disbursement of Economic Impact Payments in mid-April.** Consumers raised a variety of issues related to these payments in their checking or savings complaints. Some of these consumers reported that financial institutions were placing holds on deposited funds when these payments were deposited into overdrawn accounts. In response to these complaints, some companies informed consumers that they advanced an amount equal to the negative balance, so the consumer could use the entire stimulus amount. When funds were deposited into closed accounts, some consumers reported that their account was reopened to accept the stimulus payment.
- **Consumers expressed confusion about being charged overdraft fees when banks made public statements that these fees would be waived.** In response to the pandemic, a number of banks have made public statements about their willingness to waive overdraft fees. To take advantage of this fee waiver, consumers reported having to proactively contact the company. In response to these complaints, companies stated that this benefit was offered on a case-by-case basis and often refunded the fees to the consumer.
- **Consumers reported that some short-term, small dollar loan (e.g., payday, title) companies appear to be using aggressive collection tactics to collect debts.** These tactics included frequent and repeated calls, calls to third parties, and threats of litigation.

- **Some student loan borrowers expressed concern about the 120-payment requirement under the Public Service Loan Forgiveness (PSLF) program.** The CARES Act provides automatic suspension of principal and interest payments on federally held student loans through September 30, 2020. These suspended payments count towards any student loan forgiveness program, as long as all other requirements of the loan forgiveness program are met.<sup>4</sup> Some recently unemployed student loan borrowers submitted complaints to the Bureau, 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 the federal government.

Consumer Response continues to analyze complaints and to assess the accuracy, completeness, and timeliness of companies' responses, and to ensure that the Bureau and other regulators have useful information about consumer complaints concerning financial products and services.

For information about complaints and how the complaint process works, visit consumerfinance.gov or read the Consumer Response Annual Report to Congress, available at <https://www.consumerfinance.gov/data-research/research-reports/2019-consumer-response-annual-report/>.

Consumers can find information and resources to protect and manage their finances during the coronavirus pandemic at <https://www.consumerfinance.gov/coronavirus/>.

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<sup>4</sup> See Consumer Fin. Prot. Bureau, Information for student loan borrowers, *available at https://www.consumerfinance.gov/coronavirus/student-loans/*. See also Consumer Fin. Prot. Bureau, What is Public Service Loan Forgiveness? (Aug. 2017), *available at https://www.consumerfinance.gov/ask-cfpb/what-is-public-service-loan-forgiveness-en-641/* ("The PSLF Program forgives the remaining balance on your federal Direct Loans after you make 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying public service employer.").