



## News From the FAMP Government Affairs Committee

### What the CFPB's 'Nightmare' Complaints Database Turned Up in 2013

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One of the biggest arguments bankers have with the Consumer Financial Protection Bureau is its collection - and publication - of consumer complaints.

Bankers maintain that it's not fair to publish unverified accusations about specific institutions. But in her recently published memoir, Sen. Elizabeth Warren, who made a political career out of her efforts to create the agency, spends considerable time emphasizing why the consumer complaint database was a vital part of its mission.

During the early days of the CFPB, she tried to devise a system in which complaints didn't go unnoticed by the government. The difficulty, she says, is that "no one has the resources to conduct an investigation every time a consumer has a problem."

Accepting complaints online and then publishing them, along with information about the response time of the banks involved and whether the complaint was successfully resolved, puts the onus to respond quickly on the banks themselves. "A lot of people thought the idea was nuts," Warren writes. "After all, the big banks would hate this. It would be their worst nightmare come to life: we'd be taking their dirty laundry and airing it in public."

The Massachusetts Democrat says the idea became a driving force behind the CFPB's work, allowing it go where the complaints demonstrate it should go. "Which lenders and which products were generating the most complaints?" she asks. "The American people would tell us directly. They could be our eyes and ears, and we could focus our resources wherever their complaints led us."

The CFPB began publishing complaints from credit card customers in July 2012. By the end of 2013, the agency had amassed 177,000 complaints against 1,500 companies across eight types of products, according to data from Beyond the Arc. Last year, the data triggered investigations that led to 13 enforcement actions requiring roughly \$2.7 billion in fines and restitution to be paid.