

PUBLICATION

Will the CFPB Consumer Complaint Database Survive? Stakeholders Weigh In

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The CFPB's acting director Mick Mulvaney made headlines a few months ago when he told the audience at an American Bankers Association meeting that he does not believe Dodd-Frank mandates making the database of consumer complaints publicly available. The CFPB does not have to run a "Yelp for financial services" sponsored by the federal government, Mulvaney argued.

The Dodd-Frank Wall Street Reform and Consumer Protection Act created the Bureau and required it to establish a database to collect and monitor complaints regarding consumer financial products and services. While Dodd-Frank does not specifically state that the complaints must be made public, former CFPB director Richard Cordray took the position that the database should be publicly available. Since 2011, more than **one million complaints** have been submitted.

When a customer complains to the CFPB, the Bureau sends the complaint to the financial institution in question for a response. If there is no response within 15 days, the CFPB publishes the complaint as-is. If there is a timely response, the CFPB publishes both the complaint and the response. According to the Bureau, **97 percent of complaints receive timely responses.**

In April, the Bureau initiated a **public comment period**, requesting input on potential changes to the consumer complaint and inquiry handling processes. Among the questions asked were whether and what data should remain public and how the Bureau can meet its "objective of reducing unwarranted regulatory burden on companies." The comment period closed on July 16.

Not surprisingly, the comments submitted reflect diverse views. For example, the State Attorneys General of New York and 14 other states **endorsed** continued public access to the database, praising the database as representing an "admirable commitment to transparency that benefits all Americans." In contrast, the American Bankers Association criticized the fact that the database has "introduced unreliable, misleading, and potentially false information into the market," noting that Dodd-Frank did not authorize publishing individual complaints. The Credit Union National Association (CUNA) **urged the CFPB to revisit how its intake system works**, asking the CFPB to consider reforms such as taking steps to verify complaint information for accuracy prior to disclosure.

Advocates for the Bureau's consumer complaint database have long argued that it is a helpful resource for consumers and that its public nature is essential to encourage banks to respond quickly and resolve customer complaints. Critics have charged that the database includes unverified complaints, mistakes, and duplicative information.

Proponents for the public database are preparing for its possible removal from public view. A former attorney general of Ohio, Marc Dann, has downloaded and currently displays a copy of the entire CFPB database on his **law firm's website**. He has threatened to sue the Bureau if it shuts off public access to the complaint database.

The Bureau's inspector general has recently also raised questions about whether the consumer complaint database has sufficient identity and access management controls. On June 27, 2018, the inspector general released the [results](#) of its testing of security controls for the Mosaic system, which houses the consumer complaint database. The inspector general found that "the Bureau can strengthen controls in the area of identity and access management to ensure that the security control environment for Mosaic remains effective." The Bureau did not dispute that finding, noting it is already taking steps to strengthen security controls. The full report of the test results is not publicly available.

All of these questions come at a time when the Bureau's leadership is in flux. Kathy Kraninger, a program associate at the Office of Management and Budget, was nominated on June 20 to serve as the next director of the Bureau. If she is confirmed, Kraninger is expected to continue director Mulvaney's scaling back of the CFPB's enforcement and regulatory efforts, particularly given her ties to Mulvaney. In the meantime, acting deputy director Leandra English, who had filed a lawsuit challenging Mulvaney's appointment, resigned on July 9. That same day, Mulvaney appointed Brian Johnson, one of his senior advisors, to take on the second leadership role at the Bureau.

So long as the database still exists in its current form, it is a good practice for any financial institution to periodically review the complaints and corresponding aggregated data attributed to them. Doing so can be a cost-effective way to monitor for any trends in complaints for any product area, service, or geographic region. If you have any questions about the database or responding to a specific consumer complaint, please contact a member of our [Financial Services Litigation and Compliance](#) Team.