

www.consumer-action.org

PO Box 70037
Washington, DC 20024
202-544-3088

221 Main St, Suite 480
San Francisco, CA 94105
415-777-9648

523 W. Sixth St., Suite 1105
Los Angeles, CA 90014
213-624-4631

Director Richard Cordray
Bureau of Consumer Financial Protection
1700 G St. N.W. Washington, D.C. 20552

RE: CFPB Consumer Complaint Narrative comments
Docket Number: CFPB-2014-0016

September 19, 2014

Dear Director Cordray:

Consumer Action¹ writes to unreservedly support the Consumer Financial Protection Bureau (CFPB) proposal to include complaint narratives in the public database.

Making complaint narratives publicly available—with consumer consent—will allow members of the public to learn from each other's first-hand experiences in the financial marketplace. This tool will help people identify problems and steer clear of businesses that do not respond to or resolve customer complaints.

Disclosing complaint details in the CFPB public database:

- Empowers consumers with timely, valuable information pre-purchase to prevent problems and reward companies that respect their customers
- Empowers consumers post-purchase to report unreasonable, unfair or deceptive practices and alert others in advance of problems
- Allows others to assist the Bureau in detecting destructive patterns before they do extensive damage (as was the case during the foreclosure crisis)

Consumers also value the ability to access complaint resolutions. Information as to how a complaint was—or wasn't—resolved can help shape others' perceptions of a company. Companies that resolve matters swiftly and successfully may benefit financially and come to view the public database as a useful tool to help a business improve its public image and reputation.

¹ Consumer Action (www.consumer-action.org) has been a champion of underrepresented consumers since

Consumer Consent

We endorse the Bureau's proposal to allow consumers to decide whether or not to disclose their complaint details in a public database through an opt-in policy. The consent option should be made available before a consumer submits a complaint, as this is when the details are freshest in the consumer's mind. We would agree that consumers should be given the opportunity to change their minds and return a complaint to a private setting. We also support the Bureau's proposal to publish a company's response to a complaint alongside the original dispute.

Data Analysis

We find great irony in hearing various industry representatives at the FTC's recent Big Data conference tout the benefits and promise of data collection and analysis—particularly in identifying trends—in the fields of health care, education and lending. However, it seems that industry can only imagine the benefits of Big Data when corporations are responsible for analyzing the data. As soon as there is a proposal for consumers to be the (complaint) data analysts, fear, mistrust and allegations of unfairness set in. If data analysis tools hold such promise in industry's hands, then the same conclusions must apply to consumers. We are confident that consumers can distinguish between unreasonable allegations and legitimate complaints.

Protecting Personal Information

While releasing complaint details is not without risk, we believe the precautions that the Bureau has proposed will reasonably protect people's personal information. We support the CFPB's plan to:

1. Require informed consumer consent to disclose complaint details;
2. Use search algorithms to search complaint data for personally identifiable information (PII) to reduce the possibility of accidental identification; and
3. Use human inspectors to further scrub each complaint.

We share your deep commitment to safeguarding personal consumer information. As you consider the challenges of data disclosure, we ask that you remember that so much of the data that we seek to protect is already available to companies that can afford to purchase it.

We also recommend that protected class data (ethnicity, race, marital status, age, gender) be requested so that regulators, researchers and consumers have the opportunity to evaluate whether patterns of discrimination and abuse exist.

The release of complaint narratives will support the CFPB's mission to provide the most meaningful information possible for individuals to make financially sound decisions.

Thank you for the opportunity to comment on this proposal.

Sincerely,

Ruth Susswein

Consumer Action

Deputy Director, National Priorities

ruth.susswein@consumer-action.org