Incentives and Fair Compensation

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An incentive system similar to one at the top is at work at the street level of the biggest banks. In the tens of thousands of bank branches and call centers of our biggest banks, employees-including bank tellers earning an average of $11.32 an hour-are forced to meet sales goals to keep their jobs and earn bonuses. Many goals for employees selling high-fee and high-interest products like credit cards and checking accounts have actually gone up as the economy has gone down.

Banks' use of commissions and quotas to drive the sale of consumer financial products creates a perverse incentive for rank-and-file bank workers—they find themselves forced to act against the interests of their customers to make ends meet.

A current branch manager in the Washington, D.C. area for one of our top four banks says, "My job is to create irresponsible debt. It should be helping families build responsible debt, and counseling them about using debt responsibly. But that's not what the bank rewards."

The result of this "sell-anything" culture is unfair and deceptive practices in bank branches and call centers to push loan products on the banks' most vulnerable customers—seniors, students, military families, and non-English-speaking immigrants—without regard for the risks they are taking on. New rules for fair compensation structures for employees who sell and service consumer banking products are critical to protecting consumers.

In addition to whistleblower protections for employees, we support the creation of a consumer protection regulator that has the authority to ban commission sales for front-line finance sector employees.

To ensure that the prohibition is not evaded by indirect methods such as promotions and reassignments, it requires the appointment of an independent ombudsman.

If employees are covered by grievance, arbitration, and compensation provisions of a collective bargaining agreement approved by the Consumer Financial Protection Agency, our language provides financial employers greater flexibility.

This qualification reflects the reality that employees with collective representation can bargain on equal terms with their employers to define their package of rights and protections appropriate to their circumstances, and are less subject to arbitrary pressures and sanctions from their employers. The requirement of Agency approval would prevent this provision being used to the disadvantage of consumers.