



# Regulatory Alert

## Regulatory Insights



January 2022

### Complaints Management & FCRA Compliance: CFPB Report & Bulletin

*All entities under CFPB supervision should expect increased regulatory attention and examination of their complaints management processes and be prepared to provide regulators with evidence of responsiveness to the consumer complaints, including Board and senior management commitment; documentation of intake/resolution; policies and procedures; tracking; audits; and third-party relationship monitoring. Consumer reporting agencies and furnishers should anticipate enhanced scrutiny with regard to accuracy in consumer information reporting and attention to dispute resolution. Notably, CFPB has previously stated expectations that complaint responses should be timely, substantive, complete, and consistent between consumer groups.*

**CFPB Report.** The CFPB [released](#) a report analyzing consumer complaint handling and resolution processes conducted by the three largest nationwide consumer reporting agencies (NCRAs). CFPB states that this stand-alone report was prompted by “significant changes in complaint volume [i.e., complaints submitted to the CFPB that CFPB then transmitted to the NCRAs] and the quality of the responses provided” by these entities to the CFPB. In particular, the CFPB notes that:

- Between January 2020 and September 2021, the Bureau received more than 800,000 credit or consumer reporting complaints, of which more than 700,000 pertained to the three NCRAs.
- Complaints submitted about the NCRAs accounted for more than 50 percent of all complaints received by the CFPB in 2020 and more than 60 percent of those received in 2021.
- The most common credit reporting issues identified by consumers were about incorrect information on their report and problems with a credit reporting agency’s investigation into an existing problem.

The Fair Credit Reporting Act (FCRA) requires that consumer reporting agencies, including the NCRAs,

implement reasonable procedures to “assure maximum possible accuracy” of the information concerning the individual about whom the report relates. In addition, the FCRA obligates consumer reporting agencies to conduct a reinvestigation if a consumer disputes with them the completeness or accuracy of an item of information. Further, it directs a consumer reporting agency to review all complaints transmitted to it by the CFPB about incomplete or inaccurate information where a consumer appears to have previously disputed the information with the consumer reporting agency, and to report back to the CFPB on the determination and action taken.

The CFPB states that the NCRAs changed the way they responded to complaints in 2020 and suggests this resulted in an increasing share of complaints not being fully addressed. The CFPB says the NCRAs:

- Closed complaints faster and with fewer instances of relief.
- Did not take action on complaints where a third-party was suspected to be involved in the complaint submission process.



- Increased their use of template or form responses that did not tailor responses to a specific dispute.
- Failed to provide outcomes of promised investigations to the CFPB.

Based on its analysis, the CFPB suggested that a lack of “meaningful” response is prompting consumers to submit more complaints and to return to its complaint process after previously submitting a complaint.

**CFPB Bulletin.** The CFPB separately released a [Compliance Bulletin and Policy Guidance](#) covering *Medical Debt Collection and Consumer Reporting Requirements in Connection with the No Surprises Act*.

In the Bulletin, CFPB reminds consumer reporting agencies and information furnishers of their obligations to comply with the accuracy and dispute resolution requirements of the FCRA, including when collecting, furnishing information about, and reporting medical debts covered by the No Surprises Act. Effective generally for plan years beginning on or after January 1, 2022, the No Surprises Act protects participants, beneficiaries, and enrollees in group health plans and group and individual health insurance coverage from certain unexpected medical bills.

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