

## A New Layer of Transparency in Financial Services – The CFPB Consumer Complaint Database



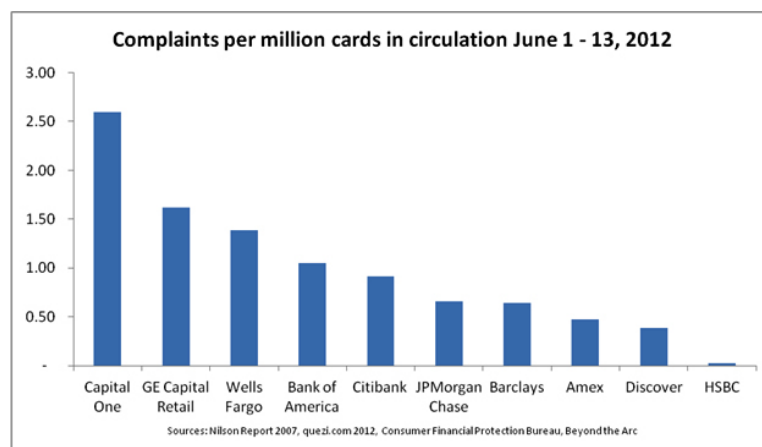
In an effort to increase transparency for credit card customers, the Consumer Financial Protection Bureau (CFPB) began sharing “individual consumer level complaint data” with the public in early July. As of July 3rd, the Bureau had released a [database of 530 credit card complaints](#) reported from June 1 – 13, 2012.

While the CFPB database does not reveal personal customer information, it offers details about the complaints and the financial institutions involved, including company name, zip code, a description of the issue, the company’s response, and whether or not the resolution was timely.

### What data analytics tell us about the customer complaints

Beyond the Arc performed a quick analysis on the CFPB dataset, and here are some highlights we found:

- Billing disputes accounted for 21% of complaints
- Interest rate concerns accounted for 14% of cases
- Capital One had the highest number of complaints per cards in circulation, followed by GE Capital Retail
- Of the top 10 credit card issuers, HSBC, Discover, and American Express had the lowest number of complaints per cards in circulation
- Bank of America had the most untimely responses (6 out of 24 total untimely responses)



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The purpose of the new initiative is to help consumers make better choices when applying for a credit card. Using the CFPB complaint database, consumers can now vet various credit card issuers to determine which ones most frequently generate negative feedback. Similarly, lawmakers and other agencies can use the database to decide whether to investigate companies for abusive lending practices. The implication is clear--credit card issuers need to address these issues before they are escalated to the Consumer Financial Protection Bureau. Financial institutions can use the CFPB data to see where their customer experience efforts are falling short, then target these areas for improvement.



The CFPB intends to expand the database to include other financial products and services such as student loans, car loans, consumer loans, mortgages, and banking services. This means that financial institutions will be subject to public scrutiny on many different fronts, and customers will be better equipped to make informed financial decisions. Now more than ever, financial institutions will need to focus on creating a positive customer experience. If they don't, they may see it reflected in the CFPB database, and consumers will begin taking their business elsewhere.

## Let's Talk

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