



FALL 2021

Consumer Complaints Report

For the Financial Services Industry

An analysis of consumer complaints submitted to the Consumer Financial Protection Bureau and the compliance risk signals they present to financial institutions

A NOTE FROM PERFORMLINE'S CEO

Every year since 2015, we release our Complaint Risk Signal report that dives deep into consumer complaint data from the Consumer Financial Protection Bureau to uncover valuable observations and insights that help financial institutions identify and mitigate risk.

This year's report touches on a wide variety of topics, including mortgages & fair lending, credit cards, the up-and-coming buy now pay later (BNPL) industry, and the impact of COVID-19 on consumers and financial institutions.

At PerformLine, our mission has always been to empower compliance leaders with the technology, tools, and knowledge they need to ensure their organization and partners provide transparent and accurate information to consumers across any channel.

This report continues to serve as a valuable tool by highlighting important trends and insights around consumer complaints so that companies like yours can be proactive in their compliance programs and get out ahead of risk.

I'm excited to share the 2021 Complaint Risk Signal Report with you and hope that you find it valuable, useful, and impactful.



Alex Baydin
CEO and Founder
PerformLine

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SECTION 1:

An Overview Of The CFPB & How They Use Complaints

Consumer Financial Protection Bureau (CFPB)

The CFPB collects, investigates, and responds to consumer complaints to better understand the types of challenges in the market and to obtain insights on how companies are responding to customer concerns. This data helps the CFPB supervise companies and enforce regulatory compliance while identifying emerging issues. The CFPB's primary goal is to assist consumers in making well-informed financial decisions by empowering consumers with tools and information.

The Process

When a consumer submits a complaint, the CFPB requires the consumer to identify the financial product or service with which they have a problem, as well as the type of problem. The complaint goes through several steps to ensure the consumers receive timely and thorough responses. The CFPB routes consumers' complaints about financial products and services directly to financial companies and works to get consumers a timely response, generally within 15 days.

The CFPB Consumer Complaint Process Source: consumerfinance.gov



Reporting

All complaints are published in the CFPB's Consumer Complaint Database after the company responds, confirming a commercial relationship with the consumer, or after 15 days, whichever comes first. Complaints referred to other regulators, such as complaints about depository institutions with less than \$10 billion in assets, are not published in the Consumer Complaint Database. Narratives from complaints are published if the consumer opts to share their narrative publicly and after the CFPB takes steps to remove personal information.

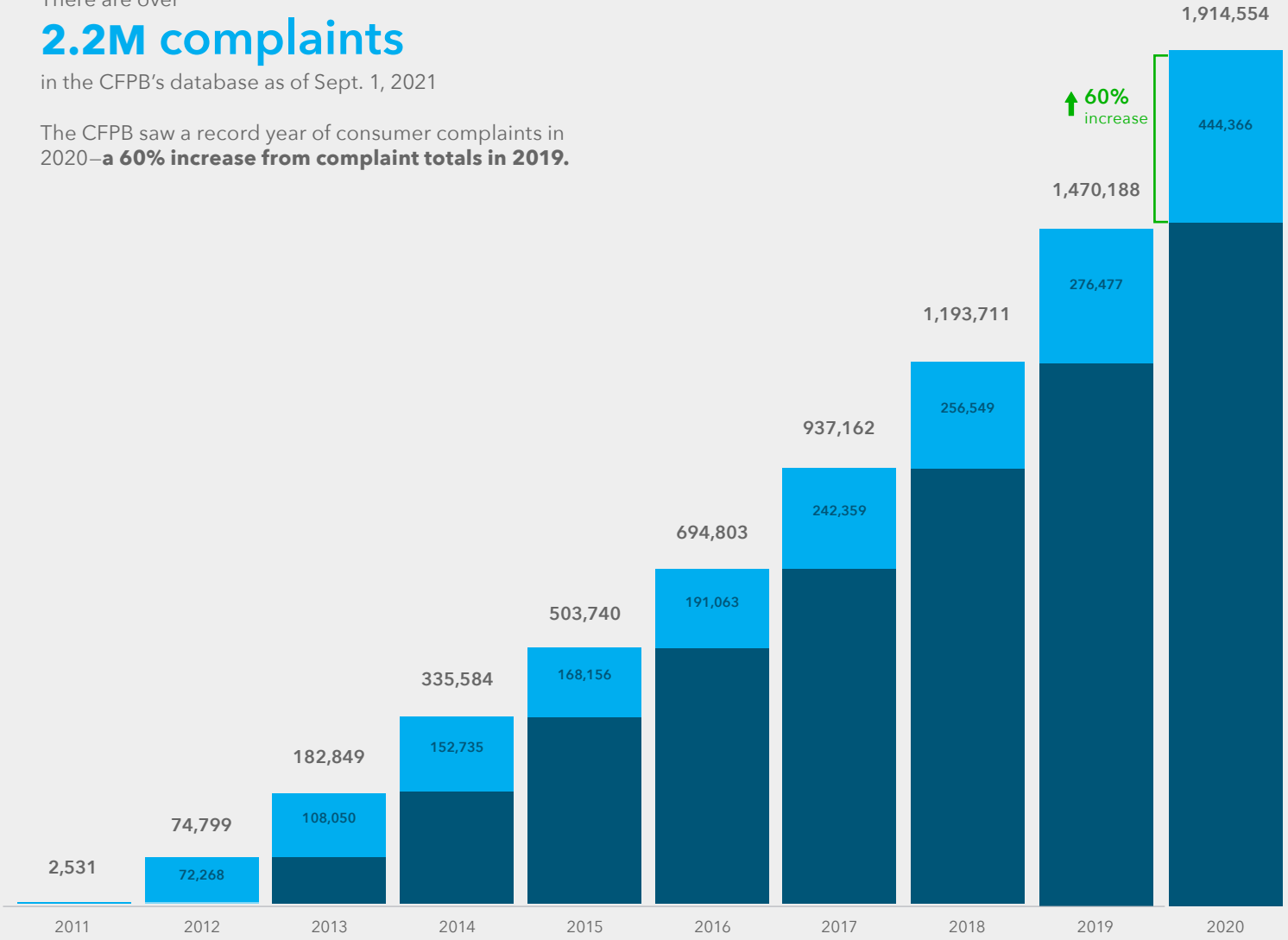
Total Complaints

There are over

2.2M complaints

in the CFPB's database as of Sept. 1, 2021

The CFPB saw a record year of consumer complaints in 2020—a **60% increase from complaint totals in 2019.**



SECTION 2:






Complaint Trends By Year, Category, And Location

Annual Complaint Trends


Since 2018

KEY OBSERVATIONS:

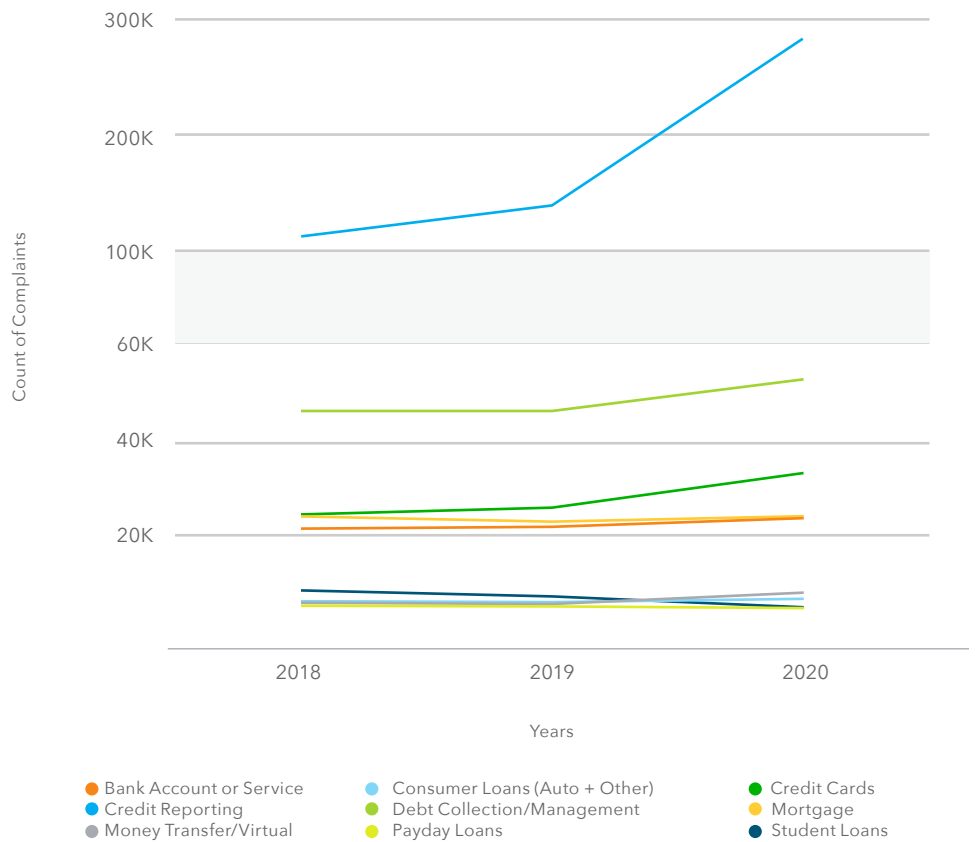
▲ Complaints with steep increase since 2018:

-  Credit reporting
-  Debt collection
-  Credit cards
-  Mortgage
-  Bank accounts

▼ Complaints decline since 2019:

-  Student loan

Annual Complaint Trends by Product



KEY OBSERVATIONS:



Most Complained Product in 2020

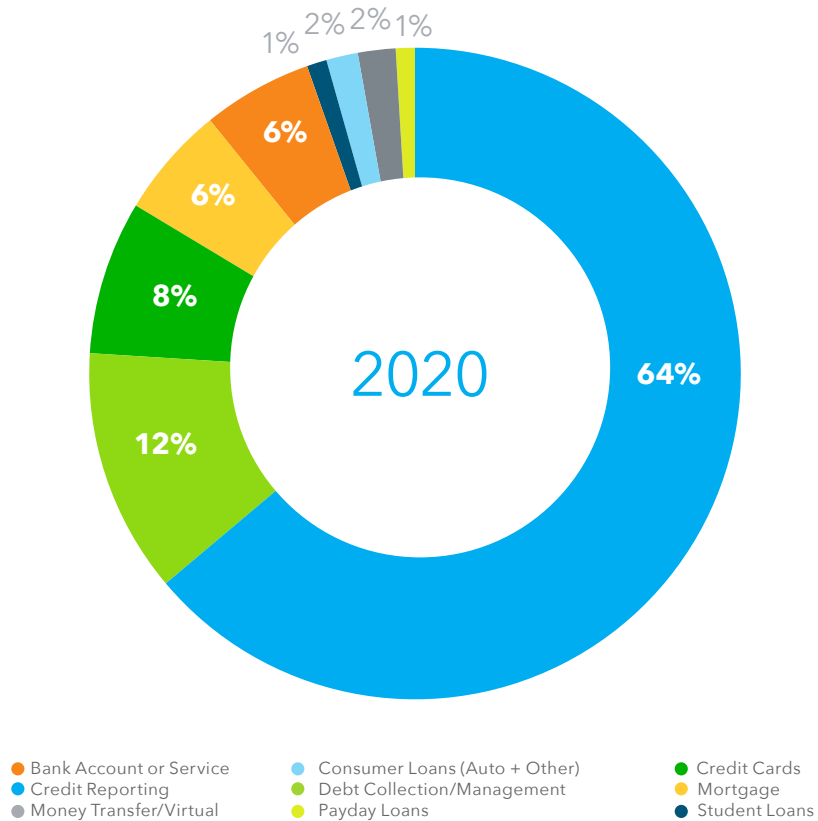
Credit reporting accounting for 64% of all CFPB complaints, up 14% from 2019.



Highly Complained Products in 2020

Debt collection, credit cards, and mortgages were the top complaints about products behind credit reporting, collectively accounting for 25% of complaints

Complaints by Product - 2020

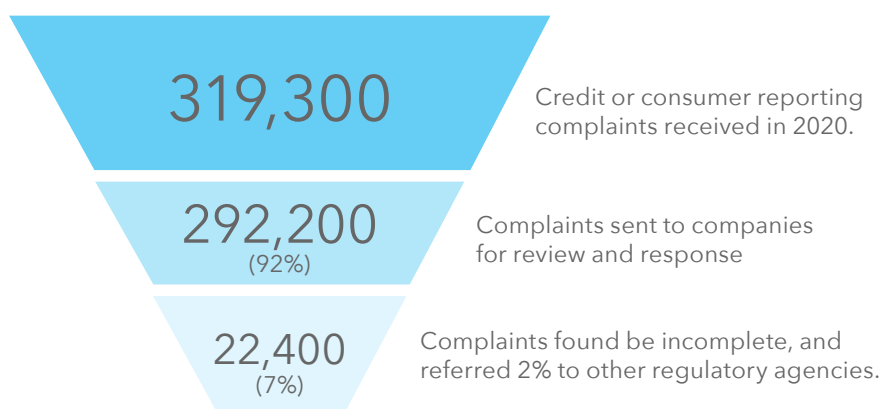


Risk Signal A Quote from Acting Director Uejio

“Going forward, the Bureau will work to amplify consumer voices so that they are heard at every level of this organization. From rulemaking to COVID education to increasing racial equities to punishing bad actors, the Bureau will seek out, listen to, and integrate consumer voices via complaints into Bureau priorities.”

What this means for you: The CFPB is committed to protecting consumers and empowering them to share their struggles to help punish those organizations that deceive consumers and fail to comply with regulations.

Credit Reporting



Credit or consumer reporting complaint volume increased dramatically in 2020 and 2021. Companies responded, on average, to more than 23,400 credit or consumer reporting complaints per month (compared to a monthly average of 11,400 complaints in 2019 and 9,200 complaints in 2018). A significant portion of these complaints were about attempts to address identity theft-related issues.

Complaints about incorrect information increased 147% from the prior two years' monthly average, whereas problems with investigation increased 139% from the prior two years' monthly average.

Complaints about credit reports, rather than other personal consumer reports, had the greatest change in volume, increasing 129% from the prior two years' monthly average.

Since consumers are not their direct customers, credit reporting companies could be less responsive to solving mistakes on credit reports and investigating existing problems (PIRG). And, since this incorrect information can negatively impact a consumer's credit score, consumers are more prompt to submit these complaints.

Even the smallest credit reporting companies are under scrutiny by the regulators and are at an increased risk of enforcement actions than in years past.

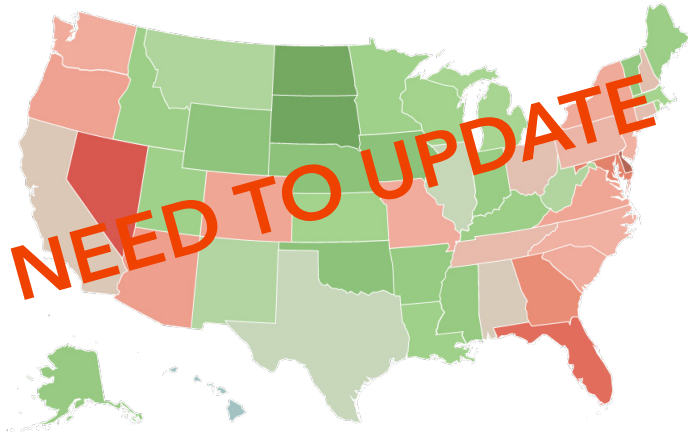
Risk Signal Insights from the CFPB

In 2020, credit bureaus "stopped providing complete and accurate responses in many of these complaints" and "provided closure responses noting that a dispute would be filed on the consumer's behalf, but otherwise failed to address the issues consumers raise in their complaints."

What this means for you: Although the three largest Nationwide Credit Reporting Agencies experienced the largest increase in complaint volume, both furnishers and smaller credit reporting agencies also received a greater volume of consumer complaints. The Bureau urges these entities to ensure complaints are closed in accordance with the Bureau's guidelines.

Complaints Per Capita

CFPB Complaints Per Capita 2019



Complaints / 100k
population

118 1,096

States with the highest
amount of complaints
per capita:
Florida - 2.87
Georgia - 2.63
Arkansas - 2.56
Alabama - 2.23
Nevada - 2.2
Delaware - 2.13

Financial institutions should be responsive to all consumers, but particularly consumers in these states. They are more likely to submit complaints to the CFPB and even other regulatory agencies if they are not able to resolve their issues in a timely or appropriate manner.

In the CFPB's database, credit reporting, specifically issues with incorrect information on the report, is the most complained about product across all 50 states.

Risk Signal Insights from the CFPB

“To understand state and regional trends, the Bureau analyzes the geographic distribution of complaints after accounting for population differences. Consumer Response plans to enhance the complaint form to create a new demographic section that gives consumers the option to provide household size and household income information.”

What this means to you: The CFPB is actively working to better understand the demographics of consumers submitting complaints and is taking a closer look at issues in areas with high per-capita complaint counts.

Complaints by Special Groups

Military & Servicemembers

The CFPB monitors and analyzes complaints from servicemembers, veterans, and military families. When a complaint is submitted to the CFPB, consumers have the option to identify their military status (active duty, reserve, guard, veteran, or military dependent), branch of service, and rank.

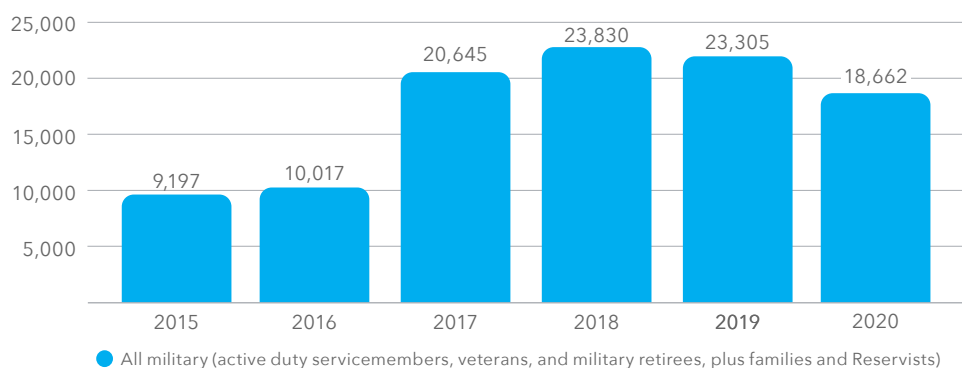
Consumers provided their servicemember affiliation in approximately 40,800 complaints in 2020, accounting for 8% of all complaints.

In 2020, self-identified servicemembers submitted complaints about debt collection, mortgages, credit cards, checking or savings, vehicle loans or leases, money transfer or service, and virtual currency at slightly higher rates than non-servicemembers and about credit or consumer reporting at much lower rates.

For the first time in history, military complaints decreased from 2018 to 2019, down 8%. Even better, complaints submitted by servicemembers are continuing to decline—down 22% in 2021 from 2019.

It seems that the CFPB's efforts have been effective and that financial institutions are more sensitive to these groups.

Military and Servicemembers Complaints by Year



Total complaints submitted by servicemembers had a large spike from 2016 through 2018. We can likely attribute this back to when the CFPB started proactively educating service members on their financial well-being under the Military Lending Act (MLA) in 2016. Pamphlets were handed out to these servicemembers, and at the end of these pamphlets is a section encouraging these servicemembers to submit their complaints online, by phone, by mail or by fax.

Risk Signal Interpretive Rule

The CFPB has statutory authority to conduct examinations, at those institutions that it supervises, regarding the risks to active-duty servicemembers and their covered dependents that are presented by conduct that violates the Military Lending Act.

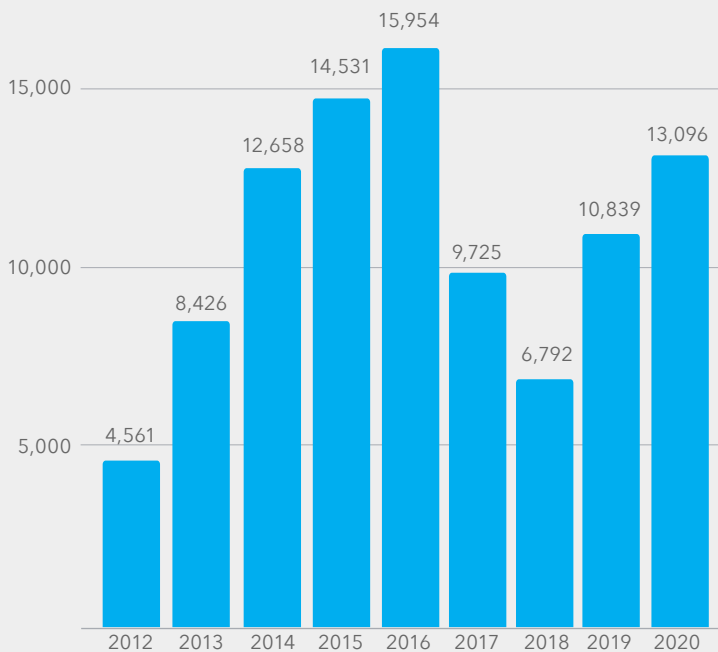
What this means to you: To fulfill its purpose and protect military borrowers, the CFPB is committed to supervising financial institutions and holding them accountable for endangering servicemember consumers. Financial institutions should continue to be vigilant in protecting their military consumers.

Older Americans Complaints

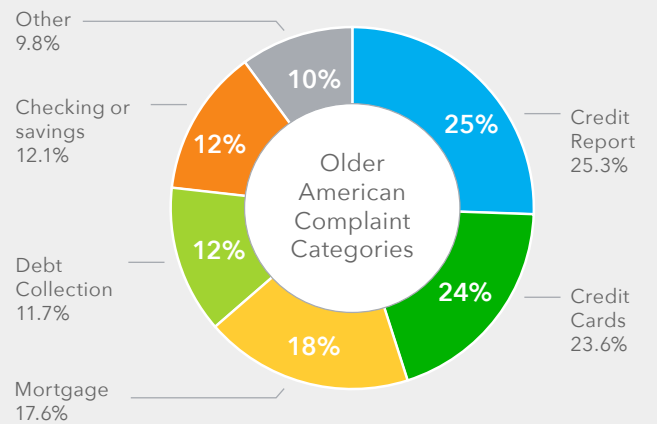
The CFPB also monitors complaints from consumers who indicated they were 62 years of age or older at the time of submission. Consumers provided their age in approximately 128,900 complaints (26% of all complaints submitted in 2020).

Complaints submitted by self-identified older consumers were less often about credit or consumer reporting, debt collection, and student loans, and more often about credit cards, mortgages, and checking or savings accounts than complaints submitted by consumers not self-identifying as 62 years of age or older.

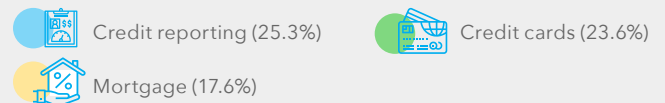
Older American Complaints by Year



Older American Complaints by Year



The number of complaints submitted by older Americans has increased by 20% in 2020 from 2019.



Risk Signal Enforcement Action

In April 2021, the CFPB took action against a mortgage lender for sending deceptive loan advertisements to hundreds of thousands of older borrowers, violating the MAP Rule, TILA, and the CFPA. The order requires the lender to stop sending deceiving advertisements, implement a compliance plan, and pay a \$140,000 penalty.

What this means for you: This enforcement action emphasizes the CFPB's commitment to protecting older Americans from unethical and deceptive practices.

Top Issues Per Product



Credit Reporting and Personal Consumer Reports

Incorrect information on report (55%)
Problem with a credit reporting company's investigation into an existing problem (34%)
Improper use of report (8%)



Credit Card and Prepaid Cards

Problem with a purchase shown on statement (26%)
Other features, terms or problems (10%)
Getting a credit card (9%)



Checking and Savings Accounts

Managing an account (62%)
Closing an account (14%)
Opening an Account (10%)



Debt Collection

Attempt to collect debt not owed (55%)
Written notification about debt (24%)
Took or threatened negative or legal action (7%)



Money Transfer, Virtual Currency, or Money Service

Manging, opening or closing a virtual wallet (32%)
Fraud or Scam (24%)
Other Transaction Problems (14%)



Mortgage

Trouble during payment process (46%)
Applying for a mortgage or refinancing and existing mortgage (20%)
Closing on a mortgage (19%)



Payday Loans, Title Loans, or Personal Loans

Charged unexpected fee or interest (22%)
Problem with payment (13%)
End of loan payoff problem (11%)



Student Loans

Dealing with Lender or Servicer (64%)
Struggling to repay (17%)
Incorrect information of report (10%)



Vehicle Loan or Lease

Managing the loan or lease (31%)
Problem at the end of lease or loan (22%)
Struggle to pay (15%)

Risk Signal Significant Stat

The top

3

The top 3 issues make up at least half of total complaints per product in the CFPB's Consumer Complaint Database.

What this means for you: By understanding exactly what it is that consumers are complaining about, you can make it a priority to address these issues within your company and ensure you are preventing and/or responding to these issues in order to get ahead of the rest.

As of September 1, 2021,
the CFPB received
**more than
332k
complaints**
a record volume.

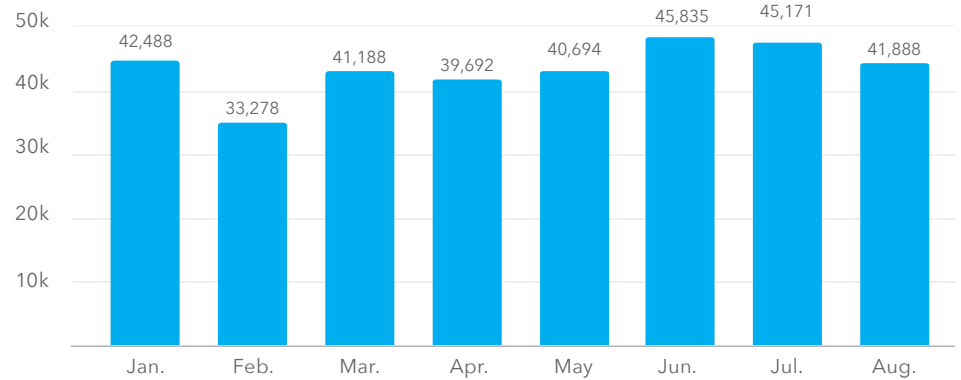


So far in 2021

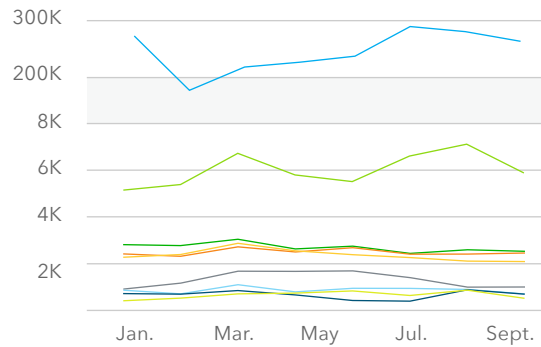
- Credit reporting
- Debt collection
- Credit cards (21,147)
- Mortgage (18,404)
- Bank accounts (19,480)

Complaints for 2021 So Far

CFPB Complaint Totals by Month 2021

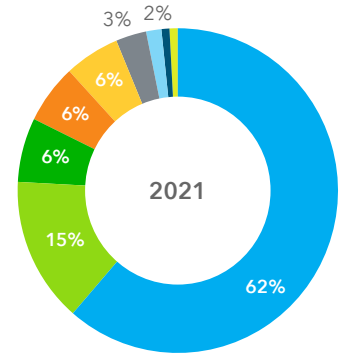


Monthly Complaint Trends by Product



- Bank Account or Service
- Credit Reporting
- Money Transfer/Virtual
- Consumer Loans (Auto + Other)
- Debt Collection/Management
- Payday Loans

Complaints by Product



Risk Signal A Quote from Acting Director Uejio

“Recently, we have been receiving more than 75,000 complaints every month, a testament to the scale of the financial hardships in our nation today. The consumer experience will always be an invaluable part of our work, and we will continue to ensure companies engage with consumers to address problems.”

What this means for you: The CFPB pays close attention to the complaints they receive from consumers and the timeliness and quality of responses by financial institutions, and you should too. Untimely or inadequate responses are unacceptable.

SECTION 3:

Enforcement Action Trends & Risk

“Obtaining consumer redress is a top priority in any enforcement action.”

- CFPB

Enforcements by the Numbers

The CFPB may enforce the law by filing an enforcement action in federal court or by initiating an administrative adjudication proceeding. Depending on the outcome, companies may be required to remedy the harm they caused to consumers or companies by compensating the consumer.

Congress established the Civil Penalty Fund through the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to provide compensation to consumers who have been harmed by violations of federal consumer financial protection law.

When civil penalties are assessed, the penalty is deposited into the CFPB Civil Penalty Fund. The Civil Penalty Fund can be used to compensate victims of unlawful activities who are not otherwise expected to get full compensation, but only when a civil money penalty was imposed for those activities.


Pie Chart

\$129 Billion: Consumer Relief - Monetary compensation, principal reductions, canceled debts, and other consumer relief ordered in as a result of enforcement actions.

\$1.6 Billion: Civil Money Penalties

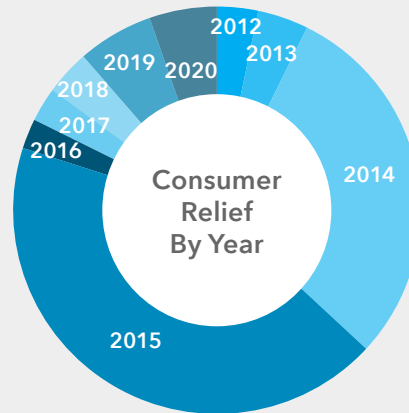
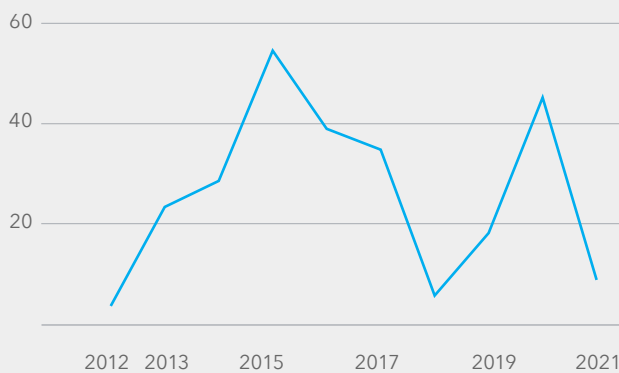
NEED TO UPDATE

Since its creation, the CFPB has taken:



198
Public Enforcement
Actions = **\$10 Billion**
in Fines

Enforcement Actions by Year



2012	\$425,100,000
2013	\$525,770,917
2014	\$3,851,511,234
2015	\$5,599,696,941
2016	\$309,612,061
2017	\$355,899,542
2018	\$464,429,648
2019	\$783,746,740
2020	\$696,814,963

In the early months of 2021, Acting Director David Uejio expressed the Bureau’s commitment to increase its enforcement authority, saying that they will be reversing policies of the previous administration and rescinding public statements conveying a relaxed approach to enforcement, specifically as it applies to COVID-19 and racial equity.

Risk Signal A Quote from Acting Director Uejio

“

One of my top priorities is making sure that consumers who submit complaints to us get the response and the relief they deserve. Consumer complaints are our lifeblood; our direct connection to consumers in distress, and they are at an all-time high right now... It is the Bureau’s expectation that companies provide substantive responses that address the issues consumers describe in their complaints.”

What this means for you: Consumer complaints are at the forefront of the CFPB’s supervisory and enforcement actions. Financial institutions should be proactive in handling consumers’ issues before they get escalated to the regulators.

KEY OBSERVATIONS:

The higher the annual revenue, the higher average number of complaints before an enforcement action

Higher annual revenues typically warrant a higher fine amount (even though the fine amount is a small percentage of annual revenue compared to smaller revenue groups)

Institutions with an annual revenue less than \$20 million will likely feel the impact of a penalty more, as they can be up to 250% of annual revenue

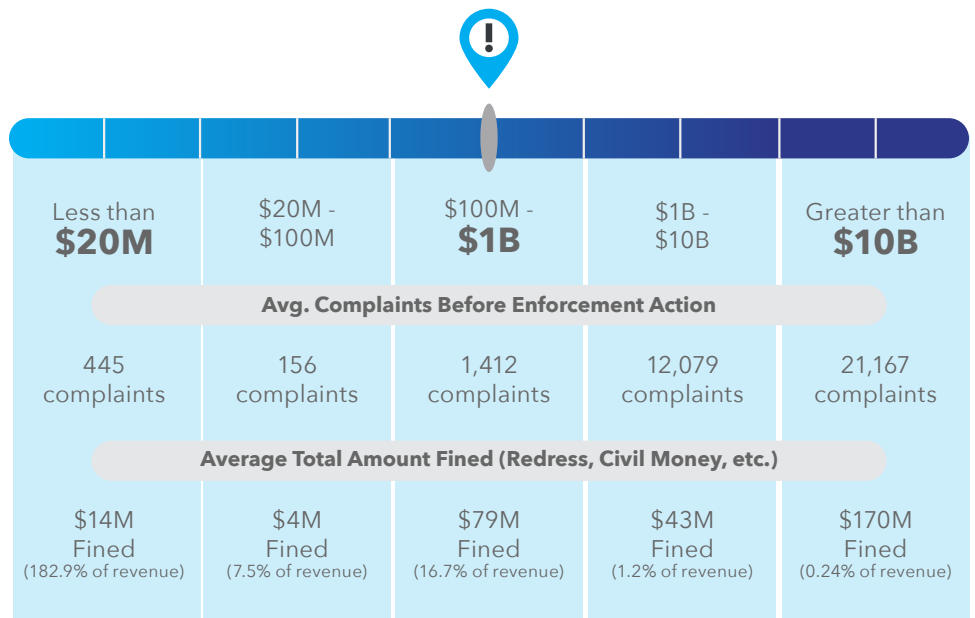
Risk of Enforcement Based on Complaints

When analyzing complaints, the CFPB suggests that complaint volume should be considered in the context of company size and/or market share. For example, companies with more customers may have more complaints than companies with fewer customers. We encourage you to pair complaint data with public and private data sets for additional context.

Taking this into consideration, we've analyzed all of the Bureau's previous public enforcement actions (2012 - 2021) to explore the average complaint count before an enforcement action is taken, the average fine amount, and what percentage of annual revenue that fine could be—all based on annual revenue.

Use this scale to help your organization determine its risk of enforcement action based on consumer complaints in the CFPB's database.

Enforcement Risk Scale by Revenue Group



Each enforcement action depends on a large number of factors and is unique to each case, but this scale gives some general insight into what you can expect from the Bureau.



Where do you fall on the Enforcement Risk Scale?

Get your free assessment



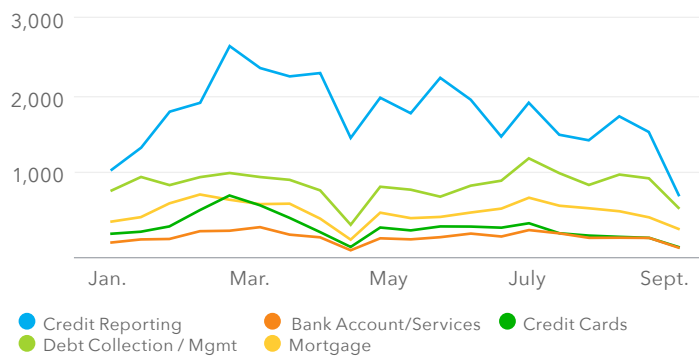
SECTION 4:

COVID-19 and Complaints

COVID-19 Monthly Complaints by Product

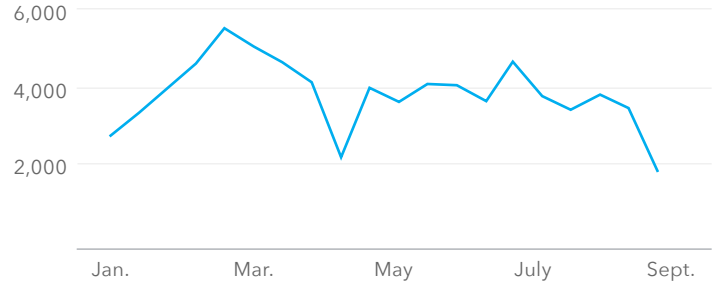
Keywords include: covid, coronavirus, corona virus, pandemic, covid-19, CARES Act, stimulus

CFPB COVID-19 Complaints by Product 2020-2021



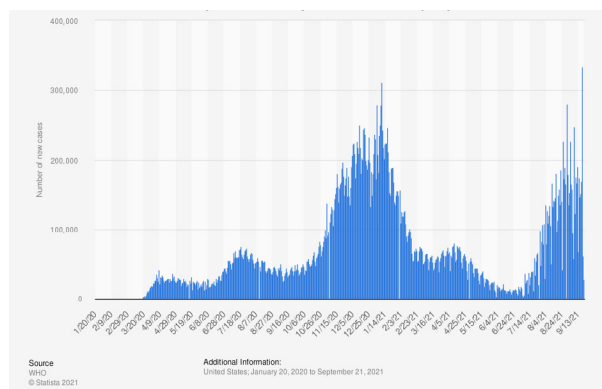
Behind credit reporting and debt collection, mortgages remain the most complained about product related to COVID-19 (with the exception of a spike in credit card complaints in May of 2020), accounting for 12% of total COVID-related complaints since the beginning of January 2020.

Total COVID-19 Complaints By Month



Complaint counts peaked in March-April 2020 at the peak of the pandemic, declined to the lowest levels of 2020 in September, then spiked back up for the last quarter of 2020. Total COVID-19 complaint counts remained relatively steady throughout 2021 so far, with a spike in March 2021, but have been on a decline from July to August 2021.

Number of new cases of coronavirus (COVID-19) in the United State from January 20, 2020 to September 21, 2021



While complaints were down in August, based on the trends and data we've seen over the past year and a half, COVID-19 complaints submitted to the CFPB will likely increase again—specifically for mortgages as forbearance plans are ending and the CFPB's new rule coming into play (see Section 5 for more information).

Risk Signal CFPB Rescinds Policy Statements

The CFPB rescinded seven policy statements issued in 2020 that provided temporary flexibilities to financial institutions in consumer financial markets including mortgages, credit reporting, credit cards and prepaid cards.

What this means to you: After financial institutions have had a year to adapt their operations to the difficulties posed by the pandemic, the CFPB is providing notice that it intends to exercise the full scope of the supervisory and enforcement authority provided under the Dodd-Frank Act.

KEY OBSERVATIONS:

Add Icons:

Not surprisingly, most of the complaints (66%) regarding COVID-19 and mortgages are around having trouble during payment (47%) and struggling to pay their mortgage (19%).

SECTION 5

Mortgages & Fair Lending

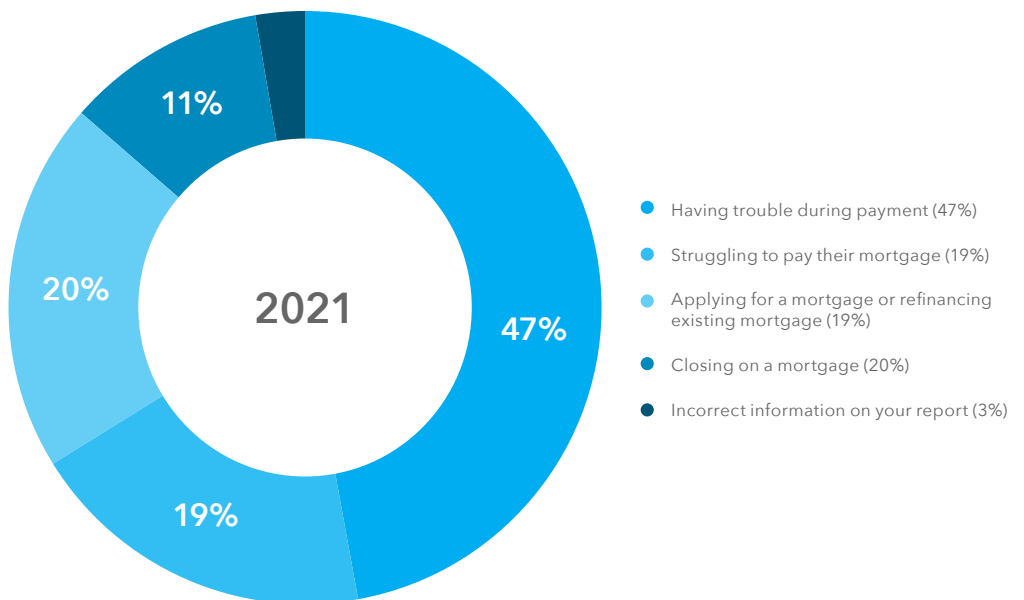
Mortgage Forbearance

One of the key provisions in the CARES Act was providing forbearance for federally-backed mortgage loans. Regulators are encouraging the public to reach out directly to their lenders and servicers to request assistance. With unemployment claims surging, mortgage servicers are already reporting a huge increase of requests to their call centers from borrowers who are impacted by the pandemic.

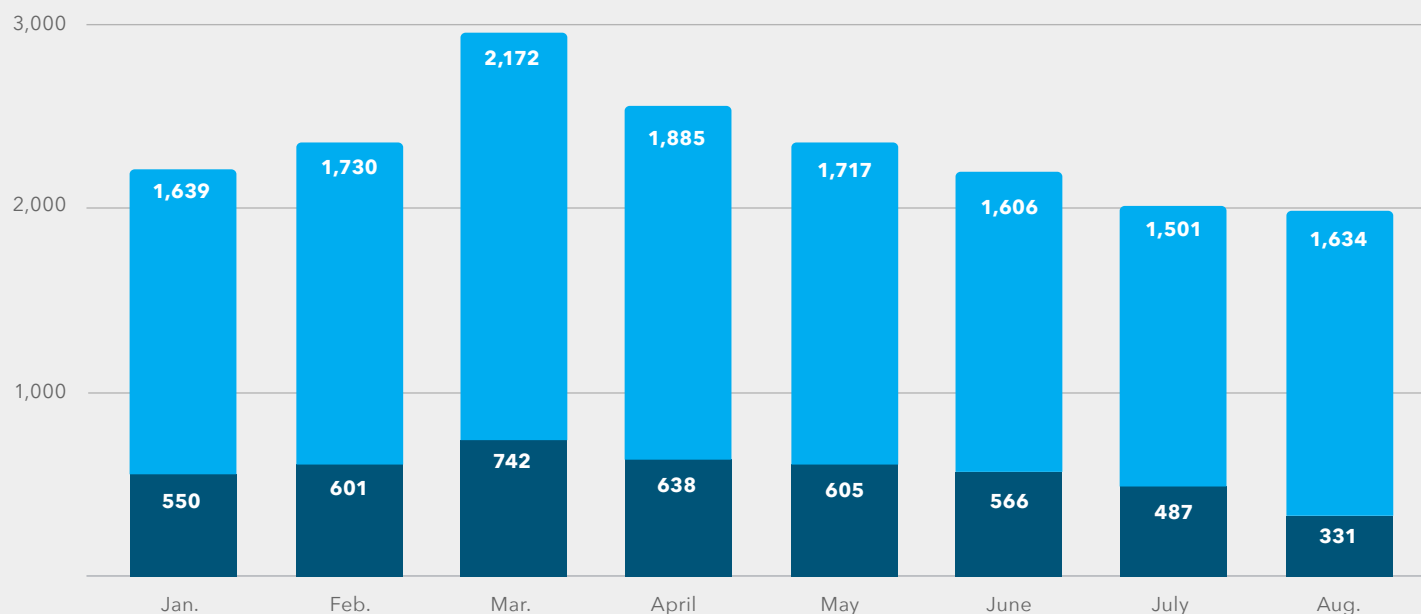
Many of these conversations likely qualify as verbal loss mitigation applications. Mortgage servicers must be vigilant in respect to compliance with Regulation X's loss mitigation requirements.

Since many organizations' call centers were not prepared for this huge increase in call volume, many consumers may not be getting the forbearance they need, leading to more complaints being submitted to regulators.

CFPB Top COVID-10 Mortgage Issues



Mortgage (COVID) and Other Mortgage Complaints



March 2021 had the highest number of COVID-19 related mortgage complaints. While these complaints have been trending downwards, experts expect a sharp increase in forbearance exits over the next month as many borrowers reach the 18-month mark and see their forbearance plans end.

The CFPB has continued to impress upon servicers the importance of being prepared to provide every opportunity that they possibly can to help homeowners avoid foreclosure. On August 31st, the CFPB 2021 Mortgage Servicing COVID-19 Proposed Rule went into effect which will help those exiting forbearance to stay in their homes.

Risk Signal 2021 Mortgage Servicing COVID-19 Final Rule

The CFPB's final rule establishes temporary procedural safeguards to help ensure that borrowers have an opportunity to be reviewed for loss mitigation before the servicer can make the first notice or filing required for foreclosure on certain mortgages. The rule temporarily permits mortgage servicers to offer certain loan modifications made available to borrowers experiencing a COVID-19-related hardship.

What this means for you: Mortgage servicers must be vigilant in complying with this new rule to help consumers facing hardships due to COVID-19.

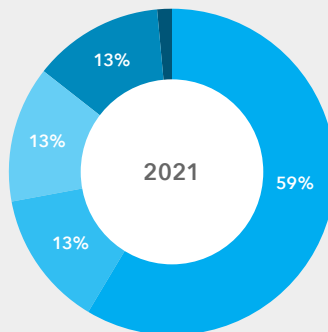
Fair Lending

As of January 2020, there are

2,652 complaints

in the CFPB's database,

with narratives that include at least one keyword related to discrimination, bias, or fair lending issues across all financial services products (keywords include variations of discrimination, bias, ethnicity, sexual orientation, gender).



Fair Lending Complaints by Issue 1/1/2020-8/31/2021

- applying for a mortgage or refinancing: 321
- Struggling to pay mortgage: 74
- Trouble during payment process: 74
- Closing on mortgage: 71
- Other: 8

Not surprisingly, a majority of fair lending complaints around mortgages pertain to issues applying for a mortgage loan or refinancing an existing loan.

Supervision and Enforcement

The Bureau's Fair Lending Supervision program assesses compliance with Federal fair lending consumer financial laws and regulations at banks and nonbanks over which the Bureau has supervisory authority.

In 2020, the CFPB:

Initiated **13 fair lending examinations/targeted reviews**

Issued several fair lending-related **Matters Requiring Attention**, directing entities to take corrective actions that will be monitored by the Bureau through follow-up supervisory events.

Issued Supervisory Recommendations relating to **weak or nonexistent fair lending policies** and procedures, risk assessments, and fair lending training.

The CFPB is required to file a report to Congress annually describing the administration of its functions under Equal Credit Opportunity Act (ECOA), summarizing public enforcement actions taken by other agencies with administrative enforcement responsibilities under ECOA, and providing an assessment of the extent to which compliance with ECOA has been achieved.

The CFPB and the Department of Housing and Urban Development (HUD) are required to report annually to Congress on Home Mortgage Disclosure Act (HMDA) requirements.

In 2020, the Federal Banking Agencies and the CFPB reported 81 institutions with violations of ECOA and/or Regulation B.

Risk Signal A Quote from Acting Director Uejio

“

One of my top priorities is making sure that consumers who submit complaints to us get the response and the relief they deserve. Consumer complaints are our lifeblood; our direct connection to consumers in distress, and they are at an all-time high right now... It is the Bureau's expectation that companies provide substantive responses that address the issues consumers describe in their complaints.”

What this means for you: Consumer complaints are at the forefront of the CFPB's supervisory and enforcement actions. Financial institutions should be proactive in handling consumers' issues before they get escalated to the regulators.

KEY OBSERVATIONS:

Add icons

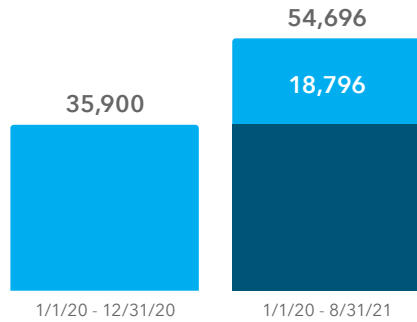
The most common complaint for credit cards is problem with a purchase shown on the statement.

42% of complaints are around features and/or terms, fees and interest, credit card approval, and trouble making payments.

SECTION 6:

Credit Cards

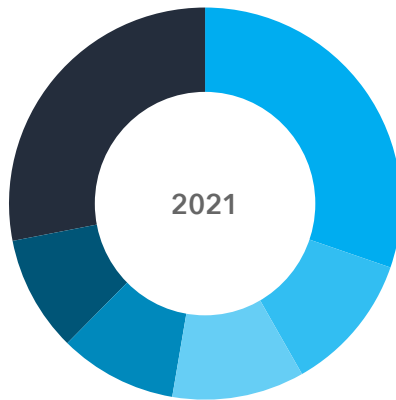
Total Complaints



54,696 Complaints

From 1/2020 - 8/31/2021

Behind credit reporting and debt collection, **credit cards were the most complained about product in 2020** (see Section 2 for more details).



Complaints By Issue

- Problem with purchase on statement (30%)
- Other features, terms, or problems (12%)
- Fees or interest (11%)
- Getting a credit card (10%)
- Problem when making payments (10%)
- Other (28%)

Companies responded, on average, to more than 2,300 credit card complaints per month (compared to a monthly average 1,870 complaints in 2019 and 1,900 complaints in 2018), according to the CFPB's Consumer Annual Response Report.

Risk Signal Significant Stat

In 95% of these credit card complaints submitted in 2020, consumers reported first attempting to resolve their issue with the company before submitting a complaint to the Bureau.

What this means for you: Credit card companies must be on top of consumer complaints within their own organization to avoid consumers submitting complaints to regulatory agencies. The more consumer complaints an organization has, the more likely the CFPB is to open an investigation.

EXTERNAL INSIGHT

BNPL is up and coming all over the world, not just in the U.S. There have been

Over 8,000 BNPL-related complaints

submitted to the U.K's Resolver in the last 12 months.

SECTION 7:

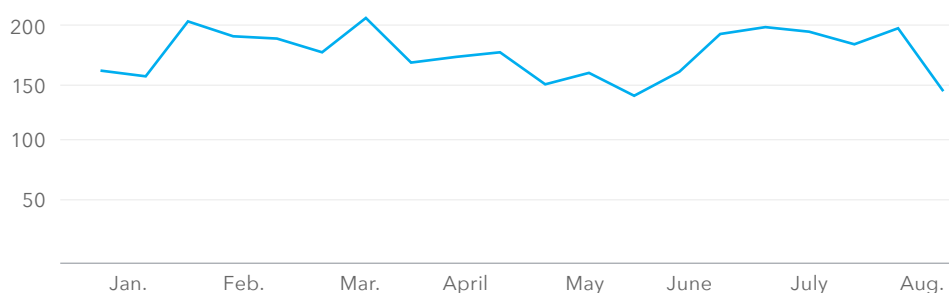
Buy Now Pay Later

Complaint Counts

Consumer's use of Buy Now Pay Later (BNPL) products has boomed over the past year. The CFPB currently does not list BNPL as a product in its complaint database, but to get more insight, we searched consumer complaint narratives for BNPL keywords, including variations of BNPL, buy now pay later, installment loans, and pay in four.

For the date ranges 1/1/2020 to 8/31/2021, there are 3,522 BNPL-related complaints in the CFPB's database.

BNPL Complaints per Month 1/1/2020 to 8/31/2021



Increased Popularity of BNPL

More than half of BNPL users had their credit card limits decreased in 2020, and 56% of consumers say that they prefer BNPL services to credit cards due to ease of payments, flexibility, lower interest rates, and easy approval.

Although consumers prefer BNPL services, many are unaware of the risk and consequences associated with this type of credit. Many countries have already started calling for regulation of this space (like Ireland and the U.K), and it's only a matter of time until the U.S. follows suit.

Risk Signal CFPB Blog

CFPB Blog: Should you buy now and pay later?

The CFPB's recent blog on BNPL warns consumers of the potential risks of BNPL compared to traditional credit options.

What this means for you: While the CFPB has yet to explicitly begin regulating this industry, the blog could serve as a warning to all BNPL issuers of tougher regulation ahead.

IN CONCLUSION

KEY TAKEAWAYS

BE PROACTIVE

Marketing and advertising messages are many times the first interaction with consumers. Stopping potentially misleading or deceptive marketing is a crucial first step in lowering consumer complaints, especially with the increased awareness of deceptive messaging by consumers. Monitor all marketing and advertising messages everywhere they appear, including third parties and partners, to remediate any potentially harmful content.

CONSUMER COMPLAINTS MATTER

Regulators collect and analyze consumer complaints to understand the situations consumers are encountering in the financial marketplace, to develop rules, to help guide enforcement and take action against those who break the law or harm consumers, and to help educate consumers and businesses about their rights and responsibilities. It's critical to keep an eye on the complaints that consumers are submitting about your organization and others that provide similar services to get out ahead of enforcement actions.

FIND OUT WHERE YOU FALL ON THE ENFORCEMENT RISK SCALE

Revenue size and complaints submitted to the CFPB can help your organization determine its risk of enforcement actions and a guess of how much the total fine can be, as both a number and percentage of annual revenue. Institutions with annual revenue less than \$20 million will likely feel the impact of a penalty more, as they can be up to 183% of annual revenue, but institutions with over \$10 billion in revenue can face an average fine of \$170 million.

THE PANDEMIC HAS HEIGHTENED CONSUMERS SENSITIVITY AND THEY ARE MORE INCLINED TO SUBMIT COMPLAINTS

As of September 2020, there are over 332k complaints in the CFPB's database—a record number. Consumers are likely more sensitive to their financial wellbeing since the COVID-19 pandemic and are more inclined to submit a complaint against companies that aren't providing them the help they need—especially for credit cards, mortgages, and checking and savings accounts.

MORTGAGE FORBEARANCE + FAIR LENDING ARE A BIG FOCUS

More than half of complaints (66%) regarding COVID-19 and mortgages are around having trouble during payment (47%) and struggling to pay their mortgage (19%). As forbearance plans are expiring and the CFPB's new rule takes place, the Bureau warns mortgage servicers that unprepared is unacceptable. The CFPB has also expressed an increased focus on enforcing fair lending laws and root out unlawful conduct that disproportionately impacts communities of color and other vulnerable populations.

BUY NOW PAY LATER IS LIKELY TO BE UNDER HEAVIER REGULATORY SCRUTINY

The increased popularity of BNPL products comes with increased risks to consumers. While we may not know when regulation in the U.S. is coming for BNPL issuers, the statement made by the CFPB to consumers considering this loan type should not be taken lightly. Regulation is likely coming and, when it does, the issuers will need to assume responsibility for the protection of their consumers.

ABIDE BY THE CFPB BULLETIN ON RESPONSIBLE BUSINESS CONDUCT

"Self-Monitoring, Self-Reporting, Remediation and Cooperation." These are activities that a company can engage in that may be considered favorable by the CFPB when exercising their enforcement discretion. Specifically, a company should proactively self-monitor for potential violations, promptly self-report potential violations to the CFPB, quickly and completely remediate the harm resulting from violations, and affirmatively cooperate with any Bureau investigation.

LOOKING FOR MORE INSIGHT ON THESE COMPLAINT TRENDS AND WHAT THEY MEAN FOR
YOUR ORGANIZATION?

CHECK OUT THIS FREE WEBINAR.

DEEP DIVE: COMPLIANCE RISK SIGNALS FROM CONSUMER COMPLAINTS

PERFORMLINE'S COMPLIANCE EXPERTS TAKE A DEEPER DIVE INTO THE RESULTS FOUND IN
THIS REPORT, THE COMPLIANCE RISK SIGNALS THEY PRESENT, AND WHAT WE EXPECT IN THE
FUTURE FOR THE REGULATORY LANDSCAPE AND MARKETING COMPLIANCE.

[CHECK IT OUT]

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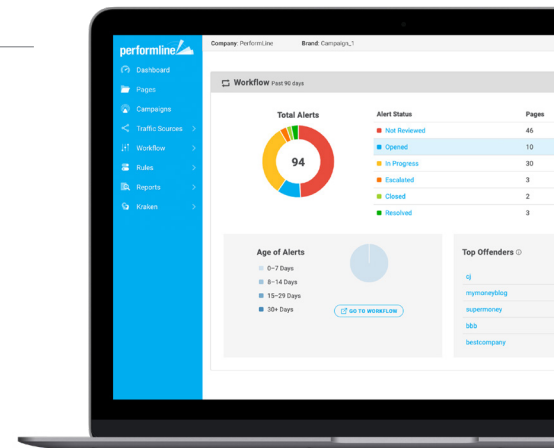
ONE COMPLIANCE PLATFORM FOR OMNI-CHANNEL COVERAGE

The PerformLine omni-channel technology provides an end-to-end solution for sales and marketing compliance, from pre-production verdicts with document review to live monitoring across the web, calls, messaging, emails, and on social media.










PerformLine is built to help compliance teams protect their brands by mitigating risk in their marketing and sales channels while gaining efficiency through automation.

BENEFITS

- One Platform:** Coverage for all sales and marketing channels. No more duplicating efforts across point solutions
- Trackable and Documented:** Move quickly to remediate issues directly from the platform and document the process
- Fully Customizable:** Easily adapt rules and workflows to meet your product, organization and industry needs
- Complete Analytics:** See data across channels, products, partners and agents for a complete risk and performance picture



PLATFORM CAPABILITIES

-  Cutting-Edge Discovery
-  Driven by AI and Machine Learning
-  Monitor Multiple Languages
-  Centralized Workflow
-  Detailed Reporting
-  Easy Remediation Tools
-  Full Audit Trail
-  Intelligent Dashboard
-  Extensive Rulebooks

PerformLine empowers enterprises with a centralized, intelligent platform to drive faster resolutions, reduce risks, and see a complete compliance picture to protect their brand



Contact us at sales@performline.com