

CFPB ONLINE COMPLAINT PORTAL

What have we learned about submissions regarding the Nationwide Credit Reporting Agencies (NCRAs)?



Vivian Merker
Nick Dykstra
Cosimo Schiavone
Quentin Jaubert

QUALIFICATIONS, ASSUMPTIONS AND LIMITING CONDITIONS

Oliver Wyman assumes no responsibility for the accuracy or completeness of the information provided by each of the individual NCRAs. The opinions expressed herein are valid only for the purpose stated herein and as of the date hereof. Information furnished by others, upon which all or portions of this report are based, is believed to be reliable but has not been verified. No warranty is given as to the accuracy of such information. Public information and industry and statistical data are from sources Oliver Wyman deems to be reliable; however, Oliver Wyman makes no representation as to the accuracy or completeness of such information and has accepted the information without further verification. No responsibility is taken for changes in market conditions or laws or regulations and no obligation is assumed to revise this report to reflect changes, events or conditions, which occur subsequent to the date hereof.

Oliver Wyman shall not have any liability to any third party in respect of this report or any actions taken or decisions made as a consequence of the results, advice, or recommendations set forth herein.

Oliver Wyman is analyzing credit reporting submissions¹ made against the Nationwide Credit Reporting Agencies (NCRAs)² via the Consumer Financial Protection Bureau (CFPB) online portal. The CFPB created the online portal to “help consumers connect with financial companies to understand issues, fix errors, and get direct responses about problems.”³

Oliver Wyman was commissioned by Equifax, Experian, TransUnion (the “NCRAs”), and Hudson Cook LLP to conduct this analysis which aims to understand the increase in the volume of CFPB credit reporting submissions against the NCRAs from about 78,000 in 2017 to about 259,000 in 2020.⁴ In this document, we focus on four specific questions that help explain the current state and recent increase in submissions:

- What do submitters complain about via the CFPB portal?
- How frequently are submitters using the CFPB portal?
- What patterns emerge across CFPB portal submissions?
- What recent changes can we observe in the topics raised by submitters?

This analysis is conducted with submissions data that the NCRAs received from the CFPB portal, augmented with the NCRAs’ own internal data from processing submissions for the period of 2017 to 2020.

KEY FINDING 1

The CFPB portal is primarily used to dispute specific elements of submitters’ credit reports, and much less frequently to complain about NCRA products and services.

In 2020, about 259,000 submissions were made via the CFPB portal. During this time period, we identified 56,000 unique submitters⁵ representing 0.03% of the approximately 220 million US individuals with a credit report.⁶ Submissions may come from individuals with credit reports, as well as from organizations such as credit repair companies and non-profit organizations⁷ working on behalf of individuals.

1 In this document, the word “submission” refers to a credit reporting issue raised with the three Nationwide Credit Reporting Agencies via the CFPB online portal.

2 Equifax, Experian, and TransUnion.

3 Source: [CFPB Portal](#).

4 “In 2020, the CFPB received about 319,000 submissions regarding credit or consumer reporting submissions”. Of these submissions, about 259,000 referenced at least one of the three NCRAs, with the remainder either sent to other financial institutions (such as banks or lenders) or not sent due to incompleteness. Source: [CFPB 2020 Consumer Response Annual Report — March 2021](#).

5 Unique submitters were identified based on submitters’ email addresses, which were available for 218,000 submissions in 2020.

6 As of December 2020. Source: Oliver Wyman analysis.

7 Credit repair companies are for-profit companies that generally charge customers a fee to improve their credit score by removing information from their credit report. They are not to be confused with non-profit credit counsellors that generally help consumers build or rehabilitate their credit histories free of charge.

The 259,000 CFPB submissions in 2020 were categorized by the NCRAs as follows.

- 8% as complaints about the submitter experience with NCRA products and/or services (such as a problem getting a report or a credit score or a problem with fees);
- 86% as disputes, rather than complaints, about the accuracy or completeness of information reported to the NCRAs by data furnishers (such as banks, lenders, collections agencies) or, in some cases, personal information in a credit report;
- 6% as invalid submissions (for example, the submission is addressed to the incorrect company) or duplicate submissions.

Submissions classified as disputes are treated as disputes under the Fair Credit Reporting Act (FCRA), which gives consumers the statutory right to dispute incomplete or inaccurate information in their credit reports. The NCRAs must investigate disputes (unless frivolous) and work with the data furnishers that reported the disputed information to identify and rectify credit report information that is incorrect.⁸

KEY FINDING 2

Highly active submitters are driving an increasing proportion of submissions against the NCRAs.

The volume of submissions increased by 3.3x between 2017 and 2020 (from about 78,000 submissions to about 259,000 submissions). During that same time, the number of identifiable submitters⁵ grew by 1.9x (from about 29,000 submitters in 2017 to 56,000 submitters in 2020) as the prevalence of multiple submissions by a single submitter increased.

In 2020, the number of submissions sent by one submitter via the CFPB portal ranged from one to more than 500 submissions. Highly active submitters (with seven or more submissions during the year) accounted for 40% of submissions overall in 2020, up from 30% in 2017. Meanwhile, the proportion of submissions from submitters with one or two submissions per year decreased from 34% to 12% during that same period.

In addition, there was an increase in the number of similar submissions made through the CFPB portal against multiple NCRAs at the same time. In 2020, 84% of CFPB submissions came from submitters who sent submissions to multiple NCRAs on the same day vs. 57% in 2017.

The use of many submissions by a single submitter may be consistent with the business model used by third-party organizations such as credit repair companies or non-profit organizations.

⁸ For additional details on credit reporting and dispute processes see [“Consumer Credit Reports: Accuracy and Recent History.”](#) Oliver Wyman.

KEY FINDING 3

More CFPB submissions appear to be using similar language.

When analyzing the underlying reason(s) included in CFPB submissions, we isolated groups of similar submissions across submitters.⁹ The portion of CFPB submissions using similar or shared language increased from 27% in 2019 to 45% in 2020.

While some language can be found by consumers on public online resources (such as the Federal Trade Commission or the CFPB), the use of similar language across large groups of submissions is also consistent with the business model and practices of third-party organizations (such as credit repair companies or non-profit organizations).

KEY FINDING 4

An increasing proportion of submissions reference problems stemming from alleged identity theft.

CFPB portal submissions related to “identity theft”¹⁰ increased from 25% of total submissions in 2017 to 47% in 2020. A similar increase was noted by the Federal Trade Commission regarding identity theft submissions received via their IdentityTheft.gov platform. After analyzing this increase, the FTC noted its concern about a trend of fraudulent identity theft submissions that are made to take advantage of a provision of the Fair and Accurate Credit Transactions Act, which requires credit reporting agencies to block or remove information from the credit reports of consumers who allege to be the victims of identity theft.¹¹

Further analysis could shed greater light on the prevalence of fraudulent identity theft-related submissions received via the CFPB portal.

9 Similarities between submissions were recognized by identifying a set of words in the same order that appeared several times across submissions.

10 Identity theft related words: “fraud,” “identity,” “theft,” “605B,” “identity stolen,” “police report,” “data breach,” and “recovery plan.”

11 Source: Fiscal Year 2021 Report on the Federal Trade Commission’s top management and performance challenges. Federal Trade Commission Office on Inspector General. OIG Report No. OIG-21-05. September 2021.

Oliver Wyman is a global leader in management consulting that combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation.

For more information, please contact the marketing department by phone at one of the following locations:

Americas
+1 212 541 8100

EMEA
+44 20 7333 8333

Asia Pacific
+65 6510 9700

AUTHORS

Vivian Merker

Partner

Vivian.Merker@oliverwyman.com

Cosimo Schiavone

Principal

Cosimo.Schiavone@oliverwyman.com

Nick Dykstra

Partner

Nick.Dykstra@oliverwyman.com

Quentin Jaubert

Associate

Quentin.Jaubert@oliverwyman.com

Copyright ©2021 Oliver Wyman

All rights reserved. This report may not be reproduced or redistributed, in whole or in part, without the written permission of Oliver Wyman and Oliver Wyman accepts no liability whatsoever for the actions of third parties in this respect.

The information and opinions in this report were prepared by Oliver Wyman. This report is not investment advice and should not be relied on for such advice or as a substitute for consultation with professional accountants, tax, legal or financial advisors. Oliver Wyman has made every effort to use reliable, up-to-date and comprehensive information and analysis, but all information is provided without warranty of any kind, express or implied. Oliver Wyman disclaims any responsibility to update the information or conclusions in this report. Oliver Wyman accepts no liability for any loss arising from any action taken or refrained from as a result of information contained in this report or any reports or sources of information referred to herein, or for any consequential, special or similar damages even if advised of the possibility of such damages. The report is not an offer to buy or sell securities or a solicitation of an offer to buy or sell securities. This report may not be sold without the written consent of Oliver Wyman.