



Executive Summary, 2024-MO-C-016, June 24, 2024

The CFPB Effectively Monitors Consumer Complaints but Can Enhance Certain Processes

Findings

The Consumer Financial Protection Bureau's Office of Consumer Response generally followed its processes for reviewing and monitoring the timeliness, accuracy, and completeness of company responses to consumer complaints. For each year we reviewed, Consumer Response (1) used a risk-based approach to select companies for review and prioritized companies with the most consumer complaints, (2) followed its processes for sampling consumer complaints from selected companies and conducting quality assurance reviews, and (3) met its annual Government Performance and Results Act Modernization Act performance goal to review the response performance of at least 85 percent of the companies with more than 250 annual complaints. Consumer complaint volume increased significantly from 2019 to 2022, and the risk-based processes used by Consumer Response enabled its company monitoring team to scale up its review of company responses.

Consumer Response's company monitoring teams generally followed the office's procedures for documenting their review of company responses to consumer complaints in assessment questionnaires; however, 6.5 percent of the assessment questionnaires completed from 2019 through 2022 had incomplete determination finding fields. Consumer Response can strengthen controls to ensure that all required fields are consistently completed.

Consumer Response has piloted the distribution to companies of discretionary company-specific reports that provide information about their complaint handling and response performance. Consumer Response's pilot process for issuing company-specific reports lacked measurable objectives, a completion date, and formal written guidance. In addition, Consumer Response did not develop a procedure to periodically evaluate the pilot process. To effectively measure the pilot process's success, Consumer Response should finalize objectives and conduct periodic monitoring; developing formal guidance will help Consumer Response establish a repeatable process.

Recommendations

This report contains three recommendations designed to enhance Consumer Response's processes for issuing company-specific reports on response performance. In its response to our draft report, Consumer Response concurs with our recommendations and outlines actions to address them. We will follow up to ensure that the recommendations are fully addressed.

Purpose

We conducted this audit to assess the effectiveness of Consumer Response's processes for reviewing and monitoring the timeliness, accuracy, and completeness of company responses to consumer complaints in accordance with its established directives and procedures. To accomplish our objective, we reviewed Consumer Response's directives and procedures for reviewing and monitoring company responses to consumer complaints.

Background

Collecting, investigating, and monitoring consumer complaints about consumer financial products and services is a primary function of the CFPB. To address a statutory mandate, Consumer Response monitors consumer complaints to companies. Consumer Response company monitoring teams review company responses and assess whether those responses timely, accurately, and completely address a complaint.