



July 21, 2025
Comment Intake—x
c/o Legal Division Docket Manager
Consumer Financial Protection Bureau
1700 G Street NW, Washington, DC 20552.

To Whom It May Concern:

Better Markets, Inc.¹ appreciates the opportunity to comment on the above-captioned Request for Comment issued by the Consumer Financial Protection Bureau (“CFPB” or “Bureau”).²

Although the Bureau’s request for comment primarily pertains to the Consumer Complaint Intake System Company Portal Boarding Form, we wish to take this opportunity to publicly highlight the many benefits the publicly accessible complaint database provides to consumers and the American public at large. If the Bureau contemplates any changes to the current complaint database, we hope the Bureau will keep these comments in mind.

We stress that the collection, processing, and public display of this complaint data is a vital element of the Bureau’s mission to ensure that consumers are well informed and treated fairly in the financial marketplace. By promoting transparency, enhancing accountability, and empowering consumers with actionable information, the database delivers measurable benefits to regulators, researchers, financial institutions, and consumers alike. While we welcome efforts to lessen some of the burdens of compliance for firms subject to the registry, we emphasize that any attempt to curtail this Database—or to remove public access—would be an unwelcomed departure from the Bureau’s core mission and would demonstrably harm the very consumers the agency is tasked with protecting.

This comment letter outlines the Database’s significant contributions in five core areas: (1) promoting corporate accountability; (2) improving regulatory oversight; (3) empowering consumers through transparency; (4) supporting research and policy analysis; and (5) deterring misconduct through reputational incentives.

¹ Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in financial markets, support the financial reform of Wall Street, and make our financial system work for all Americans again. Better Markets works with allies—including many in finance—to promote pro-market, pro-business, and pro-growth policies that help build a stronger, safer financial system, one that protects and promotes Americans’ jobs, savings, retirements, and more.

² Agency Information Collection Activities: Comment Request, Docket No. CFPB–2025–0027, 90 Fed. Reg. 21905 (May 22, 2025), <https://www.federalregister.gov/documents/2025/05/22/2025-09226/agency-information-collection-activities-comment-request>.

I. Enhancing Corporate Accountability and Reform

The public nature of the Consumer Complaint Database creates pressure both internally and externally that encourages companies and industries as a whole to improve business practices and reform patterns of misconduct. Indeed, multiple studies have shown that financial firms respond to the visibility of complaints by improving business practices.

For example, one study by Yiwei Dou *et al* examined how public disclosure of mortgage-related complaints from the CFPB’s database affects mortgage approval rates among rival banks, among other lending practices.³ It finds that in counties where CFPB-registered banks face numerous complaints, other local banks subsequently increase mortgage approval rates by about 8.7%, expanding roughly \$1.25 billion in mortgage credit.⁴ The study finds that banks strategically respond to reputational signals from peers by expanding lending, opening branches, and boosting hiring—ultimately increasing credit supply where perceived risks loom. This suggests that firms respond to transparency, tweaking lending operations to avoid reputational risk. The study offers compelling empirical evidence that publicizing consumer complaints—even non-financial in nature—can trigger market-wide improvements in lending practices.

This aligns with the Bureau’s own complaint data snapshots and annual reports, which describe how companies can “use complaint information to gain important knowledge about their business, competitors, and industry more broadly”:

Companies can similarly use complaint information to gain important knowledge about their business, competitors, and industry more broadly. Consumer complaints can be an indicator of potential risk management weaknesses or other deficiencies, such as violations of laws or regulations. Complaints can reveal a weakness in a particular product, service, function, department, or vendor. Complaints can also identify opportunities to enhance consumers’ experience and understanding of consumer financial products and services.⁵

Indeed, by promoting increased competition and transparency, the publicly accessible Database benefits not only consumers but the economy as a whole. As Professors Amy Schmitz and Pamela Foohey previously wrote in a 2018 article published in *Law 360*:

Companies also benefit from the public database. The database provides important feedback to companies about concerns people have with their products and services. It also helps prevent unscrupulous competitors from undercutting legitimate companies,

³ Yiwei Dou, *Learning from peers: Evidence from disclosure of consumer complaints*, 77 J. ACC. & ECON. (2024), <https://www.sciencedirect.com/science/article/abs/pii/S0165410123000447>.

⁴ *Id.*

⁵ CFPB, CONSUMER RESPONSE ANNUAL REPORT: JANUARY 1 — DECEMBER 31, 2023 at 78, https://files.consumerfinance.gov/f/documents/cfpb_cr-annual-report_2023-03.pdf.

because all companies know that consumers might call them out for using underhanded tactics. Additionally, policymakers and others leverage the complaint data to analyze trends and identify problems in the marketplace. In short, the public database fosters transparency and improves the marketplace for consumer financial products and services.⁶

The public accountability mechanism of the Database is therefore a cost-effective, market-aligned strategy to improve compliance without the need for new regulation—something that industry and pro-market advocates should welcome.⁷

II. Strengthening Regulatory Oversight and Early Detection of Market Risks

The complaint database also functions as an early-warning system for regulators. When analyzed systematically, complaints often reveal harmful practices before they become widespread or escalate into crises.⁸

One of the clearest examples of this function was the emergence of complaints related to unauthorized account openings at Wells Fargo. Long before the Bureau’s formal enforcement action in 2016, complaints submitted through the database reflected troubling patterns that, in retrospect, were early indicators of the scandal.⁹ By aggregating consumer experiences, the CFPB can detect patterns of abuse and intervene before they spread.

⁶ Pamela Foohey & Amy Schmitz, *Hiding Complaints About Wall St. Benefits Mulvaney Donors*, LAW360 (June 11, 2018), <https://www.law360.com/consumerprotection/articles/1052348/hiding-complaints-about-wall-st-benefits-mulvaney-donors>.

⁷ CFPB, CONSUMER RESPONSE ANNUAL REPORT, *supra* note 5 at 4 (“Responsible companies use complaints not only as an opportunity to engage with consumers, but also as an indicator of potential weaknesses in a particular product, service, function, department, or vendor. Companies are encouraged to consider how best to incorporate complaint information into their institutional processes to help ensure that problems are detected early and addressed quickly.”); *see also* *Why Monitoring the CFPB’s Database is Key for Financial Risk Management*, OWLIN (Nov. 1, 2023), <https://owlin.com/blog/why-monitoring-the-cfpbs-consumer-complaint-database-is-essential-for-navigating-third-party-risks-for-financial-services/>.

⁸ Polo Rocha & Sanford Nowlin, ‘Fundamental breakdown’: How USAA landed in regulators’ hot seat, AMERICAN BANKER (Nov. 21, 2024), <https://www.americanbanker.com/news/fundamental-breakdown-how-usaa-landed-in-regulators-hot-seat> (noting the anomalous uptick in consumer complaints within the CFPB’s consumer complaint database that preceded USAA’s regulatory scrutiny).

⁹ *See* Richard Satran, *Complaints against Wells Fargo, other banks rise on CFPB log targeted by Congress*, REUTERS (Mar. 1, 2017), <https://www.reuters.com/article/sustainability/complaints-against-wells-fargo-other-banks-rise-on-cfpb-log-targeted-by-congress-idUSKBN1685MT/>; Michael Corkery, *Wells Fargo Fined \$185 Million for Fraudulently Opening Accounts*, THE NEW YORK TIMES (Sept. 8, 2016), <https://www.nytimes.com/2016/09/09/business/dealbook/wells-fargo-fined-for-years-of-harm-to-customers.html>; Emily Flitter, *Wells Fargo to Pay \$3.7 Billion Over Consumer Banking Violations*, THE NEW YORK TIMES (Dec. 20, 2022), <https://www.nytimes.com/2022/12/20/business/wells-fargo-consumer-loans-fine.html>.

A 2015 audit by the CFPB’s Office of Inspector General (OIG) confirmed that the Bureau uses complaint data to inform supervision and enforcement priorities.¹⁰ The OIG found that the database, while in need of improved controls at the time, served an essential purpose in enabling risk-based prioritization of supervision targets.

III. Empowering Consumers Through Transparency

Consumers benefit significantly from public access to complaint data. The public can review specific complaint narratives, examine how companies responded, and use this information to make informed decisions about which financial providers to trust.¹¹ By allowing consumers to comparison-shop through a reliable, government-operated portal, the Bureau’s complaint database serves as an effective supplement to the shortcomings of existing private complaint mechanisms.¹²

Moreover, consumer awareness that their complaints may be made public encourages more careful documentation, which improves the quality of submissions and reinforces the Bureau’s fact-finding efforts. Transparency in complaint data enhances market discipline, empowering consumers to reward ethical firms and avoid problematic ones. As one opinion piece in the Washington Post put it, “[c]onsumer-supplied information can reduce reliance on regulation and enforcement to protect consumers by encouraging market forces that reward better business practices.”¹³

IV. Supporting Research, Journalism, and Policymaking

The Database is widely used by academic researchers, investigative journalists, and public policy analysts to study the financial marketplace and inform regulatory responses. Because it is

¹⁰ BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, OFFICE OF INSPECTOR GENERAL, OPPORTUNITIES EXIST TO ENHANCE MANAGEMENT CONTROLS OVER THE CFPB’S CONSUMER COMPLAINT DATABASE 2–4 (Sept. 10, 2015), <https://oig.federalreserve.gov/reports/cfpb-management-controls-consumer-complaint-database-sep2015.pdf>.

¹¹ See generally U.S. PIRG, SHINING A LIGHT ON CONSUMER PROBLEMS THE CASE FOR PUBLIC ACCESS TO THE CFPB’S FINANCIAL COMPLAINTS DATABASE (June 2018), <https://publicinterestnetwork.org/wp-content/uploads/2018/06/CFPB-Public-Complaints-Report-Jun18-Web.pdf>.

¹² See e.g., Troy Fleming, “Pay for Play” Scandal at the Better Business Bureau Leads to Consumer Mistrust of the Business Rating Organization, 23 LOY. CONSUM. L. REV. 445 (2011); Best & Andreasen, *Consumer Response to Unsatisfactory Purchases: A Survey of Perceiving Defects, Voicing Complaints, and Obtaining Redress*, 11 LAW & SOC’Y REV. 701, 713–14 (1977) (finding that only 3.7 percent of voiced consumer complaints actually reached any third party, and only 16% of those brought to third parties were ever brought to a lawyer or court).

¹³ Blair Levin & Larry Downes, *We need more, not fewer, government Yelps*, WASHINGTON POST (May 2, 2018), <https://www.washingtonpost.com/news/innovations/wp/2018/05/02/we-need-more-not-fewer-governmentyelps/>; see also Editorial, *Let Consumer Complaints See the Light of Day*, BLOOMBERG (Apr. 29, 2018), <https://www.bloomberg.com/view/articles/2018-04-29/save-the-cfpb-s-consumer-complaintdatabase> (arguing that the transparency of the database “pushes companies to be more responsive,” and noting that “some 97 percent of complaints get a timely response”).

structured and downloadable, the database allows independent actors to track emerging issues, study consumer harm, and identify vulnerable populations.¹⁴

For example, in one recent study, scholars Xiang Li and Ningzhe Zhou investigated the effect of the CFPB’s 2015 disclosure of complaint narratives on reducing racial disparities in financial services.¹⁵ The authors found that “post-disclosure, minority communities experience welfare enhancements,” including “higher savings interest rates (amounting to over \$50 million annually), reduced maintenance fees, and lower interest rates on auto loans and credit cards.”¹⁶ According to the authors, [t]he research emphasizes the broad impact of service quality disclosure in mitigating racial disparities in savings and lending markets. . . . The results of this study demonstrate that the public disclosure of customer complaints effectively alleviates discriminatory and unfair treatment of clients in the U.S. financial system.”¹⁷

Similarly, in 2016, the Center for Responsible Lending (CRL) manually reviewed complaint narratives related to bank overdraft fees, showing that nearly one in five of those complaints expressed confusion over account balances. CRL concluded that many complaints were related to “bank practices that make it difficult for consumers to know balance availability, transaction timing, or whether or not overdraft transactions would be paid or declined.”¹⁸

In addition, the complaint Database has been used by journalists to uncover troubling practices in student loan servicing, debt collection, and mortgage servicing long before formal

¹⁴ See, e.g., Ian Ayres, Jeff Lingwall, & Sonia Steinway, *Skeletons in the Database: An Early Analysis of the CFPB’s Consumer Complaints*, 19 FORDHAM J. CORP. & FIN. L. 343 (2014) (studying how different financial institutions respond differently to different consumer complaints, finding that companies provides less timely responses in ZIP codes with larger proportions of certain populations, including Hispanics, Blacks, senior citizens, and college students), <https://ir.lawnet.fordham.edu/jcfl/vol19/iss2/2/>; Matthew A. Bruckner & Christopher J. Ryan, Jr., *Student Loans and Financial Distress: A Qualitative Analysis of the Most Common Student Loan Complaints*, 35 LOY. CONSUMER L. REV. 203 (2023), <https://lawcommons.luc.edu/lclr/vol35/iss2/3> (analyzing consumer complaint narrative data from the Database and finding “clear patterns of discontent in four primary areas” of student loan servicing: “1) a mismatch between ability to repay and repayment options, including problems with forbearance, deferments, the public service loan forgiveness program, income-driven repayment plans, and loan cancellation options; 2) customer service, including sudden and unexplained changes in payment obligations, 3) inappropriate payment processing, such as misapplying payments; and 4) unauthorized loans or outright scams.”); Pamela Foohey, *Calling on the CFPB for Help: Telling Stories and Consumer Protection*, 80 L. & CONTEMP. PROB. 177–209 (2017), <https://scholarship.law.duke.edu/lcp/vol80/iss3/8>.

¹⁵ Xiang Li & Ningzhe Zhou, *Shedding Light on Bias: Consumer Complaint Disclosure and Racial Equity in Financial Services* (Apr. 20, 2025), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4908969; Xiang Li, *Does the Disclosure of Consumer Complaints Reduce Racial Disparities in the Mortgage Lending Market?* (Dec. 4, 2023), <https://ssrn.com/abstract=4741819>.

¹⁶ Xiang Li & Ningzhe Zhou, *supra* note 15.

¹⁷ *Id.*

¹⁸ REBECCA BORNÉ, PETER SMITH, & RACHEL ANDERSON, BROKEN BANKING: HOW OVERDRAFT FEES HARM CONSUMERS AND DISCOURAGE RESPONSIBLE BANK PRODUCTS, CENTER FOR RESPONSIBLE LENDING (May 2016), https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl_broken_banking_may2016.pdf.

investigations ever arise.¹⁹ The transparency and accessibility of complaint data enable the public to serve as a complementary force in financial regulation, helping reveal systemic patterns of abuse and better enabling regulators and consumers to respond to emerging risks.²⁰

V. Detering Misconduct Through Reputational Incentives

Perhaps the most unique benefit of the public Database is that it creates reputational consequences for firms who repeatedly harm consumers. Unlike confidential complaint channels, public complaints can shape consumer and investor perceptions, pressuring firms to rectify patterns of misconduct proactively.

While some industry voices have argued that public complaints may be unverified, the Bureau's multi-layered verification process and flagging of disputed narratives appropriately balance due process and transparency. The value of public scrutiny in deterring fraud and abuse outweighs speculative concerns about reputational risk.

Importantly, the presence of a public forum for consumer complaints shifts market incentives toward harm prevention and compliance. Financial institutions know that mistreating consumers carries reputational cost, which encourages improved internal compliance and customer service.

Conclusion

The Consumer Complaint Database is a uniquely effective regulatory tool that empowers consumers, informs policymakers, deters abuse, and improves market conduct. At a time when financial services are becoming more complex and less transparent, the Database plays a critical role in democratizing financial oversight.

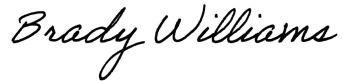
We urge the CFPB not only to preserve the public complaint database in its current form but to expand its utility through improved user interface tools, broader outreach, and continued inclusion of consumer narratives. Once again, we welcome efforts to reduce the compliance burdens of firms subject to the database but only to the extent that this does not compromise the information-gathering utility of the database for the public.

¹⁹ See, e.g., Matthew Goldberg, *What goes wrong most often at banks, according to consumer complaints filed at CFPB*, BANKRATE (July 30, 2019), <https://www.bankrate.com/banking/consumer-complaints-cfpb-2019/>; Craig Silverman & Peter Elkind, *Walmart Bought a Finance App and Reduced Fraud Protections. Guess What Happened Next?*, PROPUBLICA (Mar. 11, 2024), <https://www.propublica.org/article/after-walmart-bought-finance-app-one-complaints-soared>; Massimo Calabresi, *The Agency That's Got Your Back*, TIME (Aug. 13, 2015), <https://time.com/3995779/the-agency-thats-got-your-back/>; *Mining the CFPB Complaint Database to Improve Your CX*, THE FINANCIAL BRAND (Oct. 1, 2013), <https://thefinancialbrand.com/news/customer-experience-banking/data-mining-cfpb-database-customer-33944>.

²⁰ Laura Nader, *Disputing without the Force of Law*, 88 YALE L.J. 998, 1007 (1979) ("Besides resolving individual grievances quickly and fairly, an ideal complaint-handling system would disclose aggregate patterns of abuse or injustice and would support systemic reform.").

We hope these comments are helpful in guiding the Bureau's important and ongoing work to make the financial system more fair, stable, and transparent for the benefit of all Americans.

Sincerely,

A handwritten signature in black ink that reads "Brady Williams". The script is cursive and fluid.

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