

Back to Basics, Continued

—Responding to a Consumer Complaint Received Through the CFPB Portal

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Within the past few months, we have seen an uptick in the number of complaints that consumer finance companies are receiving through the CFPB's Portal. Recall that the CFPB established the Portal as a complaint reporting system to assist consumers in having their complaints heard by creditors.

From the consumer's point of view, it's a five-step process:

1. The consumer submits a complaint about an issue that he or she has with a creditor to the CFPB; or another government agency forwards the consumer's complaint to the CFPB.
2. The complaint is forwarded by the CFPB to the creditor along with any documents provided by the complainant. If the CFPB determines that a different government agency would be better able to handle the complaint—such as the FTC—then it will forward that complaint to such agency, and so inform the consumer.
3. A company that has registered with the Portal, will receive the complaint. It should then review it and report to the CFPB on the steps taken or to be taken with respect to the complaint within 15 days.
4. The CFPB publishes information about the complaint—including the subject matter and date, on its Database. With the consumer's consent, the CFPB also publishes the consumer's description of what happened.
5. The CFPB then reports the substance of the creditor's response back to the consumer.

From the creditor's point of view, there are eight basic responses that it may make to the complaint:

1. An interim response indicating that the complaint cannot be addressed within 15 days and that a further response will be forthcoming.
2. A final response indicating that an explanation has been given to the consumer.
3. A final response indicating that steps have been or will be taken to resolve the complaint with monetary relief.
4. A final response indicating that steps have been or will be taken to resolve the complaint without monetary relief.
5. That no action will be taken because of suspected fraud, pending legal matters, business identity theft or because the complaint was submitted by an unauthorized third party.
6. That no action will be taken because the complaint is one submitted by or on behalf of the same consumer that does not describe or include any new issue and the original complaint number is submitted.
7. That no action will be taken because the complaint is not related to the creditor.
8. That no action will be taken because the complaint is about an issue that needs to be turned over to another regulator.

The CFPB does not require that the company/creditor communicate directly with the consumer with respect to a complaint coming through the Portal. However, if the complainant also reached out directly to the creditor with a "direct dispute" letter then such should be treated as a dispute; and following an investigation of the complaint, the creditor should respond as it would to a direct dispute.

Please Note: This is the one hundred sixty-second blog in a series of *Back to Basics* blogs, in which relevant and

resourceful information can be easily accessed by clicking here.

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