

2014

# Annual Report to the Director

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Advocating for fair process in consumer financial protection



OMBUDSMAN'S  
OFFICE

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# Message from the Ombudsman

I am pleased to present our FY2014 annual report to the Director of the Consumer Financial Protection Bureau, pursuant to the CFPB Ombudsman's Office Charter.

This year, we sought new ways to add value as an independent, impartial, and confidential resource. Our annual report highlights some of the different ways in which we have creatively assisted stakeholders this year.

We introduce a section in our annual report entitled, *The Ombudsman in Practice*. It shares some of the ways we provide assistance, highlights issues we heard from consumer groups or trade groups as well as in individual inquiries to the office, and then outlines specific examples where we assisted people in identifying and considering options, facilitated conversations, and served as an independent advisor to the CFPB. To better inform our stakeholders, our report also provides data in a new format to share the issues we heard from individual inquiries. Additionally, we describe our analysis on two broader issues – information shared with consumers on CFPB public actions and CFPB perspectives on industry – and the results of those reviews.

Finally, we focused on the four strategic plan goals for the Ombudsman's Office – outreach, deliverables, resource development, and streamlining our internal workflow. In carrying out these goals, we created and implemented plans for our CFPB inreach (internal engagement) and outreach to external stakeholders to share how we can serve as a resource, specifically reaching the CFPB's distributed workforce and expanding our reach to other consumer and trade groups. We also continued to compile resources to offer as options to address common concerns for people who contact us. In the coming year, we plan to continue to expand the ways in which we assist those who contact our office.

My team and I look forward to continuing the conversation with all of our stakeholders as we advocate for a fair process in consumer financial protection.

Wendy Kamenshine  
CFPB Ombudsman

November 17, 2014

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# The Ombudsman in Practice

The Ombudsman<sup>1</sup> informally assists in resolving process issues with the CFPB that are: mentioned in individual inquiries received from consumers, financial entities, their groups, and others; highlighted in interactions with groups; and observed by the Ombudsman. To assist, we can:

- Facilitate discussions,
- Brainstorm and evaluate options and resources,
- Share independent analyses,
- Offer an impartial perspective,
- Ensure confidentiality of someone's identity,<sup>2</sup>
- Engage in shuttle diplomacy, and
- Provide recommendations, among other options

We also consistently connect throughout the CFPB with our inreach (internal engagement), as shown in Figure 1, and meet with other CFPB components on an as-needed basis.

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<sup>1</sup> In this report, "Ombudsman" refers to the Office, the staff, or the person.

<sup>2</sup> We do not share someone's identifying information outside the Ombudsman's Office unless the person tells us we can. We also may have to share it if there is: a threat of imminent risk of serious harm; the person raised an issue of government fraud, waste, or abuse; or if required by law.

**FIGURE 1: INREACH MEETINGS WITH THE CFPB**

<b>Monthly</b>	Director; Deputy Director; Chief of Staff; Office of Consumer Response, Intake and Contact Center Operations; Office of Financial Institutions and Business Liaison; and Office of Intergovernmental Affairs
<b>Bi-Monthly</b>	Office of Consumer Response, Consumer Experience; Office of Consumer Response, Investigations; Office of Financial Empowerment; Office of Older Americans; and Office of Community Affairs
<b>Quarterly</b>	Operations Division; Division of Consumer Education and Engagement; Division of Supervision, Enforcement, and Fair Lending; Research, Markets, and Regulations Division; Division of External Affairs; Legal Division; Office of Minority and Women Inclusion; Office of Consumer Response; Office of Enforcement; Regional Directors, Office of Supervision Examinations; and Consumer Advisory Board and Councils

Note: We also meet weekly with the Office of Consumer Response staff tasked with handling escalated issues.

For our inreach, we provide regular informal feedback to the CFPB on information we are hearing, offer feedback in conjunction with CFPB offices' proposed initiatives, share recommendations, and serve as a resource for external inquiries that cannot be resolved elsewhere.

Below are some issues we heard this year from our interactions with groups and from the individual inquiries we received. The Ombudsman highlighted these and other issues to the CFPB as part of our regular inreach meetings.

**Feedback from Consumer Groups or Trade Groups** – We regularly interact with external stakeholders through our own independent outreach initiatives, such as meeting with various groups, speaking at conferences and in smaller gatherings, conducting visits to financial entities' operations, and re-connecting in touch base meetings with groups over time.<sup>3</sup> The list below reflects some of the issues we heard:

- Need for additional clarity on CFPB points-of-contact for industry and an understanding of how CFPB staff learns about developments in industry;

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<sup>3</sup> Groups or financial entities that wish to request a meeting with the Ombudsman may contact the Ombudsman at [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov) or (855) 830-7880. In addition, to the extent a group would like to have regular touch base meetings, the Ombudsman is available to schedule such meetings.

- Desire for more clarity on regulatory compliance for business planning and operations;<sup>4</sup>
- Concern about broad examination information requests;
- Need for normalization of data in the public Consumer Complaint Database;
- Inability of advocates to submit complaints on behalf of multiple consumers at one time;
- Difference in the language used as between consent orders and their corresponding CFPB press releases;<sup>5</sup> and
- Formal or informal nature of the CFPB blog postings.

**Issues from Individual Inquiries** – We received individual inquiries from consumers, financial entities, groups, and others regarding process issues with the CFPB.<sup>6</sup> The *Examining Individual Inquiries to the Ombudsman* section later provides an additional analysis of the individual inquiries received, but listed below are examples of some issues raised:

- Continued confusion surrounding what to expect from the consumer complaint process;
- The need for understanding the intersection between the supervision and enforcement processes, such as how the two work together and what to expect or not expect;

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<sup>4</sup> The CFPB provides information on completed and anticipated regulations at [consumerfinance.gov/regulatory-agenda-archive/](http://consumerfinance.gov/regulatory-agenda-archive/)

<sup>5</sup> In FY2015, the Ombudsman will conduct an independent review of consent orders and their corresponding CFPB press releases.

<sup>6</sup> Consumers, financial entities, their groups, and others may contact the Ombudsman by phone (855) 830-7880, TTY (202) 435-9835, fax (202) 435-7888, or email ([CFPBombudsman@cfpb.gov](mailto:CFPBombudsman@cfpb.gov)) regarding a CFPB process issue that could not be resolved with the CFPB, or if the person wants to raise an issue in confidence.

- Companies or their representatives that wanted a regulatory interpretation, but did not know where to obtain that information;
- The need for more information about the eligibility for a payout or the amount of a payout arising from a CFPB public action;
- The need for more information on the selection process and timeframes for *amicus* brief requests;
- Consumers who did not receive responses to postal mail letters commenting on the consumer complaint process; and
- Outcomes from regulations that the inquirer did not anticipate.

Below are some examples of the CFPB process issues that demonstrate how the Ombudsman works in practice:

***Improving Access for the Visually Impaired*** – During the year, the Ombudsman became aware that the CFPB website, [consumerfinance.gov](http://consumerfinance.gov), had elements that were difficult for the visually impaired to access. To further understand the issue, the Ombudsman contacted a few groups that assist the visually impaired to learn their perspective. At the same time, we requested a demonstration using a screen reader to further understand the experience with the website. For the demonstration, the Ombudsman invited staff from many offices across the CFPB. The demonstration highlighted both what worked well, such as labeling fields in the public Consumer Complaint Database, and items that needed to be corrected, such as technology barriers that made it not possible for the visually impaired to submit a consumer complaint to the CFPB via the website. The Ombudsman understands that the CFPB now requires all website postings to be accessible for the visually impaired and recently completed the hiring process for a program manager to ensure this accessibility.

***Identifying Possible Concerns Regarding Examination Guidelines*** – This year, the Ombudsman learned that the CFPB developed internal guidance about consumer interviews that may be conducted as part of an examination of a financial entity. In anticipating possible external stakeholder concerns and to serve as an independent advisor and early warning system for the CFPB, the Ombudsman shared feedback and suggestions with the Offices of Supervision Examinations and Supervision Policy for their consideration. The Ombudsman understands that the CFPB plans to implement some of the suggestions that we shared.

***Ensuring Responses to Postal Mail Letters Sent to the CFPB*** – Over time, consumers shared with the Ombudsman that they wrote postal mail letters to the CFPB Director or Office of Consumer Response commenting on the consumer complaint process, but did not receive any written acknowledgement in response. To address this issue, the Ombudsman facilitated a meeting with the Office of the Director and Consumer Response. Subsequently, both the Office of the Director and Consumer Response established mechanisms to provide such acknowledgements to the senders.

***Highlighting Language in CFPB Consumer Communications*** – This year, the Ombudsman observed that language in some CFPB consumer materials used different types of cautionary language. For the CFPB's consideration, the Ombudsman highlighted whether the agency reviewed use of this cautionary language across CFPB communications on different financial products and services.

***Educating about Amicus Briefs*** – During the year, the Ombudsman received an inquiry concerning the CFPB's *amicus* program. Initially, we contacted the Legal Division and facilitated the sharing of information which answered the consumer's questions. Subsequently, the Ombudsman received additional questions from other inquirers regarding the program. We then met with the Legal Division to share suggestions for additional clarifying information to add to [consumerfinance.gov](http://consumerfinance.gov) regarding the program, particularly for consumers unrepresented by counsel. As of this writing, the Ombudsman understands that the *amicus* program is currently developing additional language and revising existing language to achieve this objective.

***Providing Resources for Consumers*** – In conjunction with the Ombudsman's strategic plan, throughout the year we gathered resources from the CFPB to assist inquirers who reached the Ombudsman where the CFPB could not assist. For example, anecdotally, we heard from several people who self-identified as homeless because they lost their home due to foreclosure and eviction. The CFPB's Office of Financial Empowerment highlighted some resources we could share to assist those individuals. Now, when inquirers self-identify as homeless, we can offer them some additional avenues for assistance in their local areas.

***Facilitating Resolutions and Identifying Options for Industry*** – As in other years, the Ombudsman facilitated the resolution of process issues raised by trade groups and financial entities and facilitated their connection with the relevant CFPB offices or subject matter experts. At the same time, we worked with the trade groups or financial entities as they connected into the CFPB to ensure that they received a fair process in raising an issue. We also assisted them with identifying and considering options of who they may wish to contact themselves, for example, regarding the examination or enforcement processes.

The next section highlights the individual inquiries to the Ombudsman in further detail.

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# Examining Individual Inquiries to the Ombudsman

In FY2014, the Ombudsman received fewer individual inquiries (1,133)<sup>7</sup> than in FY2013 (1,422), with nearly all the decline accounted for by fewer consumers reaching the office than last year (871 in FY2014 compared with 1,219 in FY2013).<sup>8</sup> The number of individual inquiries from almost all other people who contacted the Ombudsman increased by about 9 percent<sup>9</sup> of total inquiries year over year including, for example, from: attorneys, representatives, and third parties; financial entities, businesspersons, and consumer and trade groups; and local, state, and federal government to include Congressional offices. At the same time, the number of issues raised in individual inquiries in FY2014 was virtually the same as in FY2013 (2,076 in FY2014 and 2,070 in FY2013).

This year, the Ombudsman began tracking two new fields to better understand the inquiries we received regarding consumer complaints submitted to the CFPB. Specifically, we began to track whether inquirers to our office self-identified within two special populations served by the CFPB, servicemembers and older Americans. For individual inquiries regarding

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<sup>7</sup> Individual inquiries do not include Ombudsman outreach and the broader issues received in connection with such outreach. The only other category that decreased was inquiries by unauthorized parties – third parties, including attorneys, not yet listed as a contact with the CFPB on a consumer complaint.

<sup>8</sup> Consumer Response received 144,000 consumer complaints in FY2013 and 240,600 in FY2014.

<sup>9</sup> All percentages in this report are rounded up to the nearest whole number if 0.5 or greater, or rounded down if less than 0.5.



consumer complaints, approximately 3 percent pertained to servicemembers or their dependents and approximately 10 percent pertained to older Americans.<sup>10</sup>

Overall, inquiries to the Ombudsman included: questions (41 percent); complaints (36 percent); topics of concern (14 percent); courtesy copies to the Ombudsman (6 percent); and feedback on CFPB and non-CFPB topics (2 percent). These data reflect fewer complaints and an increase in questions and topics of concern than the data in FY2013.

To advocate for a fair process, we impartially review each individual inquiry and consider all sides of an issue to determine how we may assist. Depending on the issue we may: review the applicable laws, regulations, policy, and data; follow-up with the person or financial entity that contacted the Ombudsman; and/or meet with CFPB officials. We then may make a recommendation to the CFPB on how to further assist the person or entity.

The public can reach the CFPB Ombudsman by email, toll-free number, TTY, or fax. The Ombudsman also occasionally receives letters sent to the CFPB Washington, D.C., mailing address. Similar to last year, the majority of first contacts were by telephone (53 percent) or email (41 percent). However, in FY2013 the first contacts were skewed toward the telephone (73 percent) compared with email (24 percent).

In FY2014, people contacted the Ombudsman from 47 states, the District of Columbia, as well as other countries. In addition, web users from all 50 states viewed the Ombudsman webpage, [consumerfinance.gov/ombudsman](http://consumerfinance.gov/ombudsman), at some point during the year.

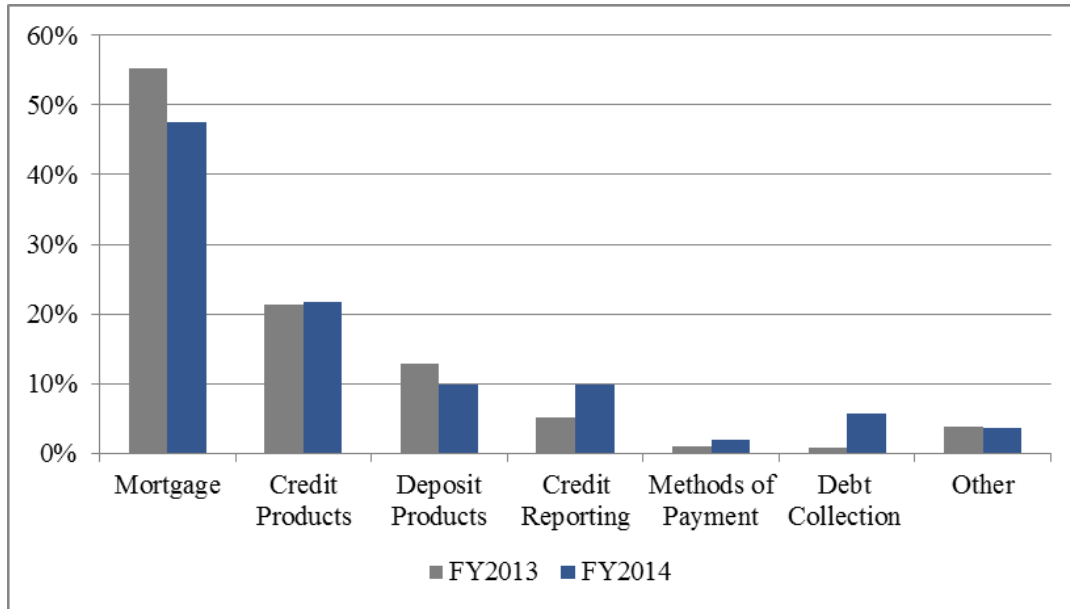
Similar to last year, we received inquiries regarding consumer complaints primarily concerning mortgages (48 percent) followed by credit products (22 percent), as shown in Figure 2 below. In FY2014, of the consumer complaints handled by the CFPB, mortgage matters accounted for 21 percent and credit products for 16 percent.<sup>11</sup>

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<sup>10</sup> These percentages are calculated based on how many inquirers who contacted the Ombudsman could be in these special population categories.

<sup>11</sup> Data provided by the CFPB's Office of Consumer Response.

**FIGURE 2: PRODUCT CATEGORIES FOR INQUIRIES TO THE OMBUDSMAN<sup>12</sup>**

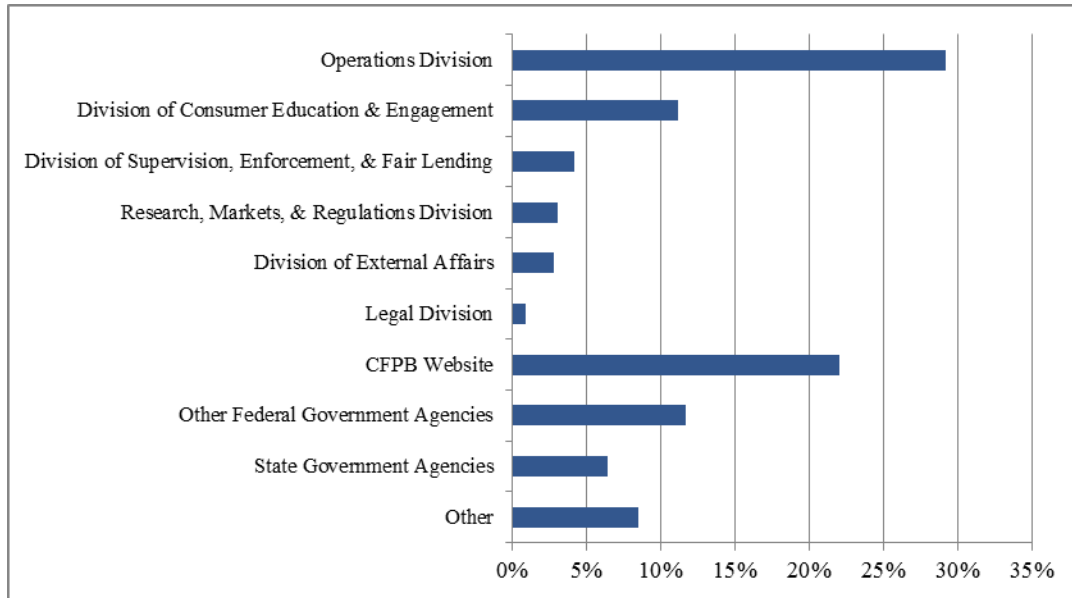


We also track issues raised in inquiries received to highlight trends, provide feedback, and make recommendations to the CFPB. As shown in Figure 3, for some inquiries, the Ombudsman provided other resources to further assist the inquirer. For example, a consumer may benefit from reviewing one of the AskCFPB questions on [consumerfinance.gov](http://consumerfinance.gov) or we may suggest a company official contact the Office of Regulations with a regulatory question if the person has not tried that avenue. We also ask consumers to contact the Office of Consumer Response, within the Operations Division, if they have not yet submitted a consumer complaint with the CFPB or if their consumer complaint still is in progress.

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<sup>12</sup> The percentages total 100 for each year in this Figure.

**FIGURE 3: DESTINATION OF ISSUES RE-DIRECTED TO FURTHER ASSIST THE INQUIRER<sup>13</sup>**



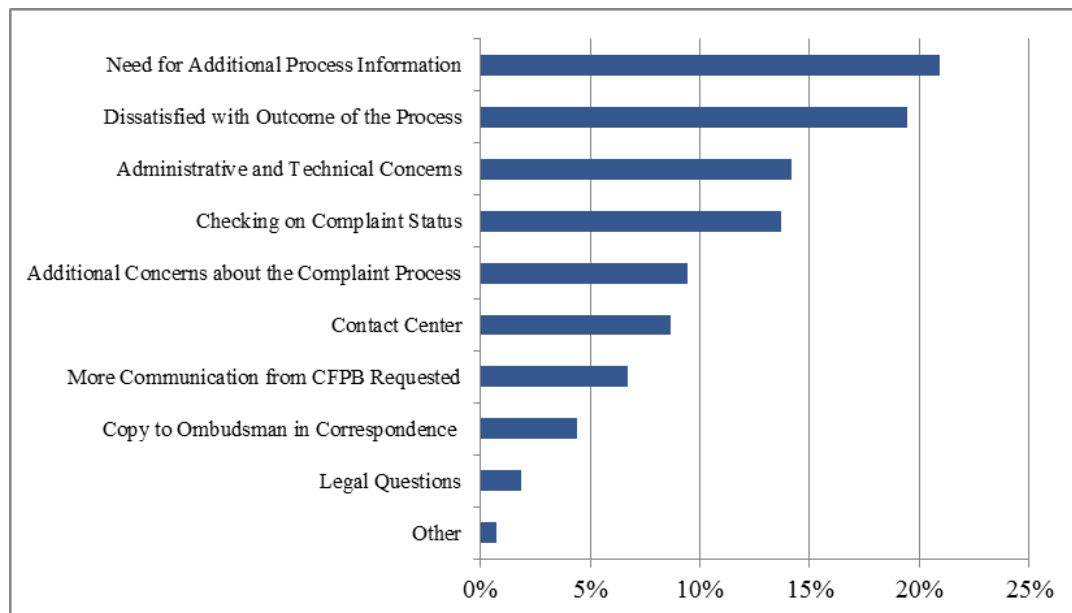
As described in *The Ombudsman in Practice* section, the individual issues we received pertaining to industry were primarily: a difference in the language used as between consent orders and their corresponding CFPB press releases (shared both in feedback from trade groups and individual inquiries); the need for a regulatory interpretation; and the need for understanding the intersection between the supervision and enforcement processes to determine how to best navigate them.

Figure 4 below describes in more detail the individual issues we received particular to the consumer complaint process, a few of which we highlighted in *The Ombudsman in Practice* section. Consumer complaint process issues reflected the need for additional process information and the request for more communication from the CFPB for a combined total of approximately 28 percent. In addition, 14 percent pertained to a need for complaint status, which also related to a need for further communication. Finally, almost 19 percent of the consumer complaint issues related to a dissatisfaction with the outcome of the process itself.

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<sup>13</sup> The percentages total 100 in this Figure.

**FIGURE 4: CONSUMER COMPLAINT PROCESS ISSUES<sup>14</sup>**



In addition to the information shared above, about 5 percent of all the issues this year were commentary about the CFPB or on non-CFPB topics and about 3 percent pertained to the inquirer’s interaction with the CFPB.

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## Systemic Reviews: Focus for FY2014

In addition to individual inquiries, the Ombudsman reviews systemic issues that may be affecting consumers or financial entities nationwide, in a particular region, or with a certain process. We decide to review topics as systemic issues to see if we may have helpful

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<sup>14</sup> The percentages total 100 and each percentage listed equals the number of issues in the grouping divided by the number of total issues received regarding the consumer complaint process. Note that in our FY2013 annual report, we provided the percent based on the total number of issues received by the Ombudsman that year.

recommendations or feedback to share with the CFPB. The Ombudsman recommendations may be: also suggested by others, but not implemented; ideas shared with the Ombudsman as we explored an issue; or, the Ombudsman's ideas of how to address an issue. The objective is to resolve the issue, but sometimes there are other possible solutions that also may work to reach the same result and we welcome implementation of those ideas.

In FY2014 the Ombudsman reviewed two issues as systemic issues: what information the CFPB shares with consumers about CFPB public actions, and through what channels financial entities and trade groups connect with the CFPB to share about industry developments and how that information is shared within the CFPB.

## CFPB Public Actions and Redress: Information Sharing with Consumers

The CFPB is regularly involved in public actions, many of which lead to monetary or other types of relief for consumers. The CFPB typically publicizes these actions, leading consumers to look to the Bureau for additional information, especially regarding eligibility for relief.

During FY2014, consumers reached the Ombudsman's Office seeking information on their eligibility for a payout or the amount of their payout resulting from CFPB public actions. Most of these consumers indicated that they either did not know where to find this information, could not find it on [consumerfinance.gov](http://consumerfinance.gov), or the Bureau's telephone contact center did not have it to provide. As a result, we decided to review how information about CFPB public actions is provided to consumers to see if we could offer feedback to assist the Bureau and the public.

This section summarizes these types of CFPB actions, reviews how the Bureau disseminates information about them to the public, and makes recommendations to help advance consumer understanding.

For this review, the Ombudsman's Office met with the CFPB divisions and offices that have a role in enforcement and supervisory activities, including offices that communicate about or administer the results. Additionally, we spoke with employees at other federal agencies, a third-party administrator, and conducted three focus groups with employees from the Bureau's contact center to hear their feedback and suggestions. Finally, we reviewed sample letters that the CFPB sends to consumers in some circumstances.

## Paths to Consumer Relief

CFPB actions may result in relief to consumers through a public settlement or judgment, or through a non-public action.<sup>15</sup>

A public settlement or judgment can include non-monetary equitable relief, monetary redress to consumers, and/or a civil money penalty. Public settlements arise out of the activities of the CFPB's Division of Supervision, Enforcement, and Fair Lending (SEFL). They may be jointly obtained with other federal and state governmental agencies and, because they are publicized as CFPB actions, the Bureau often issues press releases and other materials designed to inform the public of the existence of the action.

For public settlements or judgments, a third-party administrator may oversee the distribution of funds or the financial entity may provide the restitution directly to consumers. The third-party administrator typically sets up a website dedicated to the action, handles questions from consumers about eligibility and payouts, and administers the consumer payments. A financial entity also may provide these kinds of resources when it directly administers the result.

Non-public actions also arise out of SEFL's activities.<sup>16</sup> However, in non-public actions, the CFPB permits financial entities to provide relief directly to eligible consumers without mention of the CFPB. At the same time, the Bureau continues to exercise oversight of that process.

## Dissemination of Information and Recommendations

The CFPB disseminates information about public actions via press release, its website, its telephone contact center, third-party administrators (for callers to the administrator), and, in some cases, letters to consumers.

The Ombudsman reviewed the CFPB's letters to consumers eligible for payments that the Bureau administers. These letters are easy to follow and contain valuable information for the

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<sup>15</sup> Consumers also may receive disbursements from the CFPB's Civil Penalty Fund.

<sup>16</sup> The Bureau shares about its examination findings, including findings from non-public actions, in its *Supervisory Highlights* publication. At the time of this writing, the most recent edition can be found at: [http://files.consumerfinance.gov/f/201409\\_cfpb\\_supervisory-highlights\\_auto-lending\\_summer-2014.pdf](http://files.consumerfinance.gov/f/201409_cfpb_supervisory-highlights_auto-lending_summer-2014.pdf).

consumer, including appropriate contact points and answers to the most commonly asked consumer questions.

In our focus groups with staff from the Bureau's contact center, we learned that they would benefit from either additional information or easier ways to find answers to consumers' questions, including information about third-party administrators, such as phone numbers, website addresses, and whether administrators had been selected for a particular action. They also do not always have the information to share about how to contact a company that is administering the redress to consumers or whether such contact information is available. In addition, the contact center indicated that they receive information about a public action at about the same time it is publicly released and consumers begin to call the contact center with questions.

For many people, the contact center is the first touch point with the Bureau. To ensure their preparedness to serve in this role, we recommended that the Bureau standardize informational documents on public actions provided to the contact center to ensure that key information can be easily found as contact center staff engages with the public. The Ombudsman understands that some related efforts are underway.

The Bureau usually publishes informational materials for each public action on its website, [consumerfinance.gov](http://consumerfinance.gov). However, published information is not in one location, but rather found in different places, including the CFPB's blog, its newsroom page on the website, and under the site's Budget and Performance tab.

The Ombudsman also recommended that as the CFPB reviews how consumers engage with the agency, that it finds ways to make information about public actions easier to find on [consumerfinance.gov](http://consumerfinance.gov). At the same time, to ensure that consumers receive the same information whether they reach the CFPB via the contact center or [consumerfinance.gov](http://consumerfinance.gov), we recommended closer harmony between the language and information published on [consumerfinance.gov](http://consumerfinance.gov) and that provided to the contact center.

## Perspectives on Industry: How the CFPB Learns about Developments in Industry

This year, some financial entities and trade groups shared with the Ombudsman that CFPB staff may benefit from further understanding of their products and services or developments in their industries. At the same time, they did not always know the appropriate CFPB

division, office, or person to contact, or, once they did provide the information, whether it was shared internally with others who also needed the information. This section discusses the Ombudsman's review of these concerns, feedback to the CFPB, and activities initiated by and already underway at the CFPB.

The Ombudsman reviewed how information is shared with the CFPB and within the CFPB to include: how staff across the Bureau learns about various industries, the channels industry uses to inform staff Bureau-wide regarding work on various products, and how industries that are not as well connected can engage the agency over time. The Ombudsman considered multiple perspectives by meeting with CFPB leaders across the agency, financial entities, outside attorneys, and trade groups, and shared possible suggestions from the Ombudsman and others to obtain feedback on them.

The Office of Financial Institutions and Business Liaison coordinates meetings and identifies appropriate contacts across the CFPB, as well as highlights to the CFPB broader issues of concern from industry. The Ombudsman also learned that there are other existing connection points that the CFPB established to share information received from companies and trade groups about financial products or services as well as information acquired during the CFPB's work. Parts of the CFPB also have initiated their own reviews of how the agency may maximize its effectiveness of cross-divisional communication both vertically and horizontally across the CFPB.

The CFPB's existing and relatively new initiatives may address some of the issues highlighted to the Ombudsman by industry. Further, the Ombudsman understands that the CFPB continues to review how it communicates industry updates within the agency. The CFPB has routine cross-Bureau product meetings and coordinates meetings with industry that bring in representatives from offices across the agency. Other initiatives include: engaging across the Bureau, a division, or office in a cross-functional approach; maintaining continuity of expertise; and ensuring internal subject matter experts are generally available to offer product-focused trainings and individual guidance, as needed. To build on the CFPB's activities, the Ombudsman offered feedback to further enhance the CFPB's sharing of product knowledge across the agency.

From the Ombudsman's review, it also was evident that some companies and trade groups know who to contact on certain issues from previous contacts or regular connection with the CFPB. At the same time, we learned that other companies and trade groups that connect in less frequently do not always know who to contact, particularly when personnel changes



occur. With that in mind, external stakeholders may find it helpful to know about these CFPB connection points to highlight an issue or concern:<sup>17</sup>

- Operations Division, Office of Consumer Response – for consumer complaint related issues including the company portal, public Consumer Complaint Database, and other consumer complaint related matters
- Division of Consumer Education and Engagement, including specialty population offices – to highlight something particular about specialty populations, such as servicemembers or older Americans, as related to financial decision-making
- Division of Supervision, Enforcement, and Fair Lending
  - Office of Supervision Policy or Office of Supervisory Examinations – for inquiries relating to supervisory examination processes and policies or questions regarding a scheduled examination
  - Office of Enforcement – for enforcement process issues or an ongoing enforcement matter
  - Office of Fair Lending – for matters relating to fair lending and access to credit issues
- Division of Research, Markets, and Regulations, such as product focused offices including Cards Markets, Deposits Markets, Installments Markets, and Mortgage Markets
  - Office of Research – to share information relating to product specific research
  - Office of Regulations – for questions about CFPB regulations
- External Affairs Division, Office of Financial Institutions and Business Liaison – for coordinating meetings and identifying appropriate contacts across the CFPB, and to highlight to the CFPB broader issues of concern from industry

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<sup>17</sup> We provide this bulleted list in accordance with the ordering on the CFPB organizational chart.

- Legal Division – for general legal issues or to serve notice upon the Bureau

Finally, the Ombudsman did not provide the CFPB with any recommendations at this time, as the Bureau already has efforts underway to address some of the concerns we heard from financial entities and trade groups. Instead, to further inform their work, at the end of this review the Ombudsman provided CFPB leaders with feedback and insights, without attribution, that the Ombudsman heard from internal and external stakeholders on this topic.

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## Systemic Reviews: Updates on Previous Reviews

This section provides updates on previous reviews from FY2012 and FY2013.

### Consumer Complaints: Setting Expectations and the Need for Transparency

A consumer may contact the Ombudsman about the CFPB's consumer complaint process anytime during the complaint lifecycle to raise a process concern in confidence or after first attempting to resolve the issue with the CFPB. In FY2012 and FY2013, the Ombudsman highlighted the need for clarification about the consumer complaint process and more information and transparency in communications to consumers. In both years the Office of Consumer Response implemented some changes to provide consumers with more clarity regarding the consumer complaint process. However, this year, the Ombudsman continued to hear these same concerns. Due to the lack of understanding about the consumer

complaint process, the Ombudsman explained the process, as well as how the process fits in with the rest of the CFPB's activities, in many conversations and emails with consumers.<sup>18</sup>

At the same time, in FY2014 Consumer Response began a broader review of the consumer experience with the agency. For example, Consumer Response is in the midst of a project to evaluate consumers' experience with the consumer complaint process and develop improvements based on consumers' feedback. As part of these efforts, Consumer Response conducted a pilot survey of consumers' experience with the consumer complaint process and plans to conduct a broader survey. In addition, the Ombudsman understands that Consumer Response is working on improvements to streamline the complaint form, as well as the intake process, for new consumer complaints. There also is a cross-divisional effort to study how consumers engage with the agency to determine how they can most benefit from the resources the agency has to offer. The Ombudsman will continue to review the consumer experience with the consumer complaint process as the CFPB implements any changes from these efforts.

## CFPB Activities, Events, and Services: How the CFPB Shares Information

In FY2013, the Ombudsman's Office received feedback from consumer and trade groups, as well as financial entities, regarding how the CFPB shared information about Bureau activities, events, and services. Stakeholders overall highlighted, and continued to highlight in FY2014, that the CFPB was accessible for meetings and to answer questions. At the same time, they indicated that standardizing certain processes regarding how the CFPB shares this information would be helpful. Much of this feedback centered around three areas: the challenge of keeping up-to-date with CFPB activity; the amount of lead time provided when

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<sup>18</sup> The Ombudsman understands that after a consumer submits a consumer complaint to the CFPB and it is forwarded to the relevant financial entity for review, the financial entity responds to the Bureau and the consumer using the CFPB's company portal. If the consumer does not agree with the response, the consumer has the opportunity to dispute it. At that point, Consumer Response reviews the consumer's feedback, and uses this and other information, such as the timeliness of the entity's response, to determine whether to prioritize the consumer complaint for further investigation.

announcing CFPB public events;<sup>19</sup> and a lack of clarity with the process to request a CFPB speaker.

To further address the availability of information, the Ombudsman recommended:

- The addition of a digest to all updates to [consumerfinance.gov](http://consumerfinance.gov),
- A single location with a checklist for users to subscribe to all available CFPB online “sign-ups,” and
- An option for stakeholders to sign up to receive the External Affairs Division’s newsletter

The Ombudsman understands that the first two bullet points will be included as part of the current [consumerfinance.gov](http://consumerfinance.gov) website refresh project. In addition, the CFPB is in the process of implementing a sign-up for stakeholders to receive the External Affairs Division’s newsletter.

With regard to CFPB public event information, we recommended:

- More consistent and greater lead time when announcing events,
- Creation of an events calendar on the CFPB website, and
- Creation of a “sign-up” to be notified when updates were made to that events calendar

The CFPB worked to ensure additional notice and accessibility for all public-facing events in FY2014, with all public events announced on its website with at least one week of advance notice. On average, the CFPB provided just under 14 days’ notice prior to public events in FY2014. The Bureau live-streamed these events, so that stakeholders unable to attend in person could attend virtually, and later provided video recordings of these events on [consumerfinance.gov](http://consumerfinance.gov). The Ombudsman also understands that the CFPB will be providing an aggregated place on [consumerfinance.gov](http://consumerfinance.gov) for Bureau events with the website refresh and will include a way to receive updates to that page.

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<sup>19</sup> These events do not refer to CFPB hiring efforts.

Finally, with regard to speaker requests, we recommended that the CFPB:

- Provide basic information about the speaker request process via its website, and
- Post either a speaker request form or detailed instructions on how to make a request on its website

As of this writing, we understand that the Bureau will add to its website instructions on how to request a speaker as well as the email point-of-contact for such requests. The CFPB also indicated that it is currently developing a form for speaker requests.

The Ombudsman will continue to review CFPB implementation in these areas.

## CFPB Contact Center: The Caller Experience

In the Ombudsman's FY2013 Annual Report, we described the complaints we received about the contact center, the recommendations we provided to Consumer Response, and the implementation of those recommendations. The public uses the CFPB contact center – (855) 411-CFPB (2372) – to submit a consumer complaint, ask questions, provide feedback, and learn more about the CFPB. This year, the issues focused primarily on the need for the contact center to provide additional information to callers, but may reflect that the contact center staff does not have the information to provide. As part of the Ombudsman's continued review on this topic, this year we visited one of the contact centers to further understand the perspective of the individuals staffing the phones. We also continued to highlight issues and offer recommendations, as appropriate, in our monthly meetings with Consumer Response.

## Examination Process: Elevating Concerns and What to Expect During the Examination Lifecycle

In FY2013, the Ombudsman heard concerns from financial entities and their trade groups regarding the CFPB's supervisory examinations. The Ombudsman reviewed: how a financial entity may elevate concerns about the examination and what may be expected during the examination lifecycle. To build on examination process changes implemented as part of the

2012 reorganization of the CFPB Division of Supervision, Enforcement, and Fair Lending (SEFL), the Ombudsman provided recommendations to further standardize and clarify what a financial entity may expect in an examination. These recommendations included: providing specific information on who composes the examination team through the Regional Director; and, supplementing the Information Request template (which provides the Examiner-In-Charge (EIC) point-of-contact for the Information Request and shares about interagency coordination) to mention the EIC as the point-of-contact to address any concern during the examination lifecycle, such as data format, data scope, and follow-up information requests.

In addition, the Ombudsman recommended that the CFPB clarify what may be expected during the examination lifecycle by: including citations, where relevant, to the examination manual in written communications to a financial entity; describing in the opening letter the document an entity may expect at the end of the examination process; reaching back to inform the entity of the examination status at regular intervals after the conclusion of the onsite portion of the examination; and co-locating the appeals bulletin with the examination manual on [consumerfinance.gov](http://consumerfinance.gov).

This year, SEFL adopted all of the Ombudsman's recommendations. We understand that the cover letter accompanying the initial information request now includes: the contact information for the examination team through the Regional Director; information about contacting the EIC to address questions or concerns about data format, data scope, or follow-up information requests; a link to the examination manual; and information on what to expect at the end of the examination. In addition, at the time of this writing, SEFL shared a new policy for examiners to contact the financial entity no less than once each month after the onsite portion of the examination. Finally, to ensure that the appeals bulletin is readily accessible, the Ombudsman understands that the appeals bulletin will be co-located with the examination manual on [consumerfinance.gov](http://consumerfinance.gov).

The Ombudsman now views the FY2013 recommendations on this topic as closed.

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## Going Forward





In FY2015, we will introduce some additional ways of assisting the consumers, financial entities, groups, and others that contact the Ombudsman, as well as build on our existing

work. Next year, we plan to launch a focus group program to provide another forum for consumer, trade, and other groups to share feedback with this office. We also plan to further use facilitation to assist in the resolution of systemic issues. Additionally, to assist us in informally resolving issues, we will continue to be available for visits to financial entities' operations to increase our understanding of various industries. Finally, in conjunction with our current strategic plan, we also plan to provide new deliverables in FY2015 to inform stakeholders, both internally and externally, about the work of the Ombudsman.

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-  [consumerfinance.gov/ombudsman](http://consumerfinance.gov/ombudsman)

**Why is there a CFPB Ombudsman?** An ombudsman provides an alternate, informal way to resolve issues. Many organizations, both government and private, have an ombudsman. The CFPB Ombudsman's Office was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), which created the CFPB.

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**Independence** We are outside of the CFPB's business lines, reporting to the Deputy Director with access to the Director, which ensures our independence at the CFPB.

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**Impartiality** We do not advocate for one side, but instead for a fair process.

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**Confidentiality** We have put safeguards in place to preserve confidentiality. We will not share your identifying information outside the Ombudsman's Office unless you tell us we can. We also may have to share it if there is: a threat of imminent risk of serious harm; you have raised an issue of government fraud, waste, or abuse; or if required by law.

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**Why should I contact the Ombudsman?** We can assist in informally resolving process issues by: facilitating discussions, brainstorming and evaluating options and resources, sharing independent analyses, offering an impartial perspective, ensuring confidentiality of someone's identity, engaging in shuttle diplomacy, and providing recommendations, among other options.

**When should I contact the Ombudsman?** Try us, when you have not had success with existing CFPB processes to address your process concerns, or because you want to keep your concerns confidential. You are welcome to contact the Ombudsman at any time, but we ask you to try the existing CFPB avenues for resolution first.

**Can we meet again?** Stakeholders who previously connected with our office are welcome to re-connect to share further feedback.