

What We Know

ARTICLES & INSIGHTS

ABOUT THE AUTHOR



[Caren Enloe](#) leads Smith Debnam's consumer financial services litigation and compliance group. In her practice, she defends consumer financial service providers and members of the collection industry in state and federal court, as well as in regulatory matters involving a variety of consumer protection laws. Caren also advises fintech companies, law firms, and collection agencies regarding an array of consumer finance issues. An active writer and speaker, Caren currently serves as chair of the Debt Collection Practices and Bankruptcy subcommittee for the American Bar Association's Consumer Financial Services Committee. She is also a member of the Defense Bar for the National Creditors Bar Association, the North Carolina State Chair for ACA International's Member Attorney Program and a member of the Bank Counsel Committee of the North Carolina Bankers Association. Most recently, she was elected to the Governing Committee for the Conference on Consumer Finance Law. In 2018, Caren was named one of the "20 Most Powerful Women in Collections" by *Collection Advisor*, a national trade publication. Caren oversees a blog titled: [Consumer Financial Services Litigation and Compliance](#) dedicated to consumer

CFPB Issues Annual Report on Consumer Complaints: What Debt Collectors Should Know

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Since opening its doors in 2011, the CFPB has accepted consumer complaints on a variety of consumer products. Beginning with credit cards in 2011, the CFPB has expanded its complaint portal to receive complaints on debt collection, credit reporting, mortgage, bank accounts and services, student loans, payday loans, prepaid cards, and other products. On April 1, the CFPB issued its Annual Report synthesizing consumer complaints in 2015 and the CFPB's response. Here are the important takeaways for the debt collection industry:

- *The Good News.* The good news for debt collectors is that while debt collection continues to create the highest volume of complaints, the complaint volume decreased in 2015 when compared to 2014. In 2014, debt collection comprised 35% of all complaints received by the CFPB. In 2015, that percentage dropped to 31%. Additionally, the overall volume of debt collection complaints also decreased.
- *Continued Attempts to Collect a Debt that is Not Owed.* As we have indicated in prior posts based upon the monthly complaint reports, collection attempts on debt not owed generated the most complaints the CFPB received in 2015. Importantly, the issue is not in the collection attempt itself, but rather that the inaccuracy of the amount owed (usually pointing to a problem originating with the creditor). The volume of complaints in this category (40% of all debt collection complaints) provides some explanation for regulators' continued emphasis and expectation that banks and other regulated entities provide supporting documentation to collection entities (including law firms) before initiating any collection effort.
- *Communication Tactics.* Complaints regarding communication tactics, particularly over the telephone, comprise 18% of all complaints. Consumers indicate that calls are 1) – too frequent, 2) – occur at inconvenient times of the day, and 3) – going to third parties or the consumer's place of employment. Debt collectors should review their policies and procedures to ensure compliance with the FDCPA, and they should also monitor their call volume. We anticipate that the FDCPA will address this issue with some specificity when it publishes its proposed rulemaking.

financial services and has been published in a number of publications including the Journal of Taxation and Regulation of Financial Institutions, California State Bar Business Law News, Banking and Financial Services Policy Report and Carolina Banker.

- *Lack of Debt Verification.* The Report notes that consumers are frustrated with the lack of information they receive in compliance with section 1692g requests for validation. The Report notes further frustration when collectors choose to cease collection efforts in response to validation requests. Again, debt collectors should monitor as the FDCPA will likely address this issue in its proposed rulemaking.
- *Increase in Complaints about Medical Debt Collection.* Complaints regarding the collection of medical debt increased in 2015. According to the Report, the complaints centered on concerns that insurance should have already paid off the debt being collected.

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