

10,000 Consumers Complain To CFPB About Credit Bureaus

from The Privacy Times

CREDIT REPORT INACCURACIES ACCOUNT FOR ONE-QUARTER OF COMPLAINTS SINCE OCT, 2012

More consumers have complained about Experian to the federal Consumer Financial Protection Bureau (CFPB) since October 2012, when the agency started taking complaints, according to new analysis from the U.S. PIRG Education Fund.

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Among the roughly 10,000 complaints against the “Big Three” nationwide credit reporting agencies, Equifax received the second most complaints, while Trans Union was third.

The PIRG report, which was possible because of the CFPB’s complaints database, also found that credit reporting agencies vary widely in how they respond to consumer complaints: Equifax responded to over half with relief, while Experian responded with relief to only five percent.

The “Big Three” CRAs — Equifax, TransUnion and Experian — were the subject of 96 percent of all consumer complaints. Experian was the subject of 38 percent of consumer complaints to the CFPB about credit reporting, Equifax was the subject of 33 percent, and Trans Union was the subject of 25 percent.

Consumers complained most frequently about incorrect information appearing on their credit report regarding the status of an account, with such complaints accounting for about one-quarter of all credit reporting complaints to the CFPB, the report said.

About one in five complaints came from consumers who felt that information on their credit reports was not actually theirs (i.e., "Mixed Files"), followed by complaints concerning incorrect information about account terms, and trouble getting a legally mandated free annual credit report.

Complaints about Mixed Files were prominent in the first U.S. PIRG reports on credit bureaus in the early 1990s, which were based on the Federal Trade Commission's files.

In February 2013, the FTC released its fifth interim report on accuracy in the credit reporting market, finding that approximately 20 percent of consumers had at least one material error on their credit report, and that about 5 percent of consumers had errors significant enough to move them into a different risk tier, which could result in less favorable terms and prices for loans. About 10 percent of consumers using the FCRA dispute resolution process believed that accounts listed on their credit report were not theirs, while one in five had at least one change made to their credit report as a result of the dispute. Other key findings:

- Equifax responded to 63 percent of its complaints with non-monetary relief, while Experian did so in only 5 percent of cases and TransUnion in 22 percent. Equifax provided monetary or non-monetary relief nearly three times as often as TransUnion and more than 10 times as often as Experian.
- Residents of the District of Columbia were most likely to complain, followed by residents of Florida, Maryland, and Nevada. Nebraskans were the least likely to complain.
- By far, the most common problem was incorrect information on a credit report, which accounted for 65 percent of complaints.
- The CFPB has helped enable nearly 3,000 consumers, or 30 percent of total complainants, to receive relief such as fixing incorrect information on a credit report or refunding service charges or fees related to credit reporting.
- Consumers disputed the companies' responses to about 18 percent of all complaints.

The report, "Big Credit Bureaus, Big Mistakes: The CFPB's Consumer Complaint Database Gets Real Results for Victims of Credit Reporting Errors," is available at: <http://uspirg.org/news/usf/new-report-analyzes-complaints-about-credit-bureaus>.

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