

## Consumers get federal assistance on credit reporting complaints

Written by

Monday, 29 October 2012 14:30

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**WASHINGTON, D.C.** — The Consumer Financial Protection Bureau (CFPB) is accepting consumer complaints about credit reporting, giving consumers individual-level complaint assistance for the first time at the federal level.

"Credit reporting companies exert great influence over the lives of consumers. They help determine eligibility for loans, housing, and sometimes jobs," said CFPB Director Richard Cordray. "Consumers need an avenue of recourse when they feel they have been wronged."

Consumer reporting agencies, which include what are popularly called credit bureaus or credit reporting companies, are private businesses that track a consumer's credit history and other consumer transactions. The credit reports they generate – and the three-digit credit scores that are based on those reports – play an increasingly important role in the lives of American consumers.

The largest credit reporting companies issue more than 3 billion consumer reports a year and maintain files on more than 200 million Americans. The consequences of errors in a consumer report can be catastrophic for a consumer, shutting him or her out of credit markets, jeopardizing employment prospects, or significantly increasing the cost of housing.

Although a small number of large businesses dominate the credit reporting market, there are many consumer reporting agencies in the United States. The market includes: the three largest credit reporting companies that sell comprehensive consumer reports; consumer report resellers that repackage information they buy from the largest companies; and specialty consumer reporting companies that primarily collect and provide specific types of information like on payday loans or checking accounts.

For consumers who believe that there is incorrect information on their credit reports or who have an issue with an investigation, before filing with the CFPB, they should first file a dispute and get a response from the consumer reporting agency itself. There are important consumer rights guaranteed by federal consumer financial law that may be best preserved by first going through the credit reporting company's complaint process. Once that process is complete, if the consumer is dissatisfied with the resolution or if the consumer reporting agency does not respond, the CFPB is available to assist.

A consumer can come to the CFPB if he or she, for example, has issues with:

- Incorrect information on a credit report;
- A consumer reporting agency's investigation;
- The improper use of a credit report;
- Being unable to get a copy of a credit score or file; and
- Problems with credit monitoring or identity protection services.

The recent announcement extends the kinds of complaints the CFPB already handles. The CFPB began taking credit card complaints when it launched on July 21, 2011. Since then, it has expanded to take complaints on mortgages, bank accounts and services, consumer loans, and private student loans.

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Consumers are given a tracking number after submitting a complaint with the CFPB and can check the status of their complaint by logging on to the CFPB website. Each complaint will be processed individually and sent to the company for response. The CFPB expects the consumer reporting agencies to respond to complaints sent to them within 15 days with the steps they have taken or plan to take. Consumers will have the option to dispute the company's response to the complaint.

In July 2012, the CFPB adopted a rule to begin supervising larger consumer reporting agencies that have more than \$7 million in annual receipts. The CFPB's supervisory authority extends to an estimated 30 companies that account for about 94 percent of the market's annual receipts. The CFPB's authority to supervise these companies became effective Sept. 30, 2012.

In September, the CFPB also released [a study looking at credit scores](#), the three-digit numbers, based on a credit report that are assigned to consumers and used to determine credit worthiness. The study compared credit scores sold to creditors and those sold to consumers. The study found that about one in five consumers would likely receive a different score than the score provided to a lender.

Questions and answers on credit reporting are available on [AskCFPB](#). A [consumer advisory](#) on credit reporting is also available.

To file a credit reporting complaint, consumers can:

- File online at [www.consumerfinance.gov/Complaint](http://www.consumerfinance.gov/Complaint)
- Call the toll-free phone number at 1-855-411-CFPB (2372) or TTY/TDD phone number at 1-855-729-CFPB (2372)
- Fax the CFPB at 1-855-237-2392
- Mail a letter to: Consumer Financial Protection Bureau, P.O. Box 4503, Iowa City, Iowa 52244

Consumers can receive free copies of their credit reports every 12 months from [AnnualCreditReport.com](#).

This is the only authorized source that provides free disclosures from the three major national credit reporting companies – Equifax, Experian, and TransUnion.