

# PUBLICATION

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## Credit Reporting Complaints on the Rise

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Every month, the CFPB publishes its "Monthly Complaint Report," which provides a snapshot of complaints received by consumers. Specifically, with respect to credit reporting complaints, in the most recent issue, the CFPB reported a nine percent increase from the previous month. Along with debt collection and mortgage complaints, credit reporting complaints continue to be the most complained about consumer financial product and service.

In its May 2016 report, the CFPB spotlighted credit reporting complaints, publishing some interesting statistics. The most common type of credit reporting complaint is incorrect information on a credit report, which accounts for 77 percent of these types of complaints. A not so close second is a credit reporting company's investigation, which amounts to nine percent of complaints.

The following are the most frequent types of complaints regarding incorrect credit reporting:

- An overdue debt that has been paid is still showing as outstanding
- Debt that is too old to be enforced in court is still showing as outstanding
- Debt belongs to another consumer
- Debt is not recognizable to consumer

In addition to accurate reporting, a financial institution can guard against a credit report complaint by informing a consumer about the credit reporting process. For example, the CFPB recognizes that consumers' complaints regarding inaccurate information "may reflect confusion about the fact that information on past overdue debt, even when paid, or no longer enforceable as a result of limitations, often can remain on a credit report." In the case of the confused consumer, a little explanation may go a long way in avoiding a consumer complaint. The CFPB reports Tennessee as among one of the states experiencing the highest percentage increase in credit reporting complaints from the February to April quarter of 2015, to the February to April quarter of 2016.