

# Proposed Rule Summary

Prepared by NASCUS Regulatory Affairs Department

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## Consumer Financial Protection Bureau

## Disclosure of Consumer Complaint Narrative Data

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The Consumer Financial Protection Bureau (CFPB) is proposing to expand its web-based, public-facing database, the “Consumer Complaint Database,” to include unstructured consumer complaint narrative data. The CFPB believes that sharing consumer complaints in narrative form will further the purpose of the Consumer Complaint Database as a source of timely and understandable information about consumer financial products and services, and improve the functioning, transparency, and efficiency of markets for such products and services.

The complete proposed policy statement may be read [here](#).

Comments on the proposed policy statement are due to the CFPB by **September 22, 2014**.

### Summary

In evaluating whether or not to publish consumer narrative data, the CFPB cites the following benefits of expanding the Consumer Complaint Database to include narrative information:

- Opportunity for consumers to share their story may encourage increased use of the database;
- Narratives may help other consumers overcome their reticence to submit a complaint by reading the experiences of others;
- Publishing the data is consistent with open government and open data standards encouraged by the Office of Management and Budget;
- Publication may improve positive impact on the marketplace through personal, local, and empowering first-hand consumer reviews, which are proven to influence purchasing decisions and consequently, company behavior; and
- Increased consumer contacts through the Complaint Database could enhance the many CFPB functions that rely, in part, on consumer complaint data (Supervision, Enforcement, Fair Lending, Consumer Education and Engagement, Research, etc.)

The CFPB acknowledges that publication of consumer complaint narratives carries certain privacy risks associated with the possible re-identification of actual consumers. The CFPB proposes to manage this risk by obtaining informed consent from a consumer before publishing her narrative complaint, and by using a combination of computer-based and human reviewers to scrub personal identifying information from the narrative.

Informed consent will consist of a plain language notice that informs the consumer that:

- 1) Whether or not consent is given will have no impact on how the CFPB handles the complaint;
- 2) If given, the consumer may thereafter inform the CFPB that she withdraws her consent at any time and the narrative will be removed from the Consumer Complaint Database; and

- 3) The CFPB will take reasonable steps to remove personal information from the complaint to minimize (but not eliminate) the risk of re-identification.

The data scrubbing standard will be modeled after the method used by the Department of Health and Human Services (HHS) for de-identification of health data outlined in the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule. Under that standard, data may be considered de-identified if either of the following conditions hold:

- Safe Harbor Method: All identifying information of 18 different types is entirely removed, and what remains cannot be used to identify any individual, or
- Expert Determination Method: An expert applies statistical methods to estimate the probability that an individual could be identified and determines that the risk of identification is very low.

The CFPB also notes that the narratives may contain factually inaccurate or incorrect information that could pose reputational and business risks to financial institutions. In order to mitigate this risk, the CFPB proposes to give the related company the opportunity to post a narrative response to the consumer complaint. The company's response would also be scrubbed of any potentially identifying information and would be displayed next to the consumer's narrative in the Consumer Complaint Database.

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