

Opening Statement –Consumer Protection **Hearing**

- Mr. Chairman, I just wanted to take a few minutes to talk about the issue of consumer complaint resolution at the regulatory agencies.
- Before I came to Congress, I was a District Attorney, and I investigated and successfully prosecuted a national oil company charged with rigging gas pumps to cheat consumers. Those consumers had filed complaints with the Consumer Protection Division of my office at my direction, which was a fairly straightforward process, especially compared to that faced by banking customers today.
- The average consumer often has no idea where to file a complaint when something has gone wrong at their bank.

- In the past, a consumer would often call his state banking regulator or attorney general's office, but recently the role of the states has been significantly reduced. When it comes to the federal regulators, most consumers have never heard their names – other than the FDIC, whose name is on every bank's door.
- Even if the consumer can find the right federal regulator, it is often then hard to find the consumer complaint resources on the regulatory websites. Some of them require a great deal of searching to yield a telephone number or a complaint form. And when the consumer submits the complaint to the regulator, the process itself can be confusing and intimidating.

- This Committee needs to feel confident that, if consumers have fewer opportunities to go to state regulators for satisfaction, the federal regulators are doing all that they can to make the process efficient, consumer-friendly, and are using what they learn from consumers to push financial institutions to better performance.
- Generally, consumers are seeking assistance from regulatory agencies because they have experienced some level of frustration with their bank. We owe it to them to ensure that the process they encounter and the resolution they receive is not a source of greater frustration than the original complaint. Thank you.