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**TESTIMONY OF**  
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**OFFICE OF THE COMPTROLLER OF THE CURRENCY**  
**BEFORE THE**  
**SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER CREDIT**  
**OF THE**  
**COMMITTEE ON FINANCIAL SERVICES**  
**OF THE**  
**U.S. HOUSE OF REPRESENTATIVES**  
**DECEMBER 12, 2007**

Statement Required by 12 U.S.C. § 250:

The views expressed herein are those of the Office of the Comptroller of the Currency and do not necessarily represent the views of the President.

## **INTRODUCTION**

Subcommittee Chair Maloney, Ranking Member Biggert, and members of the Subcommittee, on behalf of Comptroller John Dugan and the Office of the Comptroller of the Currency (OCC), I thank you for this opportunity to discuss H.R. 4332, which would direct the federal banking agencies to establish a single, toll-free number to help consumers reach the right banking agency for assistance with their complaint or inquiry.

While the financial services industry in this country offers a wide variety of consumer services through banks, thrifts institutions, credit unions, securities firms, insurers, and other providers, the focus of this hearing and my testimony is consumers of banking services and the role of the federal banking agencies in assisting them. Banks come in a variety of sizes, with both state and federal charters, and while this variety can offer choice and diversity to consumers, it also can present a complex maze for consumers to navigate when they have a problem with their bank and need help from its regulator. When direct contact with the bank does not resolve an issue, figuring out where to turn next may be very challenging.

The OCC believes this burden should not fall upon the consumer and supports the goals of this legislation to develop simpler means for consumers to find their way to us by phone or internet, and for banking agencies to expedite the routing of misdirected consumer complaints. It is incumbent upon the federal banking agencies to make improvements in these areas to better serve consumers.

## **I. GOALS OF THE PROPOSED LEGISLATION**

Today, the consumer with a complaint or inquiry must sort through a variety of banking agencies, which present the consumer with dozens of phone numbers, Web sites, and addresses.

In addition to the issue of numbers, few bank regulators are household names and most are unfamiliar to consumers. The result is that consumers with a complaint against a bank may reach the wrong regulator. This year the OCC received nearly 11,000 referrals of misdirected complaints and inquiries from other agencies and referred 10,000 misdirected complaints and inquiries to other federal and state regulators. These referrals represent a significant portion of the 70,000 total cases opened by the OCC each year, which is consistent with previous years and suggests that a large percentage of people who have questions or concerns about their financial service provider do not know where to turn for help.

Development of a single, toll-free number, in coordination with the Federal Financial Institutions Examination Council (FFIEC), would make it easier for consumers to register a complaint or inquiry with the appropriate banking regulator. It would eliminate the burden of searching through dozens of phone numbers, the frustration consumers experience when being referred to another agency, and most delays that result from misdirected calls. An initiative in this area would be enhanced by a public awareness campaign that would educate consumers about the availability of help and the single place to turn to reach the right regulator.

A single, toll-free number would also help federal banking agencies compile and act on consumer complaints and inquiries more efficiently. Eliminating the burden associated with rerouting misdirected calls would make existing agency complaint-handling processes more efficient and free up resources for use in responding to consumer concerns.

A second objective of the proposed legislation, on which the federal regulators would be required to report back to Congress in six months, is establishment of a “public Interagency Web site for directing and referring Internet consumer complaints and inquiries,” and “a system to expedite the prompt effective rerouting of any misdirected consumer complaint or inquiry

documents.”<sup>1</sup> The OCC is currently working with other members of the FFIEC to study options in this area. Just as a single, toll-free number would cut through the complexity and clutter of our regulatory system for the consumer dialing in for help, a mechanism for routing electronic inquiries and complaints would provide similar advantages to consumers using the Internet.

I would now like to describe in greater detail ongoing OCC and interagency efforts that would be complemented by this legislation.

## **II. OCC EFFORTS TO IMPROVE CONSUMER COMPLAINT PROCESSES**

By way of background, the OCC has taken several steps to reduce the obstacles that consumers may face in registering complaints and to improve the service consumers receive when they reach our Customer Assistance Group (CAG). The OCC has expanded the CAG’s capabilities through a number of investments and upgrades in the last several years.

When consumers are unable to satisfy a complaint or inquiry through direct contact with their bank, they can reach the CAG by calling a toll-free number (1-800-613-6743) from 8 a.m. to 8 p.m. Eastern time, Monday through Friday; by faxing complaints; by sending e-mail; by writing to us at our Houston address;<sup>2</sup> or by visiting us online at our new Web site just for consumers, [www.HelpWithMyBank.gov](http://www.HelpWithMyBank.gov).<sup>3</sup>

CAG professionals have backgrounds in consumer law, compliance, and bank supervision, and can process written complaints and telephone calls in both English and Spanish. OCC customer assistance specialists facilitate communication between consumers and banks in

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<sup>1</sup> See H.R. 4332 co-sponsored by Congressman Frank.

<sup>2</sup> Fax: 713-336-4301 Address: Customer Assistance Group, 1301 McKinney Street, Suite 3450, Houston, TX 77010. E-mail: [Customer.Assistance@occ.treas.gov](mailto:Customer.Assistance@occ.treas.gov).

<sup>3</sup> Since its launch in July, about 100,000 people have visited [www.HelpWithMyBank.gov](http://www.HelpWithMyBank.gov). As part of the launch, the OCC conducted a public awareness campaign that resulted in more than 200 print articles and 1,900 30-second radio spots in 39 states, which reached a potential audience of more than 370 million people.

order to resolve matters appropriately. Over the last five years, CAG has assisted in the return of almost \$32 million in fees and other charges to national bank customers, as well as other relief such as suspended foreclosure proceedings, corrected credit bureau reports, and reduced interest rates.<sup>4</sup>

The OCC is working on a Web-based complaint referral system to reduce the burden and inefficiencies associated with forwarding the thousands of pages of material associated with misdirected complaints and inquiries between agencies. The current process, which relies upon fax transmissions and mail, for referring such documents is cumbersome and time-consuming. The system under development will transmit complaint-related documents via the Web to authorized users while ensuring the security of that information and the privacy of those involved. The OCC already uses a Web-based system, called CAGNet, to securely exchange complaint documents and information between the agency and our banks in order to facilitate an appropriate resolution of issues for consumers.

Comptroller Dugan described how the OCC's complaint handling process works<sup>5</sup> as well as how it integrates with our bank supervisory processes in recent testimony before the Committee on Financial Services.<sup>6</sup>

The OCC is also working with the Conference of State Bank Supervisors (CSBS) and State regulators on a number of initiatives to expedite the referral of misdirected questions and complaints. In November 2006, the OCC and CSBS agreed on a model Memorandum of Understanding (MOU) to improve referrals and information sharing regarding misdirected

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<sup>4</sup> See 2005-2006 Report of the Ombudsman, Office of the Comptroller of the Currency, for a more complete review of recent OCC customer assistance programs. (<http://www.occ.gov/Ombudsman/Ombudsman.htm>)

<sup>5</sup> See "Remarks by John C. Dugan, Comptroller of the Currency, before the Exchequer Club and Women in Housing and Finance," January 17, 2007. (<http://www.occ.gov/ftp/release/2007-4a.pdf>)

<sup>6</sup> See "Testimony of John C. Dugan, Comptroller of the Currency, before the Committee on Financial Services, of the U.S. House of Representatives, June 13, 2007." (<http://www.occ.gov/ftp/release/2007-57b.pdf>)

consumer complaints and to provide the needed assurance of confidentiality for sharing that information.<sup>7</sup> To date, 30 states and Puerto Rico have entered into the MOU with the OCC. To complement this effort, the OCC is working with CSBS to develop a common complaint form to further standardize that process.

While OCC's effort to improve its internal complaint-handling capabilities and cooperation with other regulators helps improve the handling of misdirected complaints, it does not fully resolve the issues addressed by H.R. 4332.

### **III. FFIEC EFFORTS TO IMPROVE CONSUMER COMPLAINT PROCESSES**

At the most recent FFIEC meeting on December 4, the Council, including the State Liaison Chairman, approved a study to evaluate how best to enhance the consumer experience during the complaint process. The study will examine how we might leverage existing agency resources to simplify the process for identifying the appropriate regulator, create easier complaint filing procedures, and improve complaint resolution timeframes.

The study will include focus groups to determine consumer needs when filing a complaint or contacting a regulator and will evaluate the feasibility of:

- Conducting an educational publicity campaign to inform consumers on how to reach the right regulator in order to seek assistance with a complaint or inquiry;
- Implementing a single portal Web site to funnel consumer complaints and inquiries;
- Establishing a process for routing consumer calls, letters, and e-mails to the appropriate agency; and

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<sup>7</sup> See OCC News Release 2006-126, "OCC, CSBS Agree on Consumer Complaint Information-Sharing Plan." (<http://www.occ.gov/toolkit/newsrelease.aspx?Doc=D39TFJ65.xml&JNR=1>)

- Creating a consumer-friendly tool for consumers to easily look up the regulator of their institution.

The study will also evaluate the feasibility of creating an electronic process for forwarding complaints to the appropriate agency, developing a common process for categorizing and coding complaints to help agencies identify trends and emerging issues, and for using a uniform complaint and inquiry database while retaining the complaint-handling business processes that are unique to each agency.

The FFIEC's decision is the result of several months of discussion. Comptroller Dugan called for this effort during his testimony before the Committee on Financial Services on June 13<sup>8</sup> and solicited the support of other agency heads in a July letter to his peers, which asked the agencies to "pool our resources in a joint undertaking."<sup>9</sup>

## **CONCLUSION**

The OCC is fully supportive of the goals of H.R. 4332: creation of a single, toll-free phone number and call-routing system, and a companion routing system for Internet-based inquiries and complaints. Improvements in these areas will promote appropriate, timely assistance for consumers. The FFIEC agencies have agreed to study these very issues, and we look forward to a report and recommendations by the end of 2008.

I thank the Subcommittee for this opportunity to testify and appreciate Chair Maloney's leadership in this important area.

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<sup>8</sup> See "Testimony of John C. Dugan, Comptroller of the Currency, Before the Committee on Financial Services, of the U.S. House of Representatives, June 13, 200." (<http://www.occ.gov/ftp/release/2007-57b.pdf>).

<sup>9</sup> Letters sent to the heads of each of FFIEC member agencies from Comptroller Dugan, July 16, 2007.