

PUBLICATION

#Retweet the #CFPB: How Social Media is Affecting Consumer Advocacy

September 24, 2015

Social media has become an integral part of our society, and now it's playing a big role in our industry, too. The Consumer Financial Protection Bureau (CFPB) is harnessing the power of Facebook and Twitter not only to create a platform for their educational services, but to gather complaints from consumers. Financial service providers are starting to see a hike in the number of complaints filed with the CFPB, and the CFPB's online presence may have a lot to do with that.

The CFPB has two Facebook pages (www.facebook.com/CFPB and <https://www.facebook.com/CFPBMilitary>) and a Twitter account (@CFPB) from which it posts material multiple times per week. (No Instagram account, however.) On Twitter, tweets are usually focused on the CFPB's educational goals, like making sure consumers have the resources necessary to properly evaluate loan products and providing answers to frequently encountered financial questions. Recently, @CFPB has been featuring a video about Jorge, a man living in New York who encountered problems removing his bankruptcy from his credit reports. The two-and-a-half minute video features Jorge retelling his experience contacting the Better Business Bureau and the CFPB to have his bankruptcy properly noted on his credit report. Most importantly, the page hosting the video includes several links to the CFPB's online complaint portal. Although it is a frequent tweeter with almost 48,000 followers as of early August 2015, @CFPB tends to be fairly passive and focused more on distributing knowledge than fielding complaints.

Facebook, on the other hand, tends to invite more active participation by those who follow the CFPB's page. Regardless of topic, virtually every post on the CFPB's main page contains at least one comment in which a consumer details an issue he or she has experienced with a financial institution. These comments are almost always non sequiturs, but the consumers garner responses from people all over the country. In some cases, the CFPB responds to the Facebook user by replying to the comment and providing a link to its online complaint portal and complaint hotline. This situation occurred in late July when the CFPB posted the video featuring Jorge on its Facebook page. Roughly an hour after the video was posted, a Facebook user posted a comment discussing frustration with her refinanced mortgage loan. Throughout the next few days, other users chimed in with similar experiences. About four days after the original comment, the CFPB responded to all the users on the thread and provided a link to its online complaint portal.

Within the CFPB, there is a team dedicated to military personnel and their families called the CFPB Servicemember Affairs, and this team has its own separate Facebook page. Like the CFPB's main page, the military-focused page is used mainly to advance the CFPB's educational goals. The Servicemember Affairs page also contains consumer testimonials, but with a focus on servicemembers. For instance, in mid-July, the CFPB Servicemember Affairs page posted a video featuring Captain Jamison, a Judge Advocate Officer for the Air Force who reached out to the CFPB on behalf of an air force servicemember. The servicemember was having a difficult time getting his mortgage lender to approve a short sale. Says Jamison: "He came to me, I reached out to the CFPB and after reaching out, within about two weeks the bank responded and said the short sale was approved."

Unlike the CFPB's main page, however, the Servicemember Affairs page does not receive significant traffic. As of early August 2015, 48,482 Facebook users "like" and follow the main CFPB Facebook page, while only

1,705 users follow the Servicemember Affairs page. Similarly, the Servicemember Affairs page is much quieter; most of the posts have not received any comments from users.

The CFPB's Facebook pages get noticed by consumers not just for their content, but because they provide a platform for disgruntled consumers to congregate and exchange information. Facebook is a breeding ground for so-called "hate pages" – pages dedicated to trashing a specific person or company – on nearly every company imaginable. A quick search for "[insert a financial institution name here] sucks!!!" or "[insert a financial institution name here] ripoff" on Facebook will yield at least two "hate pages." Those pages serve as a meeting ground for disgruntled consumers around the world and allows consumers to share information and, importantly, document templates. In fact, one of the "hate pages" associated with a prominent national mortgage servicer features several links to templates for "qualified written requests" for consumers to send, promising that "the bank will fold in two weeks" if the consumer sends that letter.

The most unfortunate part of the rise of social media (and the internet at large) in the financial services sphere is that it is now much easier for disgruntled consumers to resort to filing a complaint or lawsuit before engaging other dispute resolution techniques. Financial servicing clients must be more prepared than ever to deal with CFPB complaints and an onslaught of generic, written demands for information from its customers, when a phone call would have been enough to fix the issue.

The CFPB reports that it has processed more than 650,000 complaints in its relatively short existence, thanks in some measure to its online complaint portal. The CFPB has always been committed to using grass-roots methods for engaging consumers and gathering complaints, and its social media presence is simply an extension of that commitment.