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STATEMENT 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.

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, 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.

Banks come in a variety of sizes, with both state and federal charters, which offers choice and diversity to consumers. However, it also can present a complex maze for them to navigate when they have a problem and need help from bank regulators. When direct contact with the bank does not resolve an issue, figuring out where to turn next may be very challenging. The consumer with a complaint or inquiry must sort through dozens of phone numbers, Web sites, and addresses for the various state and federal agencies. Few bank regulators are household names and most are unfamiliar to consumers. The result is that consumers with a problem often reach the wrong regulator.

Misdirected calls represent a significant portion of the 70,000 total cases opened by the OCC each year. This year, the OCC received 11,000 referrals of misdirected complaints and inquiries from other (federal and state) regulators, and referred 10,000 misdirected complaints and inquiries to other regulators. This volume 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.

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.

Development of a single, toll-free number in coordination with the Federal Financial Institutions Examination Council would make it easier for consumers to register a complaint with the appropriate banking regulator. It would eliminate the burden of searching for the right agency, the frustration of being referred from one agency to another, and most delays that result from misdirected calls.

A single, toll-free number would also help federal banking agencies compile and act on consumer complaints 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 this bill, on which 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.” The OCC is currently working with other members of the FFIEC to study options in this area. This study will examine how we might leverage existing agency resources to simplify the process for identifying the appropriate regulator for consumers, and improve the complaint filing and resolution process. The Council approved this study at its December 4th meeting and we look forward to a report and recommendations by the end of 2008.

The OCC itself has taken the initiative to reduce obstacles that consumers may face in registering complaints and to improve the service they receive when they reach our Customer Assistance Group, or CAG. The OCC has expanded the CAG’s capabilities through a number of investments and upgrades in the last several years, most recently launching a new consumer Web site, HelpWithMyBank.gov.

The OCC is developing a Web-based complaint referral system to reduce the inefficiencies involved with forwarding the thousands of documents associated with misdirected complaints and inquiries between agencies. The system will transmit complaint-related documents via the Web to authorized users while ensuring information security and privacy.

The OCC is also working with the Conference of State Bank Supervisors 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 to improve referrals and information sharing regarding misdirected consumer complaints and to provide the needed assurance of confidentiality for sharing that information. To date, 30 states and Puerto Rico have entered into agreements with the OCC.

In conclusion, the OCC fully supports 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 timely assistance for consumers of bank services.

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