

League InfoSight Highlight

How Important is Complaint Management?

The second issue of the [Consumer Compliance Outlook](#) was published last week and is dedicated entirely to complaint management. This is an important read for credit unions, especially those without a formal process in place to aggregate and analyze complaints.

An effective Complaint Management Program should include the following components:

1. **Board-Approved Policy and Procedure:** There is no formal definition of what constitutes a “complaint”, so it is critical for the credit union’s policy and procedure to include its own definition to be used for consistency.
2. **Comprehensive Collection and Tracking:** Complaints should be collected and tracked across various channels, such as social media, mail, email, and phone. **Aggregating and maintaining** this information in one location is important to ensure effective analysis and a consistent response.
3. **Risk Rating:** Implement a **risk-rate system** to help prioritize complaints based on their severity and potential impact.
4. **Root Cause Analysis:** Conduct a **root cause analysis** to determine if a complaint is part of a systemic issue that has impacted multiple members. This may help address unfair, deceptive, or abusive acts or practices (UDAAP) risk before it escalates into a violation or enforcement action.

Here are a few other key takeaways:

- **Effect on Exams** – A complaint management program is an integral part of an overall compliance management system and is one of the

rating factors in the Uniform Interagency Consumer Compliance Rating System (used by examiners for the consumer compliance exams).

- **Member Loyalty** – Complaints can be helpful in identifying products, services, or practices that violate consumer protection laws or cause pain points for members! Addressing and responding to these issues can help the credit union build member loyalty.
- **Proactive Action Mitigates Risk** – Addressing complaints quickly and completely can minimize reputation risk. Catching an issue early, doing a root cause analysis to determine other potentially impacted members, and taking corrective action is critical.
- **Prioritizing Audits** – Complaint management programs help to drive priority for the internal audit program.

Also interesting were the top 10 complaints received! They included, in order: funds availability, fraud, error resolution, restricted/blocked accounts, credit reporting, fees/terms/rates, account closures, other (privacy issues, bankruptcy, deceased customers), applications/account openings, and deposits. History has shown that areas receiving complaints often receive regulatory oversight and examiner focus.

Having an effective complaint management program is critical. Make sure you know what resources are out there and available for your credit union to take advantage of:

- [InfoSight](#) (Complaint Management Topic under Board Responsibilities Channel)
- [CU PolicyPro](#) (Policy 1230: Regulatory Compliance, 1230.10: Complaint Process for Federally Chartered Credit Unions, 1230.11: Complaint Process for State-Chartered Credit Unions)
- [ComplySight](#) (Complaint Management Module for tracking, assigning, resolving, aggregating and reporting complaints)

Need additional information about how League InfoSight can help? Contact info@leagueinfosight.com for assistance!

Glory LeDu

CEO, League InfoSight and CU Risk Intelligence

News and Alerts!

CFPB Joins Federal Regulators to Propose Rule to Standardize Data Submitted to Federal Financial Agencies

The Consumer Financial Protection Bureau (CFPB) joined several other federal financial regulatory agencies in announcing a proposed rule to establish data standards for certain information collections submitted to financial regulatory agencies.

[Read More](#)

Important Announcement for Users of OFAC's Compliance Hotline

To improve efficiency in responding to requests for sanctions guidance from the public, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is updating its Compliance Hotline by streamlining and enhancing the query submission process.

[Read More](#)

Financial Technology and Access Office Hours: August 20-22 and November 12-14

The National Credit Union Administration's (NCUA's) Office of Financial Technology and Access is establishing office hours where credit union representatives, financial technology companies, and credit union associations can schedule time to speak about financial technology with representatives from the NCUA's fintech and credit union programs.

[Read More](#)

FTC Action Leads to Permanent Bans for Scammers Behind Sprawling Credit Repair Pyramid Scheme

As a result of a Federal Trade Commission (FTC) lawsuit, the owners and operators of a sprawling credit repair operation known as Financial Education Services (FES) will end the practices that the FTC alleged created a pyramid scheme and also violated the Credit Repair Organizations Act.

[Read More](#)

What if your building
suddenly becomes
inaccessible?

Are you
prepared?

RecoveryPro 
can help!



Questions, Comments, Concerns? We are here to help! Email us at
info@leagueinfosight.com