

Remarks by  
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I am pleased to be here in Houston, the home of the OCC's Office of the Ombudsman and Customer Assistance Group, for this important conference on how the agencies handle complaints and questions by customers of banks, thrifts, and credit unions. It's a great pleasure to see all of you – representatives of our agency consumer complaint operations – here in one place. Beyond the benefits of this impressive program, I know that you will enjoy meeting one another, sharing information, and comparing notes on the different ways you conduct your important business of helping consumers.

My remarks today will focus on two topics. First, I want to summarize briefly why I believe your mission is such an important and growing part of the work of our agencies. And second, I want to describe in a bit more detail one area of our work that I think could stand real improvement: using technology to better coordinate what we now do separately. By working together, I think we have a real opportunity to make it simpler, less confusing, and more efficient for those banking consumers that turn to the regulators to get their questions answered and their complaints addressed.

Let me begin by saying something that may sound a little odd at first blush: I think there has never been a more interesting time to be in the complaint handling business. We certainly have plenty of raw material in the sheer volume of questions and complaints we receive. But for the first time, we also have the technological tools and commitment in

human resources to use this raw material in ways that can really increase benefits to the consumer. I'm thinking here about improvements to the way we directly address individual questions and complaints; improvements to our compliance supervision to address systemic issues that are generating complaints; and improvements to our feedback to the banks we supervise so that they can spot and fix problems that are plainly on consumers' minds. (And by the way, when I say "banks" in my speech today, I'm really referring for the sake of simplicity to all of the institutions that each of your agencies supervises, with apologies to our friends at OTS and NCUA.)

Of course, we find that very often the best way for a consumer to resolve his or her problem is by contacting the bank directly in the first instance, rather than us doing that for them. We encourage that. We also can facilitate that process – and we do – by giving callers the information they need to understand the relevant laws and regulations, by telling them how best to present their questions or complaints, and by providing the contact information they need to find the right person to talk to at their bank. This is all helpful, but the main reason direct contact tends to work best is that banks have built-in incentives to work with their customers. These institutions operate in competitive markets, and they recognize that their customers have options – and that they will vote with their feet if they don't get their questions answered or their complaints resolved.

Of course, it isn't always possible for individual customers to reach a fair or satisfactory resolution on their own. Sometimes, a call from a regulatory agency is needed to prompt a bank to fix a problem that otherwise might not have received the attention it deserved. That's why each of you so often has to get directly involved in a case. I've talked to our complaint specialists enough to know that it takes considerable skill to facilitate a

resolution between an angry customer and a bank that believes it has done nothing wrong – and you deserve enormous credit for the diplomatic skills you display each and every day.

Overall, I think this model works well in addressing individual problems for consumers. But as I said, directly helping individuals on a case-by-case basis is by no means the only positive benefit of the work you do. Your efforts also help make the system work better.

For example, data from the complaints we receive provide a window on the industry's trouble spots and help us focus the priorities of examiners. When we receive a number of complaints about a particular institution or a specific practice, we know there's a problem that needs attention, and we can direct supervisory resources in that direction. Complaint data has also been useful in helping us draft guidance that is intended to correct questionable practices. For example, complaints we received through the OCC's Customer Assistance Group helped us formulate guidance dealing with predatory lending, credit card practices, and issues involving third party vendors. And in extreme circumstances, your work has helped build enforcement cases where that type of action is warranted.

So for all these reasons, I am very keen on the value of the agencies' role in complaint handling, which I believe provides real benefits to bank consumers, both directly and indirectly.

But now let me turn to something I'm not so keen on – the confusion and frustration that result from consumers not knowing which agency to contact when they have questions or complaints, and the inevitable problems and inefficiencies that result from the different approaches each agency takes to so many aspects of our work. For example, we each have different ways of referring questions, calls, and complaints. And there are some significant

differences in the technologies we use, whether for our Web sites, our call centers, or our coding and tracking systems.

Can't we do better? I think we can. It makes little sense to maintain entirely distinct complaint handling systems at the five federal agencies and all the various states. Surely we can make significant improvements without compromising the ability of each agency to use its own people and skills to address the consumer's concerns.

That's why I am very pleased with the recent decision by the federal and state banking regulators to launch an interagency effort, under the auspices of Federal Financial Institution Examination Council, or FFIEC, that is intended to lead to more streamlined and consumer friendly approaches to handling questions and complaints. We discussed this approach at the September FFIEC meeting, and while we don't have all the answers, the agencies were unanimous in agreeing to form a working group to evaluate what needs to be done and to report back with an action plan at our December meeting.

Fortunately, we're not starting from scratch. There has been a great deal of time, effort, and money invested by individual agencies in creating systems that fulfill this important responsibility. We have created special Web sites, built call centers that take advantage of cutting edge technology, and developed advanced systems for referring misdirected complaints to the appropriate agency. The problem, though, is that we tend to do these jobs differently – and sometimes a lot differently.

I recognize each of us is partial to our own systems and methods for handling complaints. I also recognize that there are substantial differences in our missions and in the institutions we supervise. Even so, there are many similarities in the complaints we receive and the questions we are asked. It seems to me that, as a result, there would also be many

benefits from developing more common approaches to handling them, where feasible. And based on last month's discussion, I think that all the agencies are receptive to thinking this new thought.

Specifically, the FFIEC decided that the newly formed working group should consider using a third party consultant to evaluate the systems we've already created in order to make recommendations on how we might leverage those systems to better serve consumers. That makes sense to me. A knowledgeable third party could provide disinterested advice on the feasibility of joint projects and common approaches, recommend timelines, and evaluate costs and benefits – and do so with a measure of independence that would help address parochial resistance to change.

Let me provide some examples where I believe a more unified approach could produce substantial benefits. One would be a gateway Web site that would serve as the main interface for a consumer of any bank in terms of the place to go to get common questions answered and, if necessary, to begin the process of filing a complaint about a particular bank with a particular regulator. This common Web site would not replace the consumer parts of each agency's Web sites; indeed, it could serve to route consumers to the right agency's Web site – through the use of some kind of easy-to-use look-up tool – to begin the complaint process. We've recently launched a Web site like this at the OCC, though it is by no means a common Web site for consumers of all banks. It's called HelpWithMyBank.gov, and it contains frequently asked questions and answers for national bank customers; an online complaint form; and a look-up tool to help a consumer determine if his or her bank is a national bank. The idea that I'm talking about would be to take something like this, or what other agencies have done, improve it, and use it for customers of any bank.

Another candidate for enhanced coordination would be our approach to complaints received by phone. We ought to examine whether consumers would benefit from an interagency-sponsored customer call-routing center that would expeditiously get questions and complaints to the right agency. At the OCC, we've begun using a third party vendor as a kind of "triage" facility that receives the initial call from a national bank customer, determines whether that person's bank is a national bank, and starts the process of opening a case file, if necessary. Employees of the call center answer simple questions, particularly those that routinely come into our Customer Assistance Group, but the main function they serve is to handle administrative aspects of the contact and then make sure the call gets to the right OCC complaint specialist. It seems to me that this is the kind of approach that might be adapted for an interagency call-routing center.

Here's another possible project: a common complaint referral system that could expedite the routing of misfiled complaints that all the agencies receive each year. The OCC received nearly 12,000 complaints last year about banks we don't supervise, which we then sent to the right agency, and our counterparts sent to us 10,600 complaints about national banks. The current process for referring such complaints is cumbersome and time-consuming, and the resulting delays can cause real consumer frustration. Again using the OCC as an example, we're working on a possible solution called Complaint Referral Express. In addition to providing a mechanism for moving complaints rapidly to the appropriate agency, this Web-based system would facilitate efficient tracking in case of problems. Again, while there may be a better approach than ours, I do think it would be helpful to have a common platform that all the agencies could use.

Finally, I think we should also consider more ambitious thoughts, such as assessing the costs and benefits of incorporating a common philosophy for consumer complaint coding. That would facilitate much better use of complaints in databases to understand systemwide trends, and could really improve complaint analysis over time. In the same vein, a common complaint case management application that would make it easier to track individual cases could also be very useful.

Some of these tasks are more complex than others, and will present greater difficulties. Depending on what the working group recommends, it's possible that we'll want to start with the easier ones and move on to the more difficult tasks as time and resources permit. It's also possible that we may decide not to do some of these projects. I don't want to prejudge the process, but I do think that it's important to move forward and make progress, especially since the technology is well within our grasp. I'm very hopeful that we'll have a clearer picture of where we stand when we get together at the December FFIEC meeting.

Before I close, let me mention one other consumer complaint topic that has been very much on our minds at the OCC: the model Memorandum of Understanding on consumer complaint information sharing that we developed with the Conference of State Banking Supervisors. I know that John Ryan, Executive Vice President at CSBS, is scheduled to speak next, and I'd like to say that we at the OCC very much enjoyed working with John and his colleagues on the model MOU – and that I think the agreement we reached has real benefits for consumers. The MOU eliminates the legal barriers to information sharing for states that enter into it with the OCC. In such a state, if a complaint is received that pertains to a national bank – or if the OCC is contacted about a state bank – we now have an easy mechanism for sharing the complaint and for providing follow-up information on how it was

resolved. I'm very pleased to report that, since we and CSBS agreed to the model MOU last November, we have entered into individual MOUs with 28 banking departments.

Let me close by thanking each of you for the fine work you do to address consumer questions and complaints. It's work that matters, not just to the agencies that employ you, but even more important, to each consumer that you help. As banks handle more and more important financial transactions for more and more consumers, the importance of your work will only increase. And that's why I think it's so important that we maximize the use of technology and coordinate our efforts to make it easier for you to do your jobs.

Thank you very much.