



Highlights of [GAO-06-293](#), a report to the Subcommittee on Oversight and Investigations, Committee on Financial Services, House of Representatives

Why GAO Did This Study

In January 2004, the Office of the Comptroller of the Currency (OCC)—the federal regulator of national banks—issued rules concerning the extent to which federal law preempts state and local banking laws. Some state officials and consumer groups expressed concerns about a perceived loss of consumer protection. GAO identified (1) how OCC's complaint process compares with that of other federal bank regulators, (2) how complaint information informs OCC's supervision of national banks, and (3) issues that consumer advocates and state officials have raised about OCC's consumer protection efforts and OCC's responses to the issues.

What GAO Recommends

GAO recommends that OCC (1) measure the satisfaction of consumers it assists; (2) revise the way it measures and reports on its timeliness in resolving consumer complaints; and (3) better inform the public, state officials, and others of its role in handling consumer questions and complaints.

OCC agreed with our conclusions and recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-06-293.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David G. Wood at (202) 512-6878 or woodd@gao.gov.

OCC CONSUMER ASSISTANCE

Process Is Similar to That of Other Regulators but Could Be Improved by Enhanced Outreach

What GAO Found

Overall, OCC's process for handling consumer complaints—carried out primarily by its Customer Assistance Group (CAG)—is similar to that of the other three federal bank regulators. However, unlike two of them, OCC lacks a mechanism to gather feedback from consumers it assists that could help it and the banks improve service to consumers. All of the regulators resolve the majority of complaints by providing or clarifying information for bank customers; less frequently, the regulators investigate and determine that a bank or customer erred. OCC annually handles more complaints than the other regulators, likely reflecting its position as the supervisor of banks with the majority of the nation's bank assets. OCC's complaint volume has not increased appreciably since it issued the preemption rules. OCC, in accordance with federal requirements for agencies to measure how they are fulfilling goals related to serving the public, measures the percentage of complaints it resolves within 60 days, a target other federal bank regulators also use. In reporting its performance, however, OCC includes data on its response to consumers' inquiries, which typically take less time, thereby overstating its performance on timeliness of responses to complaints.

OCC's bank examiners use consumer complaint information collected by CAG to plan or adjust examinations. CAG staff and examiners communicate regularly regarding specific complaints or complaint volume and coordinate these efforts to provide consistent messages when discussing consumer-related issues with bank officials. In addition, complaint data inform OCC policy guidance to banks, often addressing potential compliance and safety and soundness risks banks face. CAG also provides feedback to banks, focusing on complaint trends and potential risks that may impact the banks' compliance with consumer protection laws or other issues.

Many of the state officials and consumer advocates GAO contacted during visits to four states, as well as some representatives of national organizations, nevertheless remain concerned about OCC's commitment and capacity to address consumer complaints—especially given their perception that the rules effectively ended protections provided by state laws and processes. Specific concerns these officials cited include an inability to obtain information on complaint outcomes, the fact that OCC handles complaints from a single location, and the adequacy of CAG's resources. OCC has taken actions addressing some of these concerns. The agency views itself as a neutral arbiter and continues to provide an avenue for consumers to file complaints related to national banks. OCC recently hired additional CAG staff and has begun working with a third-party vendor to expand telephone service from 7 to 12 hours a day. GAO noted that some officials and advocates contacted were unaware of OCC's process for handling consumer complaints and the assistance it can provide.