



RESPONDING TO CONSUMER COMPLAINTS

Office of Consumer Protection - Consumer Assistance Center

National Credit Union Administration

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Credit unions should maintain an effective compliance management system to help ensure compliance with federal financial consumer protection laws and regulations. A well-planned, implemented and maintained compliance management system will prevent or reduce regulatory violations, protect consumers from non-compliance harm, provide cost efficiencies, and is a sound business practice.

A strong compliance management system allows the credit union's management and employees to understand the credit union's compliance responsibilities and incorporates compliance requirements into the credit union's business processes. It also allows for the credit union to review its operations to ensure compliance responsibilities and requirements are carried out, takes corrective action, and updates tools, systems and materials as necessary. Other important elements of a sound compliance management system include board of directors and management oversight; a formal written compliance program that consists of policies, procedures, training, monitoring and prompt handling of consumer complaints; and auditing the compliance program.

The information provided below is a summary of best practices for receiving and responding to consumer complaints involving federal financial consumer protection matters. This list is not meant to be exhaustive or applicable in every situation.

RECOMMENDATIONS FOR HANDLING CONSUMER COMPLAINTS

1. Establish channels to receive consumer complaints and inquiries such as telephone numbers or email addresses dedicated to receiving this type of correspondence.
2. Establish written policies and procedures to record, categorize, analyze, investigate, resolve and respond to complaints in an appropriate and timely manner.
3. Review the complaint and identify all of the issues contained therein.
4. Determine the appropriate type of investigation of the complaint. The investigation should include, as applicable:
 - An interview of the consumer;
 - A review of the consumer's credit union file;
 - An interview of the appropriate credit union officials and/or employees;
 - A review of pertinent written and unwritten credit union policies and procedures;
 - An understanding of the relevant federal consumer protection laws and regulations; and
 - For fair lending complaints, consideration of the rationale for any exceptions or overrides from general policy or any relevant facts regarding field of membership.
5. Develop and implement plans to address and correct any illegal or improper practices, if applicable. This may include:
 - Corrective action and additional compliance training and monitoring; and
 - Updates of tools, systems and written materials.
6. Respond in writing to the consumer after completing the investigation of the complaint. The response should address all of the issues raised in the complaint in a precise and clear manner.
7. Maintain a record of the credit union's written response and any further communications with the consumer about the matter.
8. Retain, organize and analyze complaint data to identify and address any trends, areas of risk and program weaknesses.

NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of more than 99 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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