Recent Trends in FDIC Consumer Compliance Examinations and Complaints

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The Federal Deposit Insurance Corporation (FDIC) recently released its ***Consumer Compliance Supervisory Highlights*** report dated as of July 2025. The report provides insights into regulatory violations cited during consumer compliance examinations, as well as complaints received at the FDIC from consumers regarding banking products and services.

Consumer complaints identify areas of escalated inherent risk, and financial institutions should continuously monitor trends. The FDIC report specifically indicates that consumers are more and more concerned with credit card products and credit reporting.

When credit cards are issued through banks, this places ultimate responsibility for regulatory compliance with consumer protection laws on the bank. In today's environment, we expect more scrutiny on credit card products, especially those issued in tandem with a third-party provider (TPP), and on accurate data reported to credit reporting agencies. This article focuses on the complaint trends appearing in the FDIC report and provides risk management considerations.

Increasing Credit Card Complaints

- **Prevalence of credit card complaints**: In 2024, credit cards were the most frequently complained about banking products, with 4,733 complaints received by the FDIC's Consumer Response Unit (CRU). This represents a significant portion of the consumer complaints handled by the CRU, highlighting ongoing issues in the credit card sector.
- **Common issues with credit cards**: The most common issues related to credit cards included credit reporting errors, accounts opened without the consumer's knowledge, and collection practices. Specifically, credit reporting errors

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accounted for 38% of the credit card-related complaints, while accounts opened without knowledge and collection practices accounted for 13% and 11%, respectively.

- **The use of TPPs**: A notable number of credit card complaints involved TPPs, which are non-bank financial companies that perform services such as credit card servicing and processing. In 2024, 4,282 consumer complaint cases involved TPPs, marking a 13% increase from the previous year. The FDIC report states these cases often included apparent violations of federal consumer protection regulations.

  Risk management in action: In light of the increasing complaint volume related to credit cards, the following are some inquiries to consider: whether the issuing bank is working with a TPP in the offering of a credit card product; whether the issuing bank is prepared to address this increasing inherent risk and if additional resources are required to monitor the TPP for adherence to consumer protection laws, both in the offering or servicing of the product; and whether the TPP is incorporated into the institution's compliance risk assessment.

Credit Reporting Complaints and Issues

- **Prevalence of credit reporting complaints**: Credit reporting was the most common issue among consumer complaints, with 2,926 complaints received in 2024. This indicates a significant concern among consumers regarding the accuracy and handling of their credit information.
- **Impact on various banking products**: Credit reporting errors were a major issue across multiple banking products. For credit cards, credit reporting errors were the most common issue, representing 38% of the complaints. Similarly, credit reporting errors were a significant issue for residential real estate loans, accounting for 11% of the complaints.
- **Non-monetary compensation**: In response to credit reporting complaints, the CRU facilitated non-monetary compensation[1] in 937 cases. This included actions such as updating credit reporting when reports were considered

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inaccurate or when unable to conclude otherwise.

Risk management in action: For issuing banks, it is prudent to evaluate credit reporting practices in light of the heighted inherent risk due to consumer complaints. Banks should determine whether a TPP is tasked with credit reporting and associated dispute resolution; whether the integrity of the data reported and associated disputes has been reviewed or confirmed; and whether the TPP has been incorporated into the institution's compliance risk assessment and if the risk related to credit reporting has been reevaluated under current trends.

Decreasing Trend in Checking Account Complaints

- **Downward trend:** In 2024, checking account complaints were among the top four banking products and topics that the CRU received complaints about, with a total of 3,152 complaints. This represents a decrease from previous years, as checking account complaints accounted for 19% of the total volume of product complaints in 2024, down from 23% in 2023, 22% in 2022, 23% in 2021, and 25% in 2020. The most common issues related to checking accounts included account closure (14%) and account block (12%).

  Risk management in action: Deposit accounts have long been scrutinized by regulatory authorities and plaintiff counsel reacting to consumer complaints. Debit card usage and overdrafts can be difficult pain points, as well as managing topics such as Regulation E opt-ins, authorize positive-settle negative (ASPN) and multiple presentments. Accordingly, financial institutions should determine whether they have adopted efficient risk management techniques to handle these difficult deposit-related issues.

Key Takeaway

The complaint trend data from 2024 indicates ongoing challenges in the areas of credit card and credit reporting. The high volume of

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complaints and the involvement of TPPs underscore the need for continued oversight of TPPs to mitigate risk associated with consumer protection laws.

Frost Brown Todd's consumer financial services team has the institutional experience and know-how to assist financial institutions in navigating the evolving regulatory compliance landscape. For more information, please contact the authors or visit our Consumer Financial Services & Protection page.

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[1] The FDIC reports 2024 voluntary restitution of $2,044,071 due to consumer interaction with the CRU, as compared to $7,091,241 the previous year. The significant drop is attributed to an outlier situation resulting in approximately $4.5 million in restitution in 2023.

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