

## ARBITRATION POLICY

# FINANCIAL INSTITUTIONS USE FORCED ARBITRATION CLAUSES TO CONFUSE AND PREVENT CONSUMERS FROM ACCESSING JUSTICE, CFPB PUBLIC COMPLAINT NARRATIVES SUGGEST

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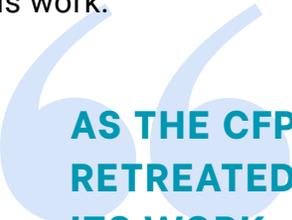
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In 2025, consumers submitted a record number of complaints to the Consumer Financial Protection Bureau (CFPB). Out of 5.6 million complaints, the National Association of Consumer Advocates (NACA) has analyzed the 2393 consumer complaints referencing arbitration. These consumer narratives reveal both financial institutions' extensive use of forced arbitration clauses and the additional challenges that some consumers bound by these clauses say they face when attempting to seek justice.

## BACKGROUND

- Nonnegotiable terms and conditions accompany almost every financial product and service from bank and credit card accounts to car and student loans, payment applications, credit monitoring services, and more. Most of these fine print contracts include forced arbitration clauses that bar harmed consumers from going before a judge and jury, force them into private arbitration, and prohibit them from banding together to pursue their claims in class actions.
- Forced arbitration clauses have proliferated following key decisions by the U.S. Supreme Court that expanded their allowable uses.<sup>1</sup> Due to the one-sided take-it-or-leave-it nature of most corporate contracts, consumers generally cannot meaningfully consent to forced arbitration.

- Since 2012, the CFPB has conducted extensive work on the fine print of financial services and products. It has studied the use of forced arbitration clauses, collected and published credit card agreements for review, scrutinized financial services providers' fine print during its supervision and enforcement processes, and warned providers against using unlawful provisions in their terms and conditions.<sup>2</sup> In the last year, the CFPB under new leadership has paused, and is attempting to invalidate, this work.<sup>3</sup>
- In February 2025, just over a year ago, the CFPB's acting director halted most of the Bureau's operations, ordering thousands of employees to stop all work unless it was approved.<sup>4</sup> The work included oversight of the regulated financial services providers and enforcement of the laws under the Bureau's jurisdiction. Additionally, the CFPB has since dismissed or rolled back scores of enforcement actions.<sup>5</sup> In May, the agency issued a notice revoking 67 guidance documents that advised the public on how it interprets the law for financial services and products, including a handful of advisories explaining its views on certain terms in financial services contracts.<sup>6</sup>
- As the CFPB has retreated from its work, consumer complaints via the CFPB complaint system reached new highs across all categories, including complaints referencing arbitration. The CFPB received nearly *5.6 million complaints* in 2025.<sup>7</sup> A review of those complaints and their mentions of arbitration, reveal some ways justice has become more inaccessible to consumers and why.



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## **COMPLAINT DATA, NARRATIVES REVEAL PRESENCE AND CHALLENGES OF ARBITRATION REQUIREMENTS**

Consumers file complaints with the CFPB seeking resolution from financial losses or other harms they are experiencing. Due to the widespread use of forced arbitration clauses by financial companies, consumers sometimes make reference to arbitration in their complaints. In a review of complaints containing the word "arbitration," which included similar terms such as "arbitrate" and "arbitrator," NACA found that consumers submitted *2393 complaints* in 2025 that referenced arbitration, a 9% increase from 2024 and a 150% increase from 2023.<sup>8</sup>

## Complaint Snapshot



[2393](#) complaints referencing arbitration

[152](#) consumer claims that a company did not cooperate with attempts to go to arbitration

[107](#) complaints of negative actions despite pending arbitration

[106](#) complaints referencing pre-arbitration requirements

The complaints describe consumers' dissatisfaction with the underlying conduct of credit reporting agencies, payday lenders, credit card companies, auto financing companies, debt collectors, and other financial services companies, as well as their problems regarding arbitration itself.

Close to half of the narratives referencing arbitration came from consumers who stated that they intended to initiate arbitration if their dispute could not be resolved, likely indicating that the consumers had already exhausted other informal avenues of dispute and are bound by forced arbitration clauses. Being subject to forced arbitration in itself can be a cause for concern due to the lack of procedural protections in arbitration and potential for bias compared to a public court.

Many other complaints reveal the issues that can occur even when a consumer decides to pursue arbitration. Of the complaints reviewed, [106](#) made reference to pre-dispute arbitration requirements of some kind such as an official pre-arbitration letter. Such complaints point to the growing trend of pre-dispute dispute resolution clauses that add extra hurdles making it more difficult for consumers to go to arbitration.<sup>9</sup>



## CONSUMER NARRATIVE HIGHLIGHT



*"I am submitting this complaint because CREDIT BUREAU has refused to participate in legally binding consumer arbitration as required under the Federal Arbitration Act and the CREDIT BUREAU'S consumer agreement, while continuing to report inaccurate, unverifiable, and unauthorized information on my credit file. Despite repeated certified mail disputes and submission of notarized documents showing multiple inaccuracies, CREDIT BUREAU has failed to delete or verify the disputed items within the time allowed by law under the Fair Credit Reporting Act (FCRA, 15 U.S.C. 1681i). The company has continued to publish this false and disputed information to third parties, causing ongoing harm to my credit reputation and financial opportunities."<sup>10</sup>*

In an additional *152 instances*, consumers complained that their attempt to go to arbitration could not proceed due to non-cooperation from the financial entity at issue. For example, some companies allegedly refused to pay the required arbitration fees, failed to register with the chosen arbitration forum, or failed to respond to the consumer's request for arbitration. In some narratives, consumers accused financial entities of using their arbitration clause to delay resolution of the dispute.

Even consumers who successfully take their claims to arbitration have reported additional problems. In *107 complaints* reviewed, consumers say that a company continued to take harmful action against them, such as reporting a negative credit item on their credit report, despite a pending arbitration regarding the harmful action.

Complainants also asserted that the company at issue violated the arbitration clause in their terms of service by filing a collections suit or taking other legal actions when the arbitration clause specified disputes initiated by either party must go to arbitration. And in others, consumers zeroed in on the arbitration clause itself, claiming these provisions were an unfair practice.

In all, the narratives submitted by consumers paint a picture of a murky justice system muddied by businesses' use of forced arbitration clauses and other restrictive fine print contract terms. Based on their complaints, consumers mired in this system are struggling to understand and exercise their legal rights.

## Non-cooperation with arbitration includes...

...*refusing* to pay arbitration fees required by the contract or the arbitration forum rules

...*failing* to register with the arbitration forum designated by the contract

...*ignoring* consumer demands to initiate arbitration



### CONSUMER NARRATIVE HIGHLIGHT



*"I financed a vehicle through LENDER that was sold with undisclosed major mechanical failures. The dealer has shut down and refuses to help. LENDER was notified of the fraud but continues to collect payments and report the account. I'm requesting full loan rescission, refund, and correction of my credit report. I'm also disputing the enforceability of their arbitration clause under Nevada law."<sup>11</sup>*

## UNDER A CHANGED CFPB, THE PUBLIC COMPLAINT SYSTEM STILL OFFERS TRANSPARENCY AND HELP FOR CONSUMERS FOR NOW

**WITH THE CFPB SHRINKING FROM ITS ENFORCEMENT DUTIES AS WELL, THE COMPLAINT DATABASE MAY BE THEIR FINAL AVENUE FOR RECOURSE**

In the current environment as the CFPB refuses to perform its functions, the importance of the complaint database has become more pronounced. Since the complaint database's launch in 2012, publicly available complaints and narratives have offered a bird's eye view of consumer experiences in the marketplace.<sup>12</sup> It acts as a early warning system that aids public officials' ability to detect patterns of practices that are systemically harming consumers so they can take action to address them before they spread. In turn, public complaints incentivize financial institutions to improve their business practices and resolve issues harming consumers or risk their reputations and further scrutiny.



### CONSUMER NARRATIVE HIGHLIGHT



*"I was sold a defective vehicle with known safety recalls, financed through LENDER, and forced into an arbitration clause that was bundled with GAP and warranty add-ons I could not cancel despite repeated requests. This contract structure is unlawful under the MLA as they did not verify my MLA status prior to offering the contract. While my dispute was pending in arbitration, LENDER illegally repossessed and sold the vehicle even after I notified them that their conduct violated the Military Lending Act."<sup>13</sup>*

Most essentially, the complaint database gives consumers who are struggling to resolve disputes with financial institutions a lifeline that ensures their complaints are seen by the companies, regulators, and other consumers. This is especially vital for consumers who submit complaints referencing arbitration. Many of these consumers are unlikely to be able to vindicate their legal rights before a judge and jury due to the presence of forced arbitration clauses, and some are even struggling to be heard in arbitration. With the CFPB shrinking from its enforcement duties as well, the complaint database may be their final avenue for recourse.

As long as the CFPB's complaint database remains open and accessible to all, these consumers and millions of others will continue to have somewhere to take their claims that is not blocked off by fine print terms and other legal barriers. Simultaneously, the CFPB as well as researchers, advocates, and journalists can continue to monitor complaints to better understand how consumers react to fine print arbitration clauses and the challenges they face when attempting to seek justice. Recent changes by the CFPB to complaint intake and other proposed changes by financial services industry groups may negatively impact the number of complaints submitted in the future and hinder continued tracking of consumer interaction with arbitration.<sup>14</sup>

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[1] See, e.g., *AT&T Mobility LLC v. Concepcion*, 563 U.S. 333 (2011); *Am. Express Co. v. Italian Colors Rest.*, 570 U.S. 228 (2013).

[2] See, e.g., Consumer Financial Protection Bureau, CFPB Warns Against Deception in Contract Fine Print, Jun. 04, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-warns-against-deception-in-contract-fine-print/>; Consumer Financial Protection Bureau, Arbitration Study: Report to Congress, pursuant to Dodd–Frank Wall Street Reform and Consumer Protection Act § 1028(a), March 2015, [https://files.consumerfinance.gov/f/201503\\_cfpb\\_arbitration-study-report-to-congress-2015.pdf](https://files.consumerfinance.gov/f/201503_cfpb_arbitration-study-report-to-congress-2015.pdf).

[3] Christine Hines, CFPB walks back protections on terms and conditions in financial services, June 2025, <https://www.consumeradvocates.org/wp-content/uploads/2025/06/CFPB-walks-back-protections-for-contract-terms.pdf>.

[4] U.S. Government Accountability Office, Consumer Financial Protection Bureau: Status of Reorganization Efforts, Jan. 27, 2026, <https://www.gao.gov/assets/gao-26-108448.pdf>.

[5] Consumer Federation of America and Protect Borrowers, CFPB Enforcement Actions Dismissed or Terminated Under Trump's CFPB, Oct. 15, 2025, <https://protectborrowers.org/wp-content/uploads/2025/10/CFPB-Pending-Enforcement-Actions-Memo.pdf>.

[6] Consumer Financial Protection Bureau, Interpretive Rules, Policy Statements, and Advisory Opinions; Withdrawal, May 12, 2025, <https://www.federalregister.gov/documents/2025/05/12/2025-08286/interpretive-rules-policy-statements-and-advisory-opinions-withdrawal>.

[7] Consumer Financial Protection Bureau, Consumer Complaint Database, [https://www.consumerfinance.gov/data-research/consumer-complaints/search/?date\\_received\\_max=2025-12-31&date\\_received\\_min=2025-01-01&page=1&searchField=all&size=25&sort=created\\_date\\_desc&tab=List](https://www.consumerfinance.gov/data-research/consumer-complaints/search/?date_received_max=2025-12-31&date_received_min=2025-01-01&page=1&searchField=all&size=25&sort=created_date_desc&tab=List), (as of Feb. 12, 2026).

[8] Consumer Financial Protection Bureau, Consumer Complaint Database, [https://www.consumerfinance.gov/data-research/consumer-complaints/search/?date\\_received\\_max=2025-12-31&date\\_received\\_min=2025-01-01&page=1&searchField=all&searchText=arbitration&size=25&sort=created\\_date\\_desc&tab=List](https://www.consumerfinance.gov/data-research/consumer-complaints/search/?date_received_max=2025-12-31&date_received_min=2025-01-01&page=1&searchField=all&searchText=arbitration&size=25&sort=created_date_desc&tab=List), (as of Feb. 12, 2026).

[9] See e.g., Experian Terms & Conditions, <https://www.experian.com/help/terms-and-conditions/>, (A party who intends to seek arbitration must first send to the other, by certified mail, a written Notice of Dispute ("Notice")... The Notice must describe the nature and basis of the claim or dispute and set forth the specific relief you seek from ECS ("Demand"). If ECS and you do not reach an agreement to resolve the claim within 30 days after the Notice is received, you or ECS may commence an arbitration proceeding).

[10] Complaint, Oct. 27, 2025, <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/16848235>.

[11] Complaint, Nov. 19, 2025, <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/17875571>.

[12] Consumer Financial Protection Bureau, CFPB Launches Consumer Complaint Database, Jun. 19, 2012, <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-launches-consumer-complaint-database/>.

[13] Complaint, Aug. 22, 2025, <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/15428428>.

[14] Consumer Financial Protection Bureau, Credit and consumer reporting complaint notice, Feb. 4, 2026, <https://www.consumerfinance.gov/complaint/credit-and-consumer-reporting-complaint-notice-2/>; Consumer Data Industry Association, Consumer Response Intake Form, Docket No. CFPB-2025-0042, Jan. 27, 2026, <https://www.regulations.gov/comment/CFPB-2025-0042-0003>.