

Max Weinstein, Mass. Bar No. 600982
 (Application for *Pro Hac Vice* Admission Pending)
 Email: max.weinstein@cfpb.gov
 CONSUMER FINANCIAL PROTECTION BUREAU
 1700 G Street, NW
 Washington, DC 20552
 Phone: 202-435-9172
 Fax: (202) 435-5468

Colin Hector, Cal. Bar No. 281795
 Email: colin.hector@cfpb.gov
 CONSUMER FINANCIAL PROTECTION BUREAU
 301 Howard St., Suite 1200
 San Francisco, CA 94105
 Phone: (681) 326-7093
 Fax: (202) 435-5468

Attorneys for Plaintiff
Consumer Financial Protection Bureau

**UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 SOUTHERN DIVISION**

Consumer Financial Protection Bureau,	)	Case Number: 8:25-cv-24
	)	
<i>Plaintiff,</i>	)	COMPLAINT FOR
	)	INJUNCTIVE RELIEF,
	)	REDRESS, DISGORGEMENT,
vs.	)	AND CIVIL MONEY
	)	PENALTIES
	)	
Experian Information Solutions, Inc.,	)	ACTION SEEKING
	)	NATIONWIDE RELIEF
<i>Defendant.</i>	)	

INTRODUCTION

1. The Consumer Financial Protection Bureau (“Bureau”) brings this action against Experian Information Solutions, Inc. (“Experian” or “the Company”) under the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681 et seq., and the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C.

1 §§ 5536(a)(1)(a)–(b), 5564, and 5565. This action alleges that Experian violated
2 both Acts by failing to reasonably reinvestigate consumer disputes challenging the
3 accuracy or completeness of information in consumer reports, including by failing
4 to forward all relevant information to furnishers, failing to provide adequate or
5 accurate notice to consumers of the outcome of their disputes, and failing to utilize
6 reasonable procedures to ensure the accuracy and completeness of information in
7 consumers’ files.

8 2. Experian is one of the largest consumer reporting agencies (“CRAs”)
9 in the country. A primary aspect of its business is collecting and organizing data on
10 most adult Americans to generate consumer reports, consumer file disclosures, and
11 credit scores that reflect consumers’ credit activity and history. As Experian
12 acknowledges, its consumer reporting services “play an integral part in the
13 financial lives of millions of people.”

14 3. This is because Experian sells its consumer reports to creditors and
15 businesses who are evaluating whether to offer a consumer various products,
16 services, and opportunities, such as a loan, a job, or housing.

17 4. Information reflected in consumer reports is provided to CRAs by
18 data furnishers, such as banks, credit card companies, or debt collectors, and other
19 sources. Errors in consumer reports can be significant for consumers, resulting in
20 the denial of credit, employment, or housing, or being offered less favorable credit
21 terms.

22 5. Recognizing the serious consequences borne by consumers when their
23 consumer reports contain inaccurate information, Congress enacted the FCRA in
24 1970 to, in part, “[e]nsure that consumer reporting agencies [like Experian]

1 exercise their grave responsibilities with fairness, impartiality and a respect for the
2 consumer's right to privacy." 15 U.S.C. § 1681(a)(1)-(4).

3 6. The FCRA demands that CRAs use reasonable procedures to assure
4 maximum possible accuracy of information contained in consumer reports, 15
5 U.S.C. § 1681e(b), and provides a mechanism for consumers to dispute any
6 incomplete or inaccurate information in their report. 15 U.S.C. § 1681i.

7 7. When a consumer disputes the accuracy or completeness of
8 information in their consumer report, the FCRA requires Experian to conduct a
9 "reasonable reinvestigation" of the disputed information and report the results of
10 the reinvestigation to the consumer, all within certain timelines. 15 U.S.C.
11 § 1681i(a). At the conclusion of the reinvestigation, Experian must modify or
12 delete any item of information found to be inaccurate or incomplete, or that it
13 could not verify. 15 U.S.C. § 1681i(a)(5). For any information deleted as a result of
14 a dispute, the FCRA imposes specific obligations on Experian that must be
15 satisfied before that information may be reinserted into a consumer's file. 15
16 U.S.C. § 1681i(a)(5)(C).

17 8. Despite its obligations under the FCRA, Experian fails consumers
18 who dispute information in their consumer reports at every stage of the dispute
19 process.

20 9. First, Experian's faulty intake procedures fail to accurately convey all
21 relevant information regarding the dispute to the original furnisher of the disputed
22 information, and, at times, Experian simply fails to provide furnishers with
23 consumer-submitted documentation that supports the dispute.
24

1 10. Second, Experian uncritically accepts the original furnisher's response
2 to the disputed information, even when that response was improbable or illogical
3 on its face or when Experian has other information in its possession that alerts or
4 should alert Experian to the possibility that the furnisher might be unreliable.

5 11. Third, at the conclusion of its reinvestigation, Experian sends
6 consumers notices that fail to inform them of the reinvestigation results, and
7 instead provides information that is confusing, ambiguous, incorrect, and internally
8 inconsistent.

9 12. Additionally, Experian's problematic dispute resolution processes
10 have resulted in several other issues, including Experian's outright failure to
11 reinvestigate a significant number of disputes within the timeline required by the
12 FCRA, its ongoing refusal to reinvestigate hard inquiry disputes, and its routine
13 failure to ensure that previously deleted tradelines are not improperly reinserted
14 into a consumer's file.

15 13. Experian's faulty dispute intake procedures and failure to provide
16 furnishers with consumer-submitted documentation, uncritical deference to
17 furnishers' response to the disputed information, and failure to inform consumers
18 of the results of reinvestigations also violate the CFPA's prohibition on unfair acts
19 or practices. 12 U.S.C. § 5531(c)(1).

20 14. Experian's failures are an abdication of its obligations under the
21 FCRA and the CFPA, and the Bureau brings this action to rectify these failings and
22 impose civil money penalties.
23
24

VENUE

15. Venue is proper in this district because the Defendant resides and does business in this district. 12 U.S.C. § 5564(f).

PARTIES

16. The Bureau is an independent agency of the United States created by the CFPA. 12 U.S.C. § 5491(a). The Bureau has independent litigating authority and is authorized to initiate civil actions in federal district court to secure appropriate relief for violations of Federal consumer financial law, 12 U.S.C. §§ 5564(a)-(b) and 5565, including the FCRA and the CFPA, 12 U.S.C. § 5481(12)(F) and (14).

17. Experian is a nationwide consumer reporting agency with its North American Headquarters in Costa Mesa, California. At all times material to this Complaint, Experian transacted business in this district and nationwide.

18. Experian collects, analyzes, maintains, or provides consumer report information or other account information, including information related to the credit history of consumers. This information is used or expected to be used in connection with any decision regarding the offering or provision of a consumer financial product or service. These products or services are consumer financial products or services covered by the CFPA. 12 U.S.C. § 5481(5) and (15)(A)(ix).

19. Further, Experian offers consumer reports, consumer file disclosures and credit scores, which are consumer financial products or services because they are or relate to consumer reports or other account information, including information relating to the credit history of consumers that Experian collects and maintains about a consumer's account. Experian offers or provides these financial

1 products and services to consumers primarily for personal, family, or household
2 purposes, and delivers, offers, and provides them in connection with consumer
3 financial products or services such as consumer credit. These products or services
4 are therefore consumer financial products or services covered by the CFPA. 12
5 U.S.C. § 5481(5) and (15)(A)(ix).

6 20. Because Experian engages in offering or providing a consumer
7 financial product or service, Experian is a “covered person” under the CFPA. 12
8 U.S.C. § 5481(6).

9 21. Experian is a “consumer reporting agency” as defined by the FCRA.
10 *See* 15 U.S.C. § 1681a(f). Experian compiles and maintains files on consumers on
11 a nationwide basis as that term is defined in the FCRA, 15 U.S.C. § 1681a(p).
12 Experian is therefore subject to the FCRA.

13 **BACKGROUND**

14 22. The FCRA imposes a variety of obligations on CRAs like Experian to
15 ensure that they report accurate information in consumer reports.

16 23. A core obligation is that if a consumer disputes the completeness or
17 accuracy of information in their consumer report, the CRA must “conduct a
18 reasonable reinvestigation” to determine whether the disputed information is
19 accurate. 15 U.S.C. § 1681i(a)(1)(A).

20 24. Within five business days of receiving the dispute, the CRA must
21 provide notice of the dispute to the furnisher of the disputed information. A
22 furnisher is any entity that provides financial information about a consumer to a
23 CRA, such as a bank, credit card company, or debt collector. The notice to the
24

1 furnisher must include all relevant information received by the CRA regarding the
2 dispute. 15 U.S.C. § 1681i(a)(2)(A).

3 25. The CRA must complete the reinvestigation within 30 days after the
4 dispute is received unless an extension is sought. 15 U.S.C. § 1681i(a)(1)(A).

5 26. After the reinvestigation, the CRA must provide the consumer
6 “written notice” of the “results of the reinvestigation” no later than five business
7 days after its completion. 15 U.S.C. § 1681i(a)(6)(A).

8 27. The FCRA further requires that the furnisher maintain reasonable
9 procedures to prevent the reinsertion of previously deleted information, notify
10 consumers within five business days if previously deleted information was
11 reinserted, and ensure maximum possible accuracy of consumer reports. 15 U.S.C.
12 §§ 1681i(a)(5)(B), (C), 1681e(b).

13 **e-OSCAR and the ACDV Process**

14 28. When a CRA receives a consumer dispute, the primary way
15 information about the dispute is communicated to furnishers is on a web-based
16 platform called e-OSCAR. Information about the disputed information is
17 transmitted over the e-OSCAR platform via an Automated Credit Dispute
18 Verification form (“ACDV”).

19 29. The ACDV is a one-page form that contains identifying information
20 about the consumer such as name, address, social security, and date of birth. The
21 ACDV also reflects the disputed account (also known as a tradeline) as it is
22 currently reported. The ACDV provides limited information about the consumer’s
23 dispute, including a three-digit “dispute code” that indicates the basis of the
24 dispute. There is sometimes a short free-form description of the dispute, based on

information provided by the consumer. The ACDV may also have other relevant information attached to it, including consumer-submitted documentation supporting the dispute.

30. Below is a reproduction of an Experian ACDV:

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31. After the furnisher reviews the information provided in and attached to the ACDV, it returns the ACDV to the CRA, indicating with a two-digit "response code" whether the disputed information is accurate or should be modified or deleted.

32. The ACDV is typically the only way CRAs and furnishers communicate during a reinvestigation.

FACTUAL ALLEGATIONS

Experian Fails to Adequately Convey All Relevant Information to Furnishers

33. Consumers who identify inaccurate or incomplete information in their Experian consumer report can submit disputes to Experian by mail, over the telephone, or electronically through Experian's website (its "Online Dispute Center") or mobile application. Experian typically processes over a million consumer disputes per month.

34. When submitting a dispute, consumers can, and frequently do, support their disputes by submitting relevant documentation, such as bank statements, canceled checks, or settlement agreements, among other things. Consumers can submit supporting documents via mail or electronically.

35. For disputes accompanied by consumer-submitted documentation, Experian's policies require that its agents determine whether the documents are sufficiently conclusive for Experian to make the change requested by the consumer. Experian refers to this as making an "internal update."

36. Experian resolves a minority of disputes via an internal update. If Experian does not make an internal update, it prepares an ACDV to transmit to the furnisher through e-OSCAR. Experian's policy directs its agents to attach any consumer-submitted documentation that contains additional relevant information to the ACDV, although in some cases its agents fail to do so.

37. The dispute codes included in the ACDV are integral to the dispute resolution process. As explained above, dispute codes are used by Experian to communicate the underlying basis of the dispute to the furnisher.

1 38. Because Experian relies on the ACDV to communicate with
2 furnishers about consumer disputes, it is important that Experian's selected dispute
3 code accurately conveys the basis of the dispute to the furnisher. But Experian
4 routinely sends dispute codes to furnishers that mischaracterize or fail to convey
5 highly relevant information about consumers' disputes.

6 39. Many of these failures stem from Experian's Online Dispute Center.
7 When consumers submit a dispute on the Online Dispute Center, they select a
8 dispute description from a prepopulated list to categorize the nature of their
9 dispute, which Experian then translates into a formal e-OSCAR dispute code that it
10 inputs into the ACDV. Experian's Online Dispute Center presents consumers with
11 a significantly smaller set of dispute descriptions than Experian uses when
12 consumers have submitted mail and telephone disputes. On the Online Dispute
13 Center, for example, there are no dispute descriptions that correspond to formal e-
14 OSCAR codes for account settled, date of first delinquency disputed, paid by
15 insurance, consumer stated company will delete, and consumer stated company
16 will change.

17 40. As an illustration, Experian's Online Dispute Center instructs
18 consumers to select a dispute description of "Account paid in full" if consumers
19 "believe [they] have paid the account in full or that it was paid in settlement." A
20 separate dispute description for account settled is not available to consumers on the
21 Online Dispute Center, even though it would more precisely describe the nature of
22 the dispute.

23 41. When Experian then notifies the furnisher about these disputes via an
24 ACDV, it translates the dispute description selected by the consumer to the formal

1 e-OSCAR dispute code indicating that the consumer is disputing the account's
2 status (i.e., whether the lender or creditor considers the account current or in
3 collections), even though a separate, more precise e-OSCAR dispute code exists
4 that would indicate to the furnisher that the consumer is claiming the disputed
5 account has been settled. Indeed, Experian makes no use of the e-OSCAR
6 settlement dispute code for disputes received through the Online Dispute Center.

7 42. This is just one example of how furnishers receive either a
8 mischaracterization or a less precise description of the basis for disputes submitted
9 via the Online Dispute Center.

10 43. Other failures stem from Experian's frequent use of an inaccurate or
11 confusing dispute code when processing disputes submitted via telephone or mail.
12 For example, when a consumer lodges a dispute claiming that an account was paid,
13 Experian inserts into the ACDV the e-OSCAR dispute code labeled "Claims
14 account closed" instead of an appropriate dispute code for paid accounts.

15 44. As another example, Experian inserts into the ACDV the intentionally
16 generic e-OSCAR dispute code labeled "Claims inaccurate information. Did not
17 provide specific dispute." even where the consumer provides specific information
18 pertaining to the dispute, such as disputing the date of first delinquency or the
19 payment of an account, and for which a more specific dispute code, such as
20 "Disputes Date of First Delinquency" and "Disputes present/previous Account
21 Status, History" is available and appropriate.

22 45. And as another example, Experian agents apply dispute codes
23 requesting updates that are already reflected on consumers' tradelines and
24 therefore do not correspond to the actual substance of consumers' disputes. As one

1 illustration, agents apply the “Claims account closed” dispute code to tradelines
2 that *already display as closed*. The fact that the update requested is already
3 reflected on the tradeline suggests that the basis for the underlying dispute differs
4 from the dispute code selected by Experian, and that Experian has not accurately
5 described the nature of the dispute to the furnisher.

6 46. By failing to select appropriate dispute codes, Experian fails to
7 accurately convey the basis of the consumers’ disputes to furnishers in what is
8 usually the *only* communication Experian has with the furnisher during its
9 reinvestigation. By using inaccurate or misleading dispute codes, Experian fails to
10 provide the furnisher with all relevant information about the consumer’s dispute
11 and fails to fulfill its reasonable reinvestigation obligations.

12 47. In addition to transmitting misleading, confusing, or inaccurate
13 dispute codes to furnishers, Experian also fails to always include relevant
14 consumer submitted documentation with the ACDV transmitted to the furnisher,
15 despite Company policy requiring agents to do so. Relevant consumer
16 documentation often contains information that is not conveyed elsewhere on the
17 ACDV, including probative evidence that supports the merits of the consumer’s
18 dispute. As a result, Experian fails to provide the furnisher with all relevant
19 information about the consumer’s dispute and fails to fulfill its reasonable
20 reinvestigation obligations.

21 48. These failures hinder the reinvestigation.

22 49. As a result of the above, Experian fails to conduct a reasonable
23 reinvestigation and convey all relevant information to furnishers, which causes or
24 increases the risk that inaccurate information remains in consumers’ files.

Experian Over-relies on Furnishers' ACDV Responses During its Reinvestigation Even When Presented with Information Suggesting that the Furnisher is Unreliable

50. Experian regularly over-relies on furnishers' ACDV responses when conducting a reinvestigation, even when Experian possesses information that alerts or should alert Experian to the possibility that the furnisher of the disputed information might be unreliable. As a result, Experian permits inaccurate information to remain in consumers' files. Experian does so even though cost-effective measures exist to resolve any outstanding factual issues.

51. Experian's over-reliance on furnishers' ACDV responses occurs in at least three categories of disputes: disputes where consumer documentation provides highly probative evidence about the dispute, disputes where Experian itself possesses relevant information about the dispute in its own consumer files, and disputes where Experian receives illogical and inconsistent ACDV responses from furnishers.

52. Consumers often provide documentation that, at a minimum, should put Experian on notice that reinvestigation beyond the furnisher's ACDV response is necessary. For example, consumers frequently provide Experian with the date or case number of a bankruptcy petition discharging a particular debt that is still being reported on their consumer report, or documents reflecting an agreement to settle a debt for a certain amount. In other instances, consumers provide Experian documentation showing that the furnisher had previously agreed to delete or correct information in the disputed tradeline.

1 53. Such documents are sufficient to put Experian on notice that the
2 furnisher may have transmitted unreliable information. Yet, Experian regularly
3 gives the supporting documents no weight in resolving the dispute and routinely
4 conducts no further reinvestigation of the dispute beyond the furnisher's ACDV
5 response.

6 54. Next, Experian frequently possesses relevant supporting information
7 in *its own consumer files* that should alert it to a furnisher's unreliability. For
8 example, Experian often possesses information confirming the existence of a
9 bankruptcy fitting the description in the consumer's dispute, or information
10 confirming that a consumer has made a settlement payment. Often this information
11 alerts or should alert Experian to the possibility that the tradeline disputed by the
12 consumer might be inaccurate and the furnisher might be unreliable. Yet, Experian
13 routinely conducts no additional reinvestigation based on this information, and
14 instead relies solely on the furnisher's ACDV response to resolve the dispute.

15 55. Finally, Experian frequently receives furnisher responses that contain
16 data that is either illogical or facially and internally inconsistent, but it still accepts
17 the furnisher's response without further reinvestigation into the dispute.

18 56. For example, Experian receives ACDV responses with inconsistent
19 information, such as indicating a consumer's overdue balance is *greater* than the
20 total amount due. Other ACDV responses state that a consumer first became
21 delinquent on an installment debt a month *after* the consumer had paid the account
22 to a zero-dollar balance.

23 57. Receiving an ACDV with illogical or inconsistent data is alerts or
24 should alert Experian to the possibility that the original furnisher of the disputed

1 information might be unreliable and the disputed information may be inaccurate.
2 Yet, Experian regularly accepts the ACDV response in those circumstances and
3 ignores the fact that it contains illogical or inconsistent information.

4 58. In some instances where Experian receives illogical responses from
5 furnishers, Experian partially implements the furnisher's ACDV response on the
6 consumer's tradeline, but also unilaterally alters the information in the ACDV to
7 make it appear logical and consistent. In doing so, Experian does not take steps to
8 ensure that the changed tradeline is in fact complete and accurate; Experian simply
9 changes the tradeline by applying predetermined business rules. Experian does not,
10 for example, verify the changes with the furnisher, base the changes on another
11 reliable source of information, or confront the furnisher with the apparent error.

12 59. To the detriment of consumers, in all of the above-described
13 scenarios, Experian routinely does nothing more than send an ACDV to the
14 furnisher and implement its response.

15 60. Experian does so without consulting readily available, inexpensive
16 third-party sources of information, such as bankruptcy court records, that could
17 accurately and definitively resolve the consumer's dispute. And Experian routinely
18 does not pose any queries to the furnisher for specific factual information, such as
19 the authenticity of a document, the existence of a settlement agreement, or why the
20 furnisher's response appears to be internally illogical and inconsistent.

21 61. Experian's failures to conduct reasonable reinvestigations negatively
22 impact consumers.

23 62. First, Experian's over-reliance on furnishers' ACDV responses results
24 in consumer reports maintaining inaccurate information, such as a tradeline with an

1 inaccurate status or balance. This inaccurate information can have deleterious
 2 impacts on consumers, including lowering their credit score, the denial of credit,
 3 housing, employment, or other goods or services, or causing consumers to obtain
 4 less favorable credit terms.

5 63. Additionally, consumers waste their time and resources submitting
 6 disputes that are not adequately reinvestigated and gathering and submitting
 7 documents that are given no consideration in the dispute process.

8 **Experian Fails to Inform Consumers of Reinvestigation Results**

9 64. At the conclusion of a reinvestigation, Experian sends consumers
 10 written “results letters” intended to fulfill its statutory obligation to report the
 11 results of the reinvestigation.

12 65. Experian’s results letters include an initial section labeled “How to
 13 Read Your Results” which lists the possible reinvestigation outcomes of “Deleted,”
 14 “Remains,” “Updated,” and “Processed” and their accompanying definitions.
 15 Notably, Experian defines “Updated” four different ways, some of which indicate
 16 information *other* than the disputed information was updated.

17 66. Below is an example of the relevant portion of an Experian results
 18 letter:

19 **How to Read Your Results**

20 **Deleted** - This item was removed from your credit report. **Remains** - The company that reported the information has certified to Experian that the
 21 information is accurate. This item was not changed as a result of our processing of your dispute. **Updated** (Your results will indicate which one of the
 22 following applies.) – a) The information you disputed has been updated. Please review your report for the details. b) The item you disputed has been
 23 updated, which may include an update to the disputed information. Please review your report for the details. c) The information you disputed has been
 24 verified as accurate, however, information unrelated to your dispute has been updated. Please review your report for the details. d) Information on this item
 has been updated. Please review your report for the details. **Processed** - This item was either updated or deleted; Please review your report for the details.

67. Directly below that, Experian lists the disputed accounts and the
 reinvestigation outcome for each.

1 68. On subsequent pages, Experian typically displays a snapshot of how
2 the disputed account appears before and after the reinvestigation. However, the
3 “after” snapshot of the account often looks nearly identical to the “before”
4 snapshot, and the results letter does not explicitly identify what information was
5 updated or changed. Instead, consumers are required to deduce that on their own.
6 In cases of deleted tradelines, no snapshots are provided.

69. Below is an example of a “before” and “after” snapshot from a letter that informed the consumer that their information was updated. The consumer was left to deduce what information was updated. This snapshot was not accompanied by any explanation of what information changed.

Before dispute

Partial Acct #											
Date opened Apr 2019	First reported Dec 2019	Recent balance \$1,793 as of Aug 2020	Payment history								
Address ID # [REDACTED]	Terms 1 Months	Status Collection account. \$1,793 past due as of Aug 2020.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Original creditor [REDACTED]	Monthly payment Not reported	This account is scheduled to continue on record until Aug 2022.	2020	ND	C	C	C	C	C	C	
Type [REDACTED]	Credit limit or original amount \$1,793	Comment Account information disputed by consumer (Meets requirement of the Fair Credit Reporting Act). This item was updated from our processing of your dispute in Aug 2020.	2019								C
Responsibility Individual	High balance Not reported	Date of Status Apr 2019	Account History * (AB = Account Balance, DPR = Date Payment Received, SPA = Scheduled Payment Amount, AAP = Actual Amount Paid)								
			Jul20	Jun20	May20	Apr20	Mar20	Feb20	Dec19		
			AB (\$)	1,793	1,793	1,793	1,793	1,793	1,793		
			DPR	ND	ND	ND	ND	ND	ND		
			SPA (\$)	ND	ND	ND	ND	ND	ND		
			AAP (\$)	ND	ND	ND	ND	ND	ND		

After dispute

Partial Acct #											
Date opened Apr 2019	First reported Dec 2019	Recent balance \$1,793 as of Sep 2020	Payment history								
Address ID # [REDACTED]	Terms 1 Months	Status Collection account. \$1,793 past due as of Sep 2020.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Original creditor [REDACTED]	Monthly payment Not reported	This account is scheduled to continue on record until Aug 2022.	2020	ND	C	C	C	C	C	C	C
Type [REDACTED]	Credit limit or original amount \$1,793	Comment Account information disputed by consumer (Meets requirement of the Fair Credit Reporting Act). This item was updated from our processing of your dispute in Aug 2020.	2019								C
Responsibility Individual	High balance Not reported	Date of Status Apr 2019	Account History * (AB = Account Balance, DPR = Date Payment Received, SPA = Scheduled Payment Amount, AAP = Actual Amount Paid)								
			Aug20	Jul20	Jun20	May20	Apr20	Mar20	Feb20	Dec19	
			AB (\$)	1,793	1,793	1,793	1,793	1,793	1,793	1,793	
			DPR	ND	ND	ND	ND	ND	ND	ND	
			SPA (\$)	ND	ND	ND	ND	ND	ND	ND	
			AAP (\$)	ND	ND	ND	ND	ND	ND	ND	

The original amount of this account was \$1,793

70. Experian’s results letters often provide inaccurate, contradictory, ambiguous, or confusing information to consumers regarding the outcome of their

reinvestigation, and fail to inform them of what, if anything, changed on their consumer report as a result of the dispute.

71. For example, a number of Experian results letters state the result of a reinvestigation as “Outcome: Processed – This item was either updated or deleted; Please review your report for the details.”

72. Although a typical results letter includes the before and after snapshots of an updated tradeline, these letters only display how the tradeline appears *before* the dispute.

73. In addition, these results letters use three of the four potential dispute outcomes to describe the results of the investigation (processed, updated, and deleted), including two potentially inconsistent outcomes– updated and deleted.

74. Below is an example of the relevant portion of an Experian results letter:

Here are your results

Credit items

Outcome: Processed - This item was either updated or deleted. Please review your report for the details.

Before dispute

Report #											
Partial Acct #											
Date opened May 2018	First reported Aug 2018	Recent balance \$6,394 as of Sep 2020	Payment history								
Address ID #	Terms 1 Month	Status Collection account, \$6,394 past due as of Sep 2020.	2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Original creditor	Monthly payment Not reported	This account is scheduled to continue on record until Jan 2025.		C	C	C	C	C	C	C	C
Type	Credit limit or original amount \$6,394	Comment Completed investigation of FCRA dispute - consumer disagrees. This item was updated from our processing of your dispute in Sep 2020.	2019	C	C	C	C	C	ND	C	C
Responsibility	High balance Not reported	Date of Status May 2018	2018							C	C
Account History * (AB = Account Balance, DPR = Date Payment Received, SPA = Scheduled Payment Amount, AAP = Actual Amount Paid)											
AB (\$)	Aug20	Jul20	Jun20	May20	Apr20	Mar20	Feb20	Jan20	Dec19	Nov19	Oct19
DPR	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20
SPA (\$)	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
AAP (\$)	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND

The original amount of this account was \$6,394

75. These results letters do not provide the result of the reinvestigation. They are confusing and contradictory, and do not adequately inform consumers of the outcome of the reinvestigation. The letters do not identify what information was updated or deleted or even provide an updated credit report or an “after” snapshot for the consumer to attempt to self-identify the update or deletion. They also fail to clearly identify whether information was updated, or deleted, or both.

76. Another subset of Experian results letters pairs a reinvestigation result of “Outcome: Updated” with before and after snapshots of the tradeline *that show no change*.

77. Below is an example of the relevant portion of an Experian results letter:

Here are your results

Credit items

Outcome: Updated - Information on this item has been updated. Please review your report for the details.

Dispute Results (Continued)

Before Dispute

[illegible]

79. A third subset of Experian's results letters describe the outcome of a reinvestigation as "Updated" and provided the following definition: "Information on this item has been updated. Please review your report for the details."

80. Below is an example of the relevant portion of an Experian results letter:

Here are your results

Credit items

Outcome: Updated - Information on this item has been updated. Please review your report for the details.

Before dispute

Partial Acct #		Report #													
Date opened Feb 2016	First reported Apr 2018	Recent balance \$12,181 as of Sep 2020	Payment history												
Address ID #	Terms 75 Months	Status Open.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Type	Monthly payment \$547	By Jan 2025, this account is scheduled to go to a positive status.	2020	30	30	OK	OK	OK	OK	OK	OK	OK			
Responsibility	Credit limit or original amount \$19,821	This item was updated from our processing of your dispute in May 2020.	2019	60	60	60	60	30	30	30	30	60	60	30	30
	High balance Not reported	Date of Status Mar 2020	2018				30	30	30	30	30	30	60	30	
	Recent payment \$547														

After dispute

Partial Acct		Report #												
Date opened Feb 2016	First reported Apr 2018	Recent balance \$11,329 as of Oct 2020	Payment history											
Address ID # [REDACTED]	Terms 75 Months	Status Open.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Type [REDACTED]	Monthly payment \$547	By Jan 2025, this account is scheduled to go to a positive status.	2020	30	30	OK	OK	OK	OK	OK	OK	OK		
Responsibility [REDACTED]	Credit limit or original amount \$19,821	This item was updated from our processing of your dispute in May 2020.	2019	60	60	60	60	30	30	30	30	60	60	30
	High balance Not reported	Date of Status Mar 2020	2018				30	30	30	30	30	30	60	30
	Recent payment \$1,094													

81. These letters fail to convey the outcome of the reinvestigation to consumers, because they do not identify what, if anything, has changed regarding the disputed information. It is unclear from these results letters whether the disputed information remained, but other information changed, or whether the disputed information itself was updated. It is also unclear whether the updated information changed as a result of the reinvestigation or some other reason.

Experian's Problematic Dispute Resolution Processes Resulted in Experian Failing to Initiate Reinvestigations into Certain Disputes and Caused Other Errors in Consumers' Files

1 82. Experian failed to properly initiate reinvestigations in certain
2 circumstances. These failures include at least three discrete types of conduct,
3 including failure to forward disputes within the timeline required by the FCRA,
4 simply deleting tradelines without any reinvestigation and then, on occasion,
5 subsequently reinserting that information, and failing to reinvestigate hard inquiry
6 disputes.

7 83. First, between January 2018 and October 2021, Experian failed to
8 forward more than 2 million disputes to furnishers within five business days, as
9 required by the FCRA.

10 84. Second, between February 2019 and February 2020, Experian deleted
11 more than 100,000 disputed tradelines instead of initiating and completing a
12 reinvestigation within 30 days, as required by the FCRA. Then, sometime after the
13 30-day window, Experian processed the disputes and reinserted some of the
14 deleted information.

15 85. Third, Experian routinely fails to reinvestigate when a consumer
16 makes a dispute about a hard inquiry.

17 86. A “hard inquiry” is a notation that a creditor or entity has requested to
18 access a consumer’s file. The appearance of a hard inquiry on a consumer’s file
19 indicates that a consumer applied for credit. A hard inquiry often impacts a
20 consumer’s credit score.

21 87. A dispute about a hard inquiry may assert that the creditor or entity
22 lacked a permissible purpose for accessing the consumer report and therefore the
23 inquiry should not be reflected on the consumer report. In situations where the
24 consumer did not apply for credit, but a hard inquiry is reflected on their consumer

1 report, the accuracy of their consumer report is distorted because it falsely appears
2 that the consumer applied for credit.

3 88. As a matter of policy, Experian does not investigate hard inquiry
4 disputes unless the consumer's allegation meets narrow criteria, such as an
5 allegation that the inquiry was a byproduct of fraud or identity theft.

6 89. Absent such allegations, Experian will not conduct a reinvestigation
7 and instead simply sends a notice to the consumer explaining the nature of
8 inquiries and inviting consumers to provide additional information, such as
9 allegations of identity theft or fraud, to support the dispute.

10 90. As a result, the hard inquiry remains on the individual's consumer
11 report, even if the inquiry was not permissible and even if the consumer did not
12 actually apply for the account.

13 91. In addition to failing to initiate reinvestigations, Experian's faulty
14 processes also caused other errors in consumers' files.

15 92. For example, the FCRA requires Experian to maintain reasonable
16 procedures to assure maximum possible accuracy of the credit information it
17 reports, and to prevent reinsertion of previously deleted information. 15 U.S.C.
18 §§ 1681i(a)(5)(C), 1681e(b).

19 93. "Reinsertion" occurs when information in a consumer's file that was
20 deleted because it was found to be inaccurate, incomplete, or unverifiable during a
21 reinvestigation reappears in the consumer's file. 15 U.S.C. § 1681i(a)(5).

22 94. Experian's procedures for preventing reinsertions are limited and only
23 prevent the same furnisher from re-furnishing a previously deleted tradeline.
24

1 95. These procedures do not prevent a new furnisher from reinserting a
2 previously deleted tradeline. Reinsertion may occur, for example, when a furnisher
3 deletes a disputed tradeline as a result of a dispute and then sells the account to a
4 debt buyer that re-furnishes it.

5 96. Experian has failed to implement basic matching tools that prevent or
6 greatly reduce the likelihood of reinsertion by a new furnisher of a previously
7 deleted tradeline.

8 97. For example, Experian has not implemented procedures to compare
9 dates of first delinquencies, recent credit balance amounts, high credit balances, or
10 the names of original creditors, to ascertain whether a newly reported tradeline
11 constitutes a reinsertion.

12 98. When Experian allows new furnishers to reinsert previously deleted
13 information, Experian does not require the furnishers to certify that the information
14 is complete and accurate. Experian also does not notify consumers within five
15 business days that the previously deleted information was reinserted, provide the
16 identity and contact information of furnishers contacted in connection with the
17 reinsertion, or inform consumers of their right to add a statement to their consumer
18 file disputing the accuracy or completeness of the disputed information.

19 99. As a result, consumers who have disputed the accuracy of an account
20 and thought that their consumer report had been corrected, instead see the same
21 inaccurate information reappear on their consumer report without explanation
22 under the name of a new furnisher.

COUNT II

**Failure to Conduct a Reasonable Reinvestigation and Failure to Provide
Furnishers with All Relevant Information in Violation of the FCRA, 15 U.S.C.
§ 1681i(a)(1)(A), (2)**

108. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

109. The FCRA requires a CRA to conduct a reasonable reinvestigation and to notify and provide all relevant information regarding a dispute that it received from the consumer to the furnisher of the disputed information. 15 U.S.C. § 1681i(a)(1)(A), (2).

110. Experian does not conduct a reasonable reinvestigation or convey to furnishers all relevant information it receives from consumers when it incorrectly applies generic dispute codes despite more specific codes being available, uses dispute codes that inaccurately describe consumers' disputes, and applies dispute codes requesting updates that are already reflected on consumers' tradelines.

111. Experian does not conduct a reasonable reinvestigation or convey to furnishers all relevant information it receives from consumers when it fails to forward relevant consumer documentation.

112. Therefore, Experian's actions violated and continue to violate the FCRA, 15 U.S.C. § 1681i(a)(1)(A), (2).

COUNT III

**Failure to Reinvestigate Disputes About Hard Inquiries in Violation of the
FCRA, 15 U.S.C. § 1681i(a)(1)(A), (2)**

113. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

114. Whenever a consumer disputes the completeness or accuracy of any item contained in his or her consumer file, a CRA is required to "conduct a

1 reasonable reinvestigation to determine whether the disputed information is
2 inaccurate.” 15 U.S.C. § 1681i(a)(1)(A).

3 115. After receiving notice that a consumer disputes any item of
4 information contained in his or her consumer file, a CRA has five business days to
5 notify the furnisher of the information disputed by the consumer and provide all
6 relevant information regarding the dispute. 15 U.S.C. § 1681i(a)(2).

7 116. Experian only investigates hard inquiry disputes in limited
8 circumstances, such as when the consumer alleges that the inquiry was a byproduct
9 of fraud or identify theft. If a consumer disputes the accuracy of a hard inquiry
10 without such allegations, however, Experian does not reinvestigate the dispute.

11 117. By not conducting a reasonable reinvestigation after consumers
12 dispute the accuracy of a hard inquiry, which is an item of information in their
13 consumer files, Experian violated and continues to violate the FCRA, 15 U.S.C.
14 § 1681i(a)(1)(A).

15 118. By not informing the furnisher of a consumer’s hard inquiry dispute,
16 Experian violated and continues to violate the FCRA, 15 U.S.C. § 1681i(a)(2).

17 **COUNT IV**
18 **Deleting Tradelines Without an Investigation in Violation of the FCRA, 15**
19 **U.S.C. § 1681i(a)(1)(A)**

20 119. The allegations in paragraphs 1 through 103 are incorporated herein
21 by reference.

22 120. Whenever a consumer disputes the completeness or accuracy of any
23 item contained in his or her consumer file, a CRA is required to “conduct a
24 reasonable reinvestigation to determine whether the disputed information is

1 inaccurate, and record the current status of the disputed information, or delete the
2 item from the file in accordance with paragraph (5).” 15 U.S.C. § 1681i(a)(1)(A).

3 121. On more than 100,000 occasions, Experian received a dispute and
4 failed to complete a reinvestigation within 30 days.

5 122. Therefore, Experian violated the FCRA, 15 U.S.C. § 1681i(a)(1)(A).

6 **COUNT V**
7 **Unreasonable Over-Reliance on a Furnisher’s ACDV Response in Violation of**
8 **the FCRA, 15 U.S.C. § 1681i(a)(1)(A)**

9 123. The allegations in paragraphs 1 through 103 are incorporated herein
10 by reference.

11 124. Whenever a consumer disputes the completeness or accuracy of any
12 item contained in his or her consumer file, a CRA is required to “conduct a
13 reasonable reinvestigation to determine whether the disputed information is
14 inaccurate, and record the current status of the disputed information, or delete the
15 item from the file in accordance with paragraph (5).” 15 U.S.C. § 1681i(a)(1)(A).

16 125. Rather than undertaking a reasonable reinvestigation, Experian
17 unreasonably relies on furnishers’ ACDV responses in at least three categories of
18 disputes: (1) disputes where the consumer provided information that alerted or
19 should have alerted Experian to the possibility that the furnisher might be
20 unreliable, (2) disputes where Experian already had information that alerted or
21 should have alerted Experian to the possibility that the furnisher might be
22 unreliable and (3) disputes where Experian received illogical and inconsistent
23 ACDV responses from furnishers that alerted or should have alerted Experian to
24 the possibility that the furnisher might be unreliable. In each of these instances,

1 Experian had affirmative notice that the information received from the furnisher
2 may be suspect.

3 126. In such disputes, Experian possesses information that the disputed
4 consumer data is inaccurate, and thus the original source of the disputed data –
5 namely, the furnisher – is unreliable. Nevertheless, Experian uncritically accepts
6 and implements furnishers' ACDV responses.

7 127. When Experian's reinvestigation consists solely of sending an ACDV
8 to a furnisher and implementing the furnisher's response despite (1) having or
9 receiving evidence of that furnisher's unreliability, and (2) the existence of readily
10 available, cost-effective additional investigative measures, Experian fails to
11 conduct a reasonable reinvestigation.

12 128. Therefore, Experian's actions violated and continue to violate the
13 FCRA, 15 U.S.C. § 1681i(a)(1)(A).

14 **COUNT VI**
15 **Failure to Delete Inaccurate, Incomplete, or Unverified Information in**
16 **Violation of the FCRA, 15 U.S.C. § 1681i(a)(5)(A)**

17 129. The allegations in paragraphs 1 through 103 are incorporated herein
18 by reference.

19 130. The FCRA requires a CRA to delete any information found to be
20 inaccurate, incomplete, or unverified after a reinvestigation. 15 U.S.C.
21 § 1681i(a)(5)(A).

22 131. Experian did not delete more than 1,700 erroneous "joint user"
23 statuses from consumers' files despite the fact that the furnishers identified those
24 statuses as inaccurate and requested their deletion.

132. Therefore, Experian violated the FCRA, 15 U.S.C. § 1681i(a)(5)(A).

COUNT VII**Failure to Provide Notice of the Results of the Reinvestigation in Violation of the FCRA, 15 U.S.C. § 1681i(a)(6)(A)**

133. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

134. The FCRA requires a CRA to provide written notice to a consumer of the results of a reinvestigation. 15 U.S.C. § 1681i(a)(6)(A).

135. Experian's notices routinely fail to disclose the results of a reinvestigation because the notices state two contradictory results, are incomplete, or are unintelligible.

136. Therefore, Experian's actions violated and continue to violate the FCRA, 15 U.S.C. § 1681i(a)(6)(A).

COUNT VIII**Failure to Maintain Reasonable Procedures Designed to Prevent Reinsertion and Unlawful Reinsertion of Previously Deleted Information in Violation of the FCRA, 15 U.S.C. § 1681i(a)(5)(B), (C)**

137. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

138. Under the FCRA, "[i]f any information is deleted from a consumer's file pursuant to [§ 1681i(a)(5)(A)], the information may not be reinserted in the file by the consumer reporting agency unless the person who furnishes the information certifies that the information is complete and accurate" 15 U.S.C.

§ 1681i(a)(5)(B)(i). The CRA must then "notify the consumer of the reinsertion ... not later than 5 business days after the reinsertion ..., " 15 U.S.C.

§ 1681i(a)(5)(B)(ii), and "provide to a consumer in writing not later than 5 business days after the date of reinsertion (I) a statement that the disputed information has been reinserted; (II) the business name and address of any

1 furnisher of information contacted and the telephone number of such furnisher, if
2 reasonably available, or of any furnisher of information that contacted the
3 consumer reporting agency, in connection with the reinsertion of such information;
4 and (III) a notice that the consumer has the right to add a statement to the
5 consumer's file disputing the accuracy or completeness of the disputed
6 information." 15 U.S.C. § 1681i(a)(5)(B)(iii).

7 139. Consumer reporting agencies are further required to maintain
8 reasonable procedures to prevent reinsertion of information previously deleted as
9 the result of a dispute. 15 U.S.C. § 1681i(a)(5)(C).

10 140. Experian's procedures for preventing reinsertion are limited to
11 preventing the same furnisher from reinserting a tradeline that had been previously
12 deleted. The procedures do not prevent a different furnisher from reinserting that
13 same tradeline.

14 141. Because Experian does not prevent new furnishers from reinserting
15 tradelines that Experian had deleted in response to a consumer dispute, Experian
16 fails to maintain reasonable procedures to prevent reinsertion of previously deleted
17 information.

18 142. Experian also reinserts information into consumers' files without
19 obtaining a furnisher certification and without notifying consumers within five
20 business days or otherwise adhering to the requirements of 15 U.S.C.
21 § 1681i(a)(5)(B).

22 143. Therefore, Experian's actions violated and continue to violate the
23 FCRA, 15 U.S.C. § 1681i(a)(5)(B), (C).

COUNT IX

Failure to Implement and Follow Reasonable Procedures to Assure Maximum Possible Accuracy in Violation of the FCRA, 15 U.S.C. § 1681e(b)

144. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

145. The FCRA requires a CRA to follow reasonable procedures to assure maximum possible accuracy of the credit information they report on consumers. 15 U.S.C. § 1681e(b).

146. Because Experian does not prevent new furnishers from reinserting tradelines that Experian had previously deleted in response to a consumer dispute, Experian fails to follow reasonable procedures to assure maximum possible accuracy of the credit information it reports on consumers.

147. Therefore, Experian's actions violated and continue to violate the FCRA, 15 U.S.C. § 1681e(b).

CFPA VIOLATIONS

148. The CFPA prohibits covered persons from offering or providing to a consumer any financial product or service not in conformity with Federal consumer financial law, otherwise committing any act or omission in violation of a Federal consumer financial law, or engaging in any unfair, deceptive, or abusive act or practice. 12 U.S.C. §§ 5531(a), 5536(a)(1).

149. Under the CFPA, an act or practice is unfair when it "causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers; and ... such substantial injury is not outweighed by countervailing benefits to consumers or to competition." 12 U.S.C. § 5531(c)(1).

COUNT X**Unfair Acts or Practices: Failing to Convey Consumers' Disputes to
Furnishers Fully and Accurately**

150. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

151. When communicating with furnishers, Experian distorts, truncates, and mischaracterizes consumers' disputes by applying dispute codes that inaccurately describe consumers' disputes, incorrectly using generic dispute codes despite more specific codes being available, applying dispute codes requesting updates that are already reflected on consumers' tradelines, and failing to forward relevant consumer documentation.

152. Experian commits unfair acts and practices by failing to convey consumers' disputes to furnishers in an accurate and complete fashion.

153. Experian's conduct is likely to cause substantial injury because it fails to accurately convey the nature of disputes to furnishers, which prevents furnishers from understanding and addressing the substance of the consumers' intended dispute, and thereby increases the likelihood that inaccurate information remains on consumer reports.

154. Consumers cannot reasonably avoid the injury because consumers cannot control what information Experian sends to the furnisher and Experian never discloses to consumers what information it sent to the furnisher.

155. No countervailing benefits to consumers or to competition exist. Neither consumers nor competition benefit from Experian's practice of mischaracterizing the nature or factual basis of a dispute.

COUNT XII

Unfair Acts or Practices: Failing to Prevent Improper Tradeline Reinsertions

163. The allegations in paragraphs 1 through 103 are incorporated herein by reference.

164. Experian improperly reinserts tradelines into consumer reports due to its practice of not attempting to match newly reported tradelines to tradelines that were previously deleted as a result of a dispute if the subsequent furnishing was from a new furnisher.

165. This practice causes or is likely to cause substantial injury by increasing the likelihood that previously deleted and erroneous information reappears in a consumer's file. Moreover, because Experian fails to notify consumers that new furnishers reinserted previously deleted information, consumers are unaware that they should file a dispute to challenge such information, thereby increasing the amount of time that erroneous information appears on consumer files.

166. Consumers cannot reasonably avoid the injury because they cannot control what Experian puts on their consumer reports.

167. No countervailing benefits to consumers or to competition exist. There is no consumer benefit to Experian's failure to prevent the reinsertion of deleted tradelines, and no legitimate benefit to competition.

168. Therefore, Experian has engaged and continues to engage in unfair acts and practices, in violation of the CFPA. 12 U.S.C. §§ 5531(c), 5536(a)(1)(B).

COUNT XIII

Violations of the CFPA Arising From FCRA Violations

- e. impose civil money penalties on Experian;
- f. award costs against Experian; and
- g. award additional relief as the Court may determine to be just and proper.

1 Dated: January 7, 2025

Respectfully submitted,

2 Eric Halperin
3 Enforcement Director

4 David Rubenstein
Deputy Enforcement Director

5 Maureen McOwen
6 Assistant Deputy Enforcement Director

7 Max Weinstein
Enforcement Attorney

8 /s/ Colin Hector

9 Colin Hector, Cal. Bar No. 281795
10 Email: colin.hector@cfpb.gov
Phone: (681) 326-7093

11 Max Weinstein (*pro hac vice* pending)
12 Email: max.weinstein@cfpb.gov
Phone: (202) 435-9172

13 Alexander Johnson-Lee (*pro hac vice*
14 forthcoming)
Email: alexander.johnson@cfpb.gov
Phone: (202) 815-8578

15 Daniel Cheriyan (*pro hac vice* forthcoming)
16 Email: daniel.cheriyen@cfpb.gov
Phone: (202) 435-7822

17 Elizabeth Anne Aniskevich (*pro hac vice*
18 forthcoming)
19 Email: elizabeth.aniskevich@cfpb.gov
Phone: (202) 435-5278

20 Jennifer B. Yadoo (*pro hac vice*
21 forthcoming)
22 Email: jennifer.yadoo@cfpb.gov
Phone: (202) 322-7346

23 *Enforcement Attorneys*
24

Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Attorneys for Plaintiff
Consumer Financial Protection Bureau