

August 11, 2021

Acting Director David Uejio
Consumer Financial Protection Bureau
1700 G St. NW
Washington, DC 20552

To Acting Director of the Consumer Financial Protection Bureau David Uejio:

We write to you as a broad coalition of organizations committed to ensuring a competitive environment in the financial services market. Corporate concentration in any industry comes at the expense of both smaller firms and consumers, and the financial services industry is no exception. In this context, we applaud the decision of President Joseph R. Biden to direct the CFPB to move forward on protecting the rights of consumers to control their financial data in his July 9, 2021 executive order.

As you are aware, Section 1033 of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides consumers with the right to access their financial data. Per the CFPB, “[c]onsumer access to these data allow consumers to manage their financial accounts and can enhance consumers’ control of their financial matters.” Despite this, large financial institutions, which continue to hold a majority of consumers’ data, have too often resisted the intent of Congress as articulated in Section 1033. At the same time, authorized data access can also create risks of consumers losing control over their data, having it used against them, and having their privacy invaded. Consumers should be able to understand and freely make choices about what data to share and with whom, and be able to stop sharing or have their data deleted at any time.

Though large financial institutions have suggested that expanding on existing CFPB guidelines in this area “may be preferable” to a formal change in rulemaking, a strong implementation of Section 1033 will be critical to beating back anti-competitive, data-hoarding behavior. These institutions have created obstacles to prevent consumers from easily accessing their financial data in order to maintain control of consumers’ data for their own ends. This is illustrated by Clearing House pushing the CFPB to give large banks equal rights to consumers in determining the trustworthiness of third-party vendors. Similarly, this is illustrated by PNC Bank urging the CFPB to institute rules requiring consumers to frequently re-authorize third-party access to their accounts, an unnecessary obstacle that would place a needless burden on consumers.

These large financial institutions have accumulated so much control over consumer data that aspiring market entrants, which rely on a consumer’s ability to access and transfer their financial data to provide services, too often can’t compete. This comes at a significant cost to consumers, who are left with fewer options for financial products and services. We urge the CFPB to go forward with the proposal articulated in the presidential directive to bolster competition and protect consumer data rights.

Sincerely,

American Economic Liberties Project
American Family Voices
Americans for Financial Reform Education Fund
Blue Future
Demand Progress Education Fund
Fight Corporate Monopolies
Institute for Local Self-Reliance
Jobs with Justice
People's Parity Project
Progress America
Progressive Change Campaign Committee
Public Citizen
Revolving Door Project
Social Security Works
U.S. PIRG