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Helping consumers

Thousands more than expected call for assistance

Recently when the Federal Reserve decided to streamline its efforts to assist consumers with questions or complaints about their financial institutions, Kansas City Fed bank examiner Alinda Murphy's first thoughts were: "How would the consumer want to approach this? What would most benefit the consumer?"

The answer: A one-stop source called Federal Reserve Consumer Help.

Administered by the Kansas City and Minneapolis Feds, this approach provides a single entry point for consumers and standardizes the front-end service that the 12 Federal Reserve Banks offer. Rather than consumers struggling to find information about their financial institutions, they can contact

FRCH staff via phone, fax, e-mail or an online complaint form; each Fed works with the bank and consumer. This streamlined approach was launched in October 2007 with the implementation of a customer contact center and the website FederalReserveConsumerHelp.gov. One year later, staff sees success.

"Now when consumers contact us," Murphy says, "they get a person right away who directs them instantly to the appropriate resources based on the inquiry. Or, if they want to file a complaint, they will be directed to the right agency so they easily can do so. Consumers know exactly what's going to happen—it's not going to vary by Reserve Bank."

In addition to filing a complaint, the resources FRCH offers to consumers range from

topics such as how to avoid overdraft fees to how the Federal Reserve can help consumers. Other resources include information on preventing identity theft, avoiding home foreclosure, banking online and choosing a credit card. The FRCH website, which is updated regularly to reflect interactions with consumers, provides answers to frequently asked questions about banking issues. And, with the click of a button, consumers can read the Web site's text in Spanish.

"This is in line with the Federal Reserve's responsibility for enforcing consumer protection laws," says Linda Schroeder, FRCH director and Kansas City Fed vice president in Supervision and Risk Management. "Consumers who understand their rights make better-informed financial decisions."

This need is being met through FRCH's efforts.

"It's consumer driven," Murphy says. "We wanted to prevent consumers from getting lost in the system, and that's what FRCH does."

Serving customers, meeting needs

Murphy helped develop FRCH and now monitors its progress. On a monthly basis, Murphy listens to a sampling of recorded calls not only to assess the questions consumers ask, but also the responses given and the overall progress of FRCH.

Common inquiries include questions about bank late charges, loan interest rate changes, and overdraft and insufficient funds fees. Murphy wrote uniform answers to questions like these that consumers often ask FRCH staff. Additionally, she helped develop training materials for the staff of 15 in both Kansas City and Minneapolis. The two Reserve Banks support each other for contingency purposes as well as for other benefits of geographic diversity, such as alleviating call volume when necessary.

There also are benefits beyond immediately assisting the consumer with a problem. Data from FRCH is a voice for consumers, Schroeder says. It can not only aid the Federal Reserve



At a glance:

Federal Reserve Consumer Help

What: A one-stop source for consumers to get information or file a complaint against their financial institution.

Ways to contact FRCH staff:

phone: (888) 851-1920

fax: (877) 888-2520

e-mail: ConsumerHelp@FederalReserve.gov

online: www.FederalReserveConsumerHelp.gov

Getting results:

- total number of cases: **15,214**
- volume of online complaint submissions: **2,142**
- most frequent method of consumer contact: **phone** (staff received an average of 524 calls per week)
- average time to answer a consumer's phone call: roughly 90 percent are within **60 seconds**
- most common query: **banking fees** related to credit cards and overdraft protection
- average number of days to respond to an inquiry (resolve or refer): **one**
- number of complaints referred to other agencies for resolution: **5,315**

Note: Data reflects FRCH's first six months.

with its policymaking decisions, but also paint a picture for Congress.

“That’s another way for us to serve consumers—getting this information to the Board of Governors in a comprehensive and timely manner,” Schroeder says. “We believe as a result of FRCH, the Board hears more from consumers than ever before. Since FRCH’s inception, the Board has been in front of Congress to discuss how the Federal Reserve is helping consumers with banking problems—including FRCH services.”

Award-winning efforts

For her significant contributions to FRCH’s creation and implementation, Murphy was recently recognized with the William Taylor Award for Excellence in Bank Supervision. This prestigious award—the highest of its kind—honors those in the Federal Reserve System who have demonstrated extraordinary achievement in the sector of financial regulation. Established in 1993, a year after Taylor’s death, the award is in commemoration of his career to the Federal Reserve and the banking system, first as an



CONSUMERS CAN GO ONLINE TO FederalReserveConsumerHelp.gov for banking information.

examiner at the Chicago Fed and ultimately as the chairman of the FDIC.

Murphy was one of four Federal Reserve System employees recognized this year at a ceremony in Philadelphia, where each was presented with the award. She was honored again by her colleagues at the Kansas City Fed shortly thereafter.

“The William Taylor Award is an affirmation of FRCH and the importance of the service the Federal Reserve System provides to consumers,” says Tom Hoenig, president of the Kansas City Fed. “Alinda Murphy’s efforts made that possible.”

Murphy is the sixth Kansas City Fed employee to receive this award in the past 15 years. Most recently, Forest Myers, a policy economist, was bestowed the honor for his development of bank director training materials, including lesson plans for an on-site and online course, and the book “Basics for Bank Directors.” The other Kansas City Fed recipients were Ed Hughes, Ronald Sisneros, Dave Anderson and Marge Wagner.

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BY BRYE STEEVES, SENIOR WRITER