

CFPB Action Against TransUnion Shows Need for Public Credit Registry; Consumers Warned to Avoid Credit Monitoring

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WASHINGTON - In response to the Consumer Financial Protection Bureau's announcement today that it is filing a lawsuit against TransUnion and its longtime executive John Danaher for violating a 2017 law enforcement order, advocates at the National Consumer Law Center issued the following statements:

"This type of flagrant violation is typical behavior for not just TransUnion, but all three credit bureaus," **said Chi Chi Wu, staff attorney at the National Consumer Law Center.** "Federal regulators, state Attorneys General, consumer advocates, and private attorneys have been battling a culture of impunity and arrogance by the credit bureaus for decades. Unfortunately, it's the American consumer who ultimately pays the price for the credit bureaus' longstanding habit of flouting the law."

"We commend the CFPB for taking strong and decisive action in the face of TransUnion's outright noncompliance with a law enforcement order that the company itself agreed to," **stated Ariel Nelson, staff attorney at the National Consumer Law Center.** "We hope and expect to see more from the CFPB to rein in the credit bureaus' bad behavior. No company should be allowed to use deceptive practices such as digital dark patterns-tricks and trapdoors built into a website to lead consumers to unknowingly click on an agreement to make a purchase or authorize recurring payments-and plain old misrepresentation to sell products."

Nelson also warned that consumers should avoid the credit bureaus' credit monitoring products at all costs. "These products are a waste of your money. And when credit monitoring agreements include forced arbitration clauses, they can also force you to sign away your rights to take legal action if there is an error in your credit report."

"Always use annualcreditreport.com to order your credit report, and you may want to order by phone or mail to avoid accidentally getting charged for credit monitoring. Check your credit card statements and call to unenroll from credit monitoring if you see a charge for it," **Nelson added.**

Advocates caution that more action may be needed because, as CFPB Director Chopra states in today's announcement, "TransUnion is an out-of-control repeat offender that believes it is above the law."

"While we want to see more enforcement actions, regulatory supervision, and new rules, that might not be enough," **said Wu.** "We need to have an alternative to the credit bureau cartel. We need a public credit registry."