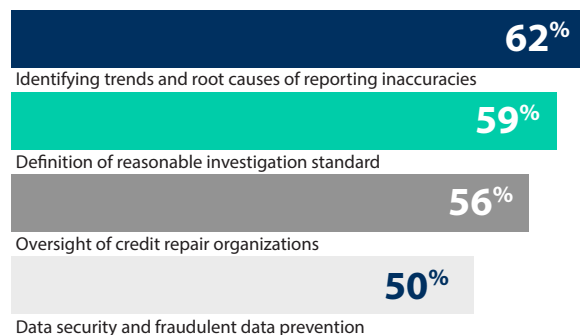


From Compliance to Operations: Survey on Credit Dispute Management

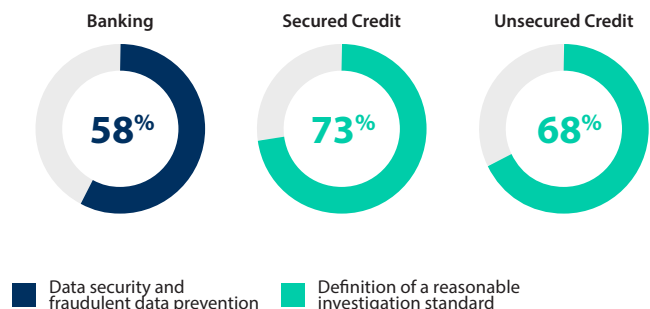
Data furnishers report facing a variety of challenges in the management of credit reporting disputes, both in their efforts to ensure regulatory compliance and in achieving operational efficiencies. PMG surveyed¹ industry professionals on current issues surrounding dispute management and their expectations for the future. Respondents were also asked how they process disputes within their organizations and what solutions they would like to see in the future. Here's what the survey results revealed:

The issues to address now

Data furnishers wrestle with various dispute management challenges, including data quality, regulatory compliance and frivolous disputes. The most pressing issues faced:



By industry group², clarification of compliance standards and fraud prevention are top concerns.

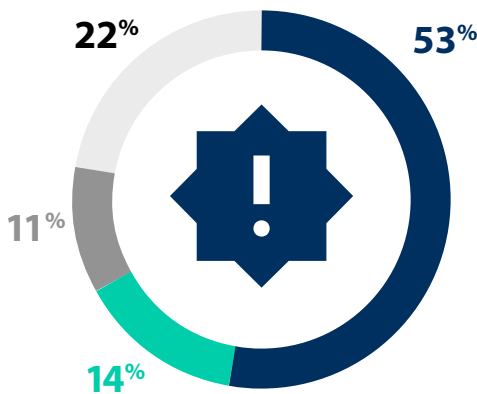


The state of operations

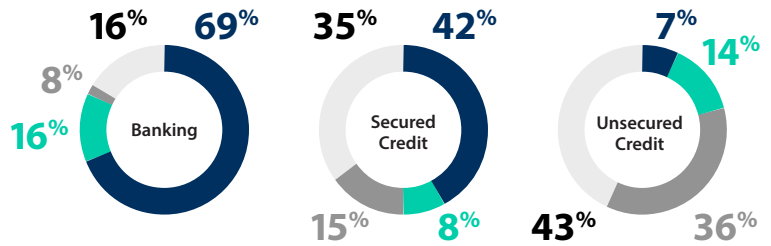
The vast majority of furnishers (84%) manage disputes with a 1-to-10-person team despite handling a wide range of dispute volumes.



The average number of monthly disputes reported:



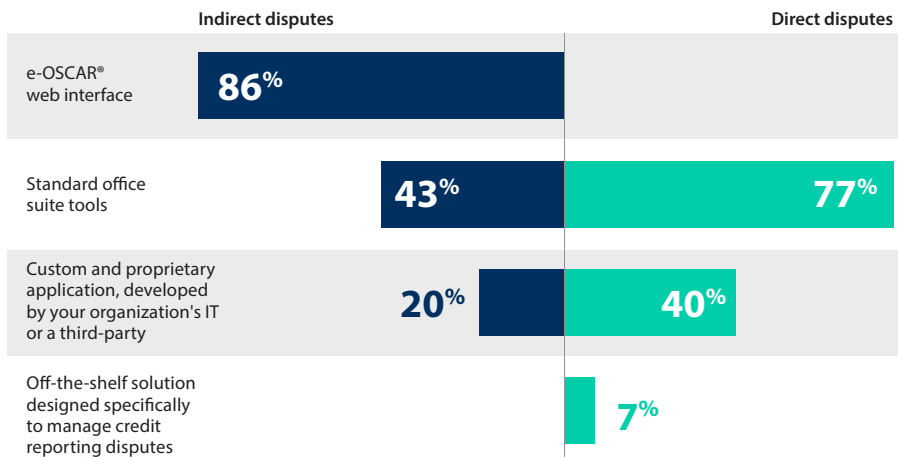
By industry group, Unsecured Credit providers and servicers manage the most monthly disputes.



■ 250 or fewer ■ 251-1,000 ■ 1,001 - 2,500 ■ 2,501+

Tools and resources organizations rely on to process disputes:

To process these disputes, data furnishers rely most heavily on e-OSCAR® for indirect disputes and standard office tools for direct disputes.



The apparently common practice of having dual dispute management procedures could signal room for efficiency enhancements. In fact, the survey results indicate that a primarily manual process still prevails when it comes to direct disputes.

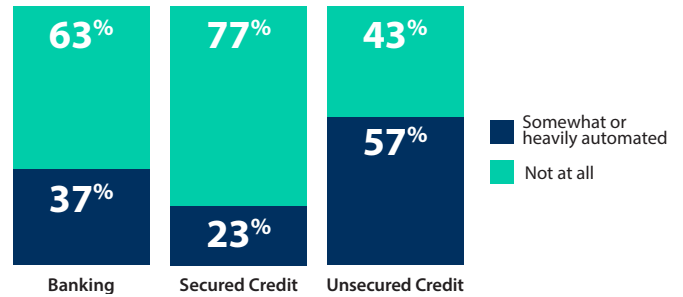
49% of respondents rely solely on standard office suite tools to handle direct disputes.

Time to consider an upgraded toolbox

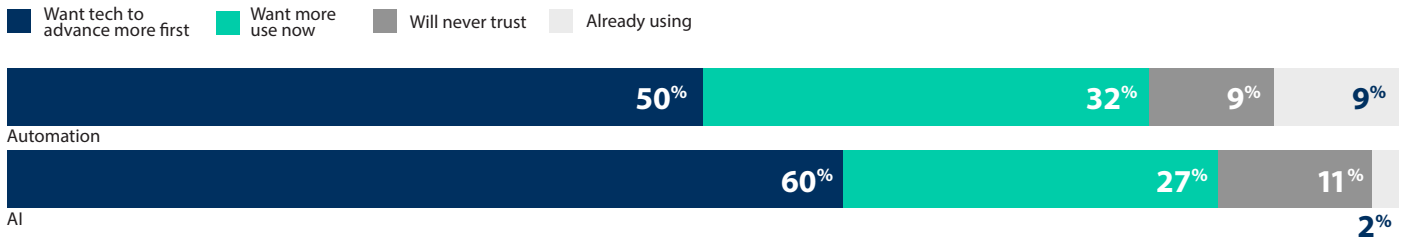


With the right technology, there is a better way. For both direct and indirect disputes, off-the-shelf, purpose-built solutions to process disputes are primarily seen in the Unsecured Credit sector, likely due to their higher dispute volumes.

Automation adoption for dispute management workflows:



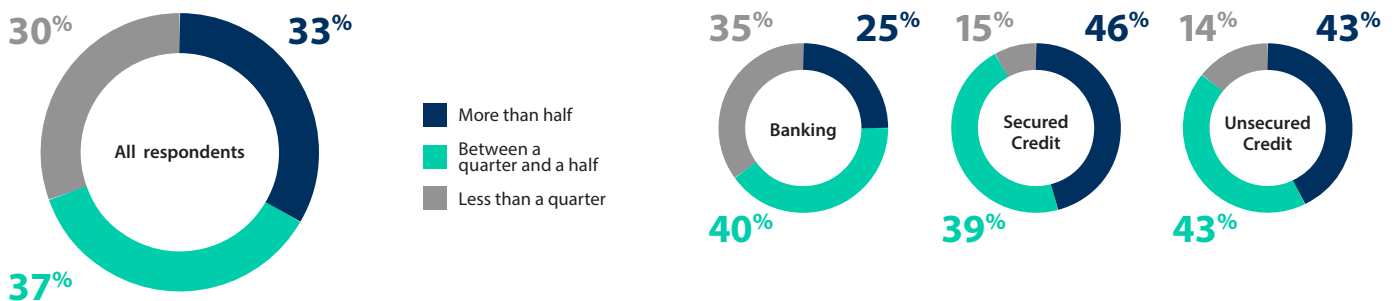
However, for most furnishers – regardless of industry sector – caution rules their attitudes on AI and automation. Respondents indicate that time and technology improvements could improve trust and lead to greater adoption of these tools.



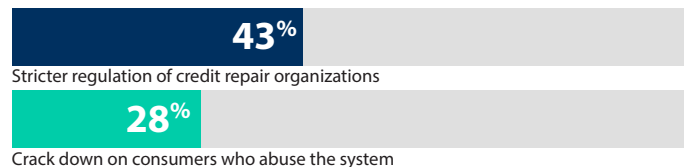
The serious impact of frivolous disputes

Data furnishers waste countless hours investigating and responding to frivolous, irrelevant disputes.

Percentage of disputes deemed frivolous or a nuisance:



To lighten the load, respondents want to see stricter regulations on credit repair organizations and criminal penalties for fraudulent claims of ID theft on government-issued websites.

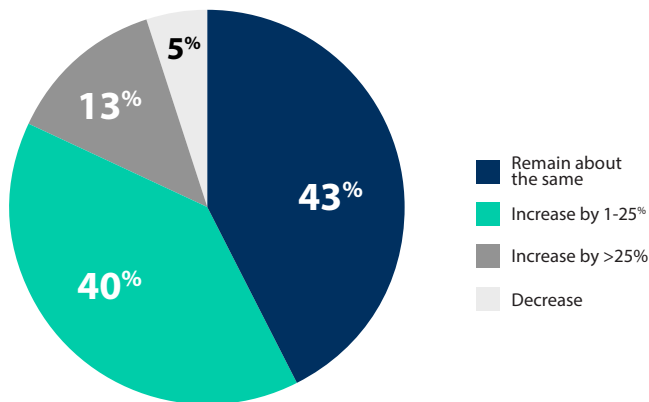




What does the future hold?

While regulatory uncertainty makes the future hard to predict, most respondents were optimistic about dispute volumes. Looking ahead to 12 months from now, data furnishers by and large anticipate only flat to moderate growth.

Anticipated change in dispute volume over the next 12 months:



About the survey

The survey on Credit Dispute Management was completed by 129 respondents from various industry sectors. The largest concentrations of respondents were part of the Banking, Secured Credit and Unsecured Credit industry groups.

About PMG

PMG, a leader in workflow automation for over 25 years, developed Case Central® for Dispute Management specifically for consumer credit data furnishers. Offered as a secure SaaS application, Case Central supports full compliance with FCRA Reg V guidelines while empowering investigation teams to process disputes 2.5x faster. With an emphasis on user experience, Case Central supports both direct and indirect disputes, and provides a single interface for executing all dispute-related activity. Best of all, evidence for any investigation can be provided in an easy-to-read format with just one click. For more information, visit <https://casecentral.pmg.net/>

¹ PMG conducted the survey and analyzed the results. PMG partnered with the Consumer Data Industry Association (CDIA) to distribute the survey amongst industry participants. The findings contained in this report should not be ascribed to CDIA, nor should any views contained herein be assumed to be representative of the CDIA's position on the subject matter.

² Survey respondents represented a broad range of industry sectors. To represent the data in a more digestible way, certain sectors were grouped together. The Banking industry group includes respondents from Big Banks or Financial Institutions, Community Banks and Credit Unions. The Secured Lenders & Servicers group includes Automotive Lending & Leasing respondents as well as Mortgage Lending & Servicing furnishers. The Unsecured Loan Providers & Servicers group includes Credit Card Issuers, Personal Loan/Credit Providers, Debt Buyers, Student Loan Servicing companies, Third-Party Collection Agencies and Utility Companies.