

CFPB to Collect Information on Mobile Financial Services; Cites Customer Service and Privacy Issues as Areas of Concern

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The Consumer Financial Protection Bureau (CFPB) [announced today](#) that it would launch an inquiry “into the opportunities and challenges associated with the use of mobile financial services.” The [official notice](#), which will be published in the Federal Register tomorrow, seeks information about how consumers are using mobile financial services to access products and services, manage finances and achieve their financial goals with a focus on economically vulnerable consumers.

The Bureau identified four general areas of interest – two framed as opportunities for mobile financial services, and two as prospective consumer protection concerns.

- *Access for the underserved.* The Bureau indicated that it believed mobile financial services could provide a cost-efficient alternative for consumers presently “underserved” by the banking system, citing low-income and younger populations specifically. As part of this area of interest, the Bureau sought information regarding how mobile financial services can reach consumers across the economic spectrum and how financial service providers presently market the services to underserved populations.
- *Real-time money management.* As the second category of opportunity, the Bureau indicated that it believed mobile financial services could improve consumer financial management by providing faster and more efficient ways to manage money in real time. The Bureau asked whether certain products or services were more promising in this regard than others and questioned the capacity to use such tools to prevent identity theft or fraud.
- *Customer service.* The Bureau identified customer service as a potential area of concern for consumer protection, suggesting that consumers may be unable to obtain customer service due to the mobile nature of the service. As such, the Bureau raised questions regarding the “types of customer service or technical assistance concerns” and whether, for example, service providers should be required to provide access to a call center at all times.
- *Privacy concerns and data breaches.* The Bureau indicated that privacy and security concerns, rightly or wrongly, had been cited by consumers as a reason for not using mobile financial services. The Bureau questioned whether “lower cost platforms or devices carry less security and privacy protections” and whether data breaches are more common in the mobile platform relative to online financial services generally.

The Bureau also sought information regarding other issues outside of these four categories, including the potential impact of expanded mobile services on conventional banking methods and the role of loyalty and rewards programs in mobile financial services.

The information request suggests that the Bureau may attempt to use its authority under the Dodd-Frank Act to expand further into arenas touching on telecommunications and privacy and data security. As part of the summary, the notice cites to the CFPB's "mission to empower consumers to take more control over their economic lives."

Comments are due on the information request 90 days after publication.