

Client Alert

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CFPB Issues a Request for Information Related to Mobile Financial Services

By Rick Fischer, Obrea Poindexter, Jeremy Mandell, and James Nguyen

This afternoon, the Consumer Financial Protection Bureau (“CFPB”) released a request for information (“RFI”) concerning the use of mobile financial services, specifically among unbanked and underbanked consumers. The RFI was released in advance of the CFPB’s field hearing in New Orleans tomorrow on the same subject.

In the RFI, the CFPB expresses its interest in learning more about how consumers, particularly underserved consumers, use mobile financial services to access products and services, manage finances and achieve their financial goals. The CFPB plans to use responses to the RFI in developing the agency’s consumer education strategies related to mobile financial services. The CFPB encourages a wide range of commenters to respond, including consumer groups, bank and non-bank financial service providers, technology firms and regulators. Comments are due “on or around” September 9, 2014.

The 35 questions in the RFI broadly fit within the following themes:

- (1) The potential for mobile financial services to enhance access to financial products and services, particularly for underserved consumers;
- (2) The potential for mobile financial services to help consumers manage their money in real time;
- (3) Challenges associated with mobile financial services, which include questions about the types of customer service or technical assistance that are available to consumers and whether any additional consumer protections are necessary when a consumer loses her device or loses connectivity;
- (4) Consumer understanding of the risks involved in using mobile financial services, including questions about data protection and security on mobile devices; and
- (5) International experiences with mobile financial services.

While the RFI solicits information on mobile financial services broadly, the CFPB has not requested information on mobile payments specifically. Nonetheless, the CFPB has requested information on “mobile payment products that are regularly targeted specifically for low-income and underserved consumers” and the use of mobile technology in P2P international money transmission and any associated risks.

Along with the RFI, the CFPB published a series of consumer tips to provide consumers with “best practices for security” when using mobile devices for financial services. The tips include setting up alerts and checking account balances; protecting personal information and passwords; promptly reporting loss or theft to financial institutions; using only secure websites, apps and hardware; and removing sensitive information from old devices.

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The CFPB also released Director Richard Cordray's prepared remarks for tomorrow's field hearing. Referencing music greats Wynton Marsalis and Johnny Horton, Director Cordray's remarks explain the CFPB's interest in the use of mobile financial services and the opportunities they represent (i.e., access to financial products and services and improved management of finances), and indicate that the CFPB will build upon work already done by the [Federal Deposit Insurance Corporation](#) and [Federal Reserve Board](#).

We will continue to follow the CFPB's work on mobile financial services, including tomorrow's field hearing and any initiatives resulting from this RFI.

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