



White House Uses Discredited Complaints Tactic against Social Media Companies

Iain Murray • May 16, 2019



My colleague Wayne Crews has already slammed the White House for a first step towards government regulation of online speech in its “tech bias” complaints portal. It is interesting that the administration has followed the model of the problematic Consumer Financial Protection Bureau in simply collecting complaints as proof of problems with the industry concerned.

As I wrote back in 2017, the bureau collects complaints from consumers against the consumer finance industry and collates them in a giant database, but the database is riddled with errors:

According to a former CFPB official, more than a quarter of the complaints registered “didn't pan out” or were incorrect. For instance, a single complaint was counted as 35 different ones. Worse, the Bureau has undertaken an intrusive data collection exercise involving over 500 million credit card accounts, from which account holders cannot opt out.

The American Banker has much more on the problems with the database, and notes that “they are worrisome to agency officials because of how much the CFPB is guided by consumer complaints.” Despite some reforms, to this day the Bureau reports complaint numbers simply as “received.”

Simply collecting complaints and treating each one as valid whatever the company's response was is an unsophisticated way of dealing with complaints and can only exaggerate the extent of any perceived problem with an industry. The likely use of such a complaints portal as a stick with which to browbeat industry goes against everything the administration is trying to do in moving to a more evidence-based approach to policy and better quality of information.

Depending on what use the administration puts this complaints collection exercise to, it had better be ready for a challenge under the Information Quality Act.