

Complaints about South Florida banks grew 21% in 2011

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Consumer complaints against banks in South Florida soared 21 percent last year, despite an overall decline statewide, a study released Wednesday reveals. The most common gripes involved account disclosures, followed by mortgage and loan issues.

The Florida Bank Complaint Analysis, created by Miami-based economist and independent banking consultant Ken Thomas, shows that regulators are increasingly hearing from customers unhappy with banks in South Florida.

“We still have a severe housing problem. The housing crisis is far from over,” said Thomas, who prepared his analysis using data from the Florida Division of Financial Institutions. “We are the ground zero of the housing crisis, and many people still have issues with loan modifications, foreclosures and working with banks.”

In all, customers lodged 1,231 complaints with the state against Florida financial institutions in 2011, down 11 percent from 2010, as the economic climate improved, the study showed.

Yet in Broward, Miami-Dade, Palm Beach and Monroe counties, the number of complaints rose from 149 in 2010 to 180 in 2011. Miami-Dade had the lion’s share, at 110 in 2011, followed by Broward, at 40 and Palm Beach at 30. Monroe had none in 2011, down from two in 2010.

Of the 20 largest retail banks in the state, only two had no complaints: Northern Trust and City National Bank of Florida, the data showed.

“We deliver a level of service that is rare in the industry,” City National Bank President and CEO Jorge Gonzalez said in an email statement, “and the results of this study are a clear endorsement of our service model. ... We have a saying here: ‘We are large enough to give you what you want and small enough to provide it the way you want it.’ That says it all.”

Not surprisingly, large banks were the targets of the greatest number of complaints: Bank of America, JP Morgan Chase and Wells Fargo, respectively.

“We focus every day on putting our customers at the center of everything we do,” said Wells Fargo Florida spokeswoman Christina Kolbjornsen Smotryski.

An index that takes into consideration the banks’ relative deposit market share shows that among the top complaint receivers, the highest relative shares of complaints went to Space Coast Credit Union, followed by JP Morgan Chase, Citibank, Bank of America and BB&T Bank.

“Enhancing the customer experience is our highest priority, and we have already made substantial improvements,” Melissa Shuffield, JP Morgan Chase’s vice president for communications and corporate affairs, said via email. “Internal data shows that customer satisfaction has jumped from 57 percent to 67 percent in just one year.”

Among large banks, SunTrust had the lowest relative complaint index in 2011, the study showed.

Overall, the largest number of complaints in 2011 concerned account balance disclosures, at 28 percent of the total. Mortgage complaints came in second, at 23 percent, compared to 30 percent of all complaints in 2010. General loan complaints ranked third in both 2010 and 2011.

The largest issues underlying the complaints were disputes in 2011, accounting for 41 percent. The second biggest was loan modifications, closely followed by fees, at roughly 10 percent, each.

And while the vast majority — 92 percent — of all complaints filed were from Florida residents in 2010, only 54 percent were from Florida residents in 2011.

Overall, less than 5 percent of complaints are resolved by the Division of Financial Institutions. The vast majority are referred to federal banking regulators, and it is not known whether they are resolved, Thomas said.

Filing a complaint with the state requires filling out a five-page form and signing an affidavit to acknowledge that you know your name and issue will be relayed to the bank, he said.

Customers should always try to work out problems with the bank directly first, going up the chain of command, Thomas advises. “A complaint is a last resort,” he said. “Don’t file a complaint until you really feel you can go nowhere with the bank.”