

## **Credit Card Arbitration Telephone Survey: Moderator Guide for Focus Groups**

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### **Introduction (2 minutes)**

My name is \_\_\_\_\_ and I work for a company called ICF International. We are a research company that conducts interviews and focus groups on behalf of different organizations across the country. For this specific project, we are working on behalf of the Consumer Financial Protection Bureau. The Consumer Financial Protection Bureau is an agency of the Federal government whose role is to make markets for consumer financial products and services work for Americans — whether they are applying for a mortgage, choosing among credit cards, or using any number of other consumer financial products. Today, we are going to be talking about several topics related to credit cards. I want to be clear up front that I am not an expert in this topic—you can ask me questions, but I may not be able to answer them. This focus group will take about 90 minutes, and you may take a break and step out at any time.

Before we begin, has everyone had an opportunity to read and sign the informed consent document? Does anyone have any questions about it?

I'd like to remind you of a few things that were on that document.

- We will be videotaping this discussion, to make sure we don't miss anything that you say.
- Behind the glass, there are people observing this focus group from both the Consumer Financial Protection Bureau and my company, ICF International.
- Everything that you say in this discussion will be private. Your name will never be used in any of our reports.

Do you have any questions before we begin?

### **Section I: Introduction (8 minutes)**

1. I'd like everyone to think about the credit card that you use most often for personal purchases—that is, not debit cards or cards you use for business or corporate expenses. Then I'd like to go around the room and have everyone tell me (a) how long ago they got that card, and (b) how they got it. In other words, did you get an offer through the mail or the Internet, did you sign up in person, etc. If you don't remember the details, or exactly when you got it, you can just tell me as much as you remember. *Note to moderator: If participant indicates that they can't remember anything about how they obtained the card, ask whether they have obtained any cards more recently that they can talk about.*

2. Again, I’d like you to think about the card that you use most often for personal purchases. If you have other cards, why do you use this one most often? (*probe for all reasons including customer service, rewards, annual fees, interest rate, brand affinity, etc.*)

## **Section II: Decision-making Regarding Credit Cards (20 minutes)**

Now, I’d like to talk more about your decision-making process when you get a new credit card.

3. First, I want to get your input about the right phrase to use when talking about this. Imagine that you received a credit card offer in the mail, and you filled out the form and sent it back, and then a few weeks later you received the card and started using it. What would you say you just did?
  - a. *If group has difficulty coming up with ideas, start discussion with three possibilities: - “got a new credit card”, “applied for a new credit card,” and “signed up for a new credit card”—and elicit additional ideas.*
  - b. *Put list of possibilities on board and have group vote on which option they think is most appropriate.<sup>1</sup>*
  - c. *If relevant, probe to see whether people’s responses differ based on how they got their card, whether it was their first card, or the type of card (i.e., whether they obtained it through a “pre-approved” offer).*
4. Imagine that you see an offer for a new card. What factors would you consider when deciding whether or not to sign up for that card? (*probe for all answers*)
5. Would you compare the offer to other cards somehow? If so, how?
  - a. How would you know whether this card was better or worse than other credit cards you could get?
6. If you heard that someone had “comparison shopped” for credit cards, what would that mean to you? What would you think that person had done?
  - a. Have you ever comparison shopped for credit cards? If so, explain what you did and why you did it.

## **Section III: Consumers’ Willingness to Sue Credit Card Companies (10 minutes)**

7. Imagine that when you read your credit card statement one month, you are sure that your monthly credit card statement has an incorrect charge. What would you do?

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<sup>1</sup> This guide uses several different phrases, including “get a new credit card” and “sign up for a new credit card.” To the extent possible, the moderator should proceed to use the phrase that the participants prefer for the remainder of the focus group session.

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- a. Imagine that you called customer service and worked with the agents, but that you couldn't get the error fixed. What would you do then? *(If participants say that they would continue working with customer service, would ask for a supervisor, etc., continue probing to see what their final action would be—i.e., whether at some point they would consider suing or taking other action.)*
8. Do you think you have the right to sue your credit card company if you thought they had overcharged you and wouldn't fix the error?
  - a. What do you think gives you that right? Is it in your contract?
  - b. If you sued your credit card company, who decides if you win?
9. There are two different phrases that people sometimes use when talking about legal action that people take—they either say that someone is “suing a company,” or that someone is “suing a company in court.” Do you think there is a difference between the two, or do they mean the same thing?
  - a. What do you think is the difference?
10. If you had an incorrect charge you could not get fixed by talking to the company, how likely is it that you would ever sue your credit card company over the incorrect charge? Why or why not?
  - a. How large would the incorrect charge have to be in order for you to seriously consider suing the credit card company?
  - b. Why is that?
  - c. Now I'd like you to imagine that the company set up a different way in which you could bring claims against them if you had a disagreement. Now, if you wanted to bring claims against them: *(display the following bulleted list on a flip chart)*
    - You would go to an independent private decision maker, rather than a court.
    - The company says the process is simple enough that you can represent yourself and would not have to hire a lawyer.
    - They similarly say that you don't have to pay any court fees.

First, is there anything here that you don't completely understand? Are there any words or phrases that you don't understand?

- i. If you brought claims before this private decision maker under this system, rather than in court, would you still consider it “suing” the company? Why?
- ii. What words would you use instead of “suing” to describe bringing claims against the company before this independent decision maker? Do you think those words are a better description of what you're doing than “suing”?
- iii. If this was the system the company set up, would you be any more or less likely to bring claims against them in the new system than sue them? Why? If this was your only way you could bring your claim, would you use it?
- iv. Earlier, I asked you all how large an incorrect charge would have to be in order for you to seriously consider suing the credit card company in court. Your

answers were (*give a brief summary of answers*). If the company set up this system, before an independent private decision maker, how large would an incorrect charge have to be then in order for you to seriously consider bringing claims against them?

*(Cover bulleted list on flip chart.)*

11. If you did want to bring claims against your credit card company, what would be the first thing you would do?
  - a. How long do you think it would take before the lawsuit was over?
  - b. What are the kinds of costs do you think you would have to pay if you sued your credit card company?
  - c. What do you estimate would be your total expense if you sued your credit card company?
  - d. How much of your personal time do you think it would take to sue your credit card company?
  - e. Would the amount of time that it would take affect your decision whether or not to sue?

#### **Section IV: Familiarity with Dispute Resolution Terminology (20 minutes)**

Now I’m going to ask you about some technical terms and phrases that you may or may not have ever heard of. Please be honest and tell me if you have never heard of a particular phrase, or if you don’t know what it means.

12. How many of you have heard the term “dispute resolution”?
  - a. What do you think it means?
  - b. Have you ever heard of the term in relation to credit cards? If so, when?
13. How many of you have heard the term “binding arbitration”?
  - a. What do you think it means?

“Binding arbitration” refers to a process through which people and companies can have their disagreements decided by a neutral third party who is paid to decide disputes. The results from this process are binding—that is, with very limited exceptions, they can’t be appealed in a court by either side.

14. Obviously, another way that people settle disagreements with companies is by suing them. How do you think going through “binding arbitration” with a company would be different from suing them?
15. If you had a disagreement with a company, would you prefer going through binding arbitration with a company, or suing them in court?

- a. Why?
  - b. In what ways do you think binding arbitration might be preferable to a lawsuit?
  - c. In what ways might a lawsuit be preferable?
16. How many of you have heard the term “small claims court”?
- a. What do you think it means?
  - b. Is taking a company to small claims court the same thing as suing them?
    - i. If not, how is taking a company to small claims court different from suing them?
    - ii. Would you use words other than “suing” to describe bringing claims against someone in small claims court? What words would that be?
    - iii. Which do you think would be easier—taking a company to small claims court, or suing them in another court? Why?
17. How many of you have heard the term “opt out”?
- a. What do you think it means?
  - b. Have you ever been offered the opportunity to “opt out” of something? If so, when?
  - c. Has your credit card company ever offered you the opportunity to “opt out” of any of the terms and conditions of your account?
    - i. If so, which ones? How did they let you know you could opt out?
  - d. Has your credit card company ever offered you the opportunity to “reject” any of the terms and conditions of your account?
    - i. If so, which ones? How did they let you know you could reject these terms or conditions?
    - ii. How do you think “rejecting” a term or condition would be different from “opting out”?

## **Section V: Familiarity with Class Action Lawsuits (10 minutes)**

18. How many of you have heard the term “class action”?
- a. What do you think it means?
    - i. What is the difference between a “class action” lawsuit and other types of lawsuits?
19. How many of you have participated in a class action?
- a. What did you do to participate?

- b. If I used the phrase: “participating in a class action” would it mean the same thing as “filing a claim form in response to a notice” to a class action? If not, what are the differences between them?
  - c. If I used the phrase: “joining a class action” would it mean the same thing as “filing a claim form in response to a notice” to a class action? If not, what are the differences between them?
  - d. If I used the phrase: “suing in a class action” would it mean the same thing as “filing a claim form in response to a notice” to a class action? If not, what are the differences between them?
20. What are the kinds of costs for you if you filed a claim in a class action?
- a. What do you estimate would be your total expense if you filed a claim in a class action lawsuit against your credit card company?
21. How many of you have ever gotten a form in the mail offering you the chance to get money by filing a claim in a class action?
- a. If so, what did the form say?
  - b. Did you fill out the form? If so, how long did it take you?
  - c. If you did not fill out the form, why not?
  - d. How much money, if any, did the form state that you would receive?
  - e. Do you recall how much money you received? If so, how much?
22. How much money would a claim form have to offer you in order for it to be worth filling out? Why?

## **Section VI: Strategies for Improving Response Rate (10 minutes)**

One of the reasons that the federal government is holding these focus groups is that they are planning on conducting a telephone survey to learn more about people’s understanding of their credit card accounts. Obviously, they want to encourage as many people as possible to agree to take the survey when they are called.

23. Imagine that you were called to take this survey. Is there anything that the interviewer could say that would make you more likely to agree to take the survey? *Respondents will likely have responses that aren’t relevant (“they could say they are paying me,” “say the survey will be short,” etc.). Guide respondents toward answers that relate to the actual text that an interviewer would read in the intro to the survey.*
- a. Would it make you any more or less likely to participate if the interviewer said that the research study was being conducted by the Consumer Financial Protection Bureau, the government agency that is responsible for regulating banks and other financial companies?

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- b. Would it make you any more or less likely to participate if the interviewer said that the information collected would be used in a report to Congress?
- c. Would it make you any more or less likely to participate if the interviewer said that the research study was required under the Dodd-Frank Act?
- d. Would it make you any more or less likely to participate if the interviewer said that the research study was required by Congress?
- e. Is there anything else that the interviewer could say that would make you more likely to participate?

### **False Close and Conclusion (10 minutes)**

*Moderator will excuse him or herself and tell the participants that he or she is going to speak with the observers to see whether they have any follow-up questions. If observers have follow-up questions or topics to revisit, the remainder of the focus group will be spent addressing those questions or topics. At the conclusion of the focus group, the moderator will thank the participants for their assistance and lead them to the front desk.*