

APPENDIX B:

Justification of Questions Reflects Alterations from Focus Group Testing, User Testing, and Federal Register Notice Comment Process

1. Do you have a credit card for your personal use? Do not include debit cards, prepaid cards, or cards used mostly for business purposes. Also, do not include cards that can only be used at one store. [Yes, no, don't know, refuse]

[This is a screening question. If the participant does not acknowledge having a credit card, he or she is ineligible for survey participation.]

Your participation in this survey is voluntary and everything you say will be kept private except where required by law. Your personal information will not be given to the Consumer Financial Protection Bureau, or included in published results of the study.

You do not have to answer any question you do not want to, and you can end the interview at any time. If you don't know the answer to any question, you can say that you don't know.

This call may be monitored or recorded for quality assurance purposes. If you have any questions about the survey, please call xxx-xxx-xxxx or visit [a designated CFPB web page].¹

I'm going to ask you some questions about your credit card use. If you have more than one credit card, please think only about the card that you use most often for your *personal use*.

[If Q1≠ "Yes," skip to Pre19]

2. Were you involved in the decision to get this credit card? [Yes, no, don't know, refuse]

¹ The web site, along with prenotification letters, will include the OMB disclaimer:

The OMB Control Number for this survey is: 370-XXXX. We cannot conduct, and you are not required to respond to, any request that does not provide a currently-valid OMB control number. At the conclusion of the survey, we will ask for any additional comments you have about the survey, including how it might be improved.

[This is also a screening question. If the participant does not acknowledge having participated in the decision to obtain the credit card, he will not be asked questions that relate to card acquisition decisions.]

[If Q2 ≠ “Yes,” skip to Q7]

3. Did you compare the terms of this card against any other credit card before you got it? This could mean comparison shopping against other new cards, or just comparing the new card to one you already had. [Yes, no, don’t know, refuse]

[This question reflects the percentage of credit card acquirers that compared the terms of their new card to another card before obtaining the new card.]

4. What, if any, features were factors in your decision to get this card? *[After consumer stops listing answers]:* Are there any other features that were factors in your decision to get this card? *[Interviewer will continue probing until no other reasons are stated.]*

[Responses to this open-ended question will be coded by ICF International into basic categories, such as “dispute resolution provisions,” “rewards,” “no annual fee,” “issuer reputation (including quoting marketing slogans),” “balance transfer offer,” “interest rate,” “retailer affiliation,” “ease of application,” etc.]

5. I am going to list eight different features of credit cards. This list may include features you have already mentioned because we use the same list for everyone that we call. For each of the features I read, please tell me if it was a factor in your decision to get this card.

(Options randomized)

- 5.1. The interest rate, including any promotional or introductory rate; [Yes, no, don’t know, refuse]
- 5.2. The credit card company’s reputation regarding customer service; [Yes, no, don’t know, refuse]
- 5.3. The method for resolving disputes with the bank when customer service won’t fix a problem; [Yes, no, don’t know, refuse]
- 5.4. Rewards, including cash-back rewards; [Yes, no, don’t know, refuse]
- 5.5. The card’s credit limit; [Yes, no, don’t know, refuse]
- 5.6. Fees, including annual fees; [Yes, no, don’t know, refuse]
- 5.7. Convenience in applying; [Yes, no, don’t know, refuse]
- 5.8. General reputation of the card or credit card company. [Yes, no, don’t know, refuse]; and
- 5.9. Whether the card is widely accepted by stores and restaurants. [Yes, no, don’t know, refuse].

[Responses to this closed-ended question will likely be reported by the percentage of respondents that identify each feature as relevant, noting that (a) the sum of the percentages will exceed 100%, because consumers may choose multiple features; and (b) the identified features will likely differ from those identified in Question 4, due to the consumer guessing, priming due to the question format, or other issues relating to the open/closed nature of the questions.]

6. For each of the features that you said were factors in your decision to get this card, I am going to ask you to tell me how important each was in your decision: “Very important”; “Important”; or “Not very important.” *[Interviewer lists each factor previously identified by consumer in response to Q5 and solicits answer.]*

[Question 6 allows the CFPB to segment the data obtained in Question 5 by the relative consumer priority of the specified features.]

7. I am going to describe a situation to you, and then ask how you would respond to that situation. Imagine that you looked at your credit card statement and noticed that your credit card company had been charging you a fee for a service relating to your account that you are sure you did not sign up for. They may have been charging you this fee for a while now. You called the customer service line, but the credit card company refused to do anything about the fees.

Do you understand the situation I am describing? *[If not, repeat the scenario, beginning with “[Y]ou look at your monthly statement . . .”]*

- 7.1 What would you do next in this situation? *[After the consumer stops listing answers]:* Would you do anything else? *[Interviewer will continue probing until no other actions are stated. If the participant asks, tell him or her to assume that the credit card company continued to refuse to do anything about the fees.]*

[Focus group participants declined to identify initiating litigation or arbitration proceedings in response to failed attempts to resolve consumer disputes with informal dispute resolution, despite repeated questions from the moderator. Question 7.1 will test whether the general reluctance by consumers to consider initiating formal dispute resolution proceedings (whether they be litigation or arbitration) extends to the general population.]

8. Again, think about the credit card you use most often for your personal use. What is the name of the bank, credit union, or company to which you make payments for this card? You can check your actual card if you’d like – its name

may appear on the back of your card if it has other logos on the front. [Company name, don't know, refuse]

[Interviewer instruction: If the respondent answers "Visa" or "MasterCard": Does the card have any other company names on it?]

[Consumers' card issuers will not be included in the reporting variables. Rather, Question 8 allows the CFPB to verify and report on the accuracy of the consumers' subsequent answers regarding their dispute resolution rights.]

9. For the rest of this survey, when I refer to "the bank," I mean the bank or credit union to whom you make payments for this credit card. O.K.?

If the bank were to act in a way that you believed violated the law, would you have the right to sue this bank in court, meaning that you are asking for a judge or jury to decide your claim? Would you say yes, no, or I don't know? [or refuse]

[Question 9 is the baseline question in which consumers describe their default assumptions regarding their dispute resolution rights. This question may be checked against the card agreements of the issuers identified by the consumers in response to Question 8. And consumers' answers may be segmented in greater detail using their responses to Questions 10-11, below.]

10. *[If Q9 = "No", i.e., respondents who do not believe they have the right to sue their bank]*

10.1. Why don't you have the right to sue this bank in court?

[The percentage of consumers that identify arbitration agreements as preventing them suing their banks in court may be reported.]

Also, a small minority of focus group participants distinguished between suing, generally, and suing in court, describing the latter as physically making an appearance in a courtroom. Question 10.1 allows the CFPB to identify false-negative answers to Question 10 for issues like these.]

10.2. If you had a legal dispute with this bank, would you have the right to bring your dispute to a decision maker other than a judge or a jury?
Would you say yes, no, or I don't know? [or refuse]?

[Question 10.2 essentially provides consumers a more explicit opportunity to note the potential relevance of an arbitration agreement.]

10.3. *[If Q10.2 = Yes]* What other decision maker could you bring your dispute to?

[Question 10.3 may help clarify ambiguous answers to Question 10.2.]

11. [If Q9 = “Yes”, i.e., respondents who believe they have the right to sue their bank]

11.1. Do you have the right to sue the bank in small claims court, in “regular court,” or in either?

[Consumers who assert that they can sue their credit card issuer “in court,” may be referencing their ability to sue their credit card issuer in small claims court pursuant to a carve-out in an arbitration agreement. Although focus group testing indicated that this interpretation was highly unlikely, Question 11.1 clarifies ambiguity relating to small claims court carve outs.]

11.2. If you did sue the bank in court, could the bank require that someone outside of court decide the case, even if you wanted to stay in court and have a judge or a jury decide the case? Would you say yes, no, or I don’t know? [or refuse]

[On their face, some mandatory arbitration provisions may not prevent a party from filing a claim in court – but instead provide a unilateral right by the countersigner to end court proceedings in favor of arbitration. Question 11.2 may help clarify ambiguity regarding this aspect of arbitration provisions.]

11.3. [If 11.2 = “yes”] Why could the bank require you to have someone outside of court decide the case?

[Question 11.3 may help clarify ambiguous answers to Question 11.2.]

11.4. [If 11.2 = Yes] If the bank did require that someone outside of court decide the case, who could that be?

[Question 11.4 may help clarify ambiguous answers to Questions 11.2 and 11.3.]

12. Have you ever heard of a class action lawsuit? [Yes, no, don’t know, refuse]

[Question 12 acts as a screen, so that consumers that have not heard of class action lawsuits will not be asked if they can join them. This helps mitigate the risk of “false positive” answers regarding the subsequent query regarding consumers’ default assumptions about their ability to join class actions against their credit card issuer. This estimate may be reported on its own.]

12.1. [If Q12="Yes"] Do you have the right to participate in class action lawsuits against the bank to whom you make your credit card payments? Would you say yes, no, or I don't know? [or refuse]

[Question 12.1 tests consumers' default assumptions regarding their ability to file claims in class action proceedings against their credit card issuers.]

12.2. [If Q12="Yes"] What does it mean to participate in class action lawsuits? *[After the consumer stops answering]:* Is there anything else you know about class action lawsuits? *[Interviewer will continue probing until no other answers are provided.]*

[Question 12.2 is a further screen regarding consumers' default assumptions relating to the ability to file claims in class action proceedings. It can be used to segment affirmative answers to Question 12.1 by distinguishing consumers that are able to identify key characteristics of class action litigation, for example, that they involve small numbers of people suing on behalf of large numbers of people.]

13. Have you ever heard of arbitration as a way of resolving disputes? [Yes, no, don't know, refuse]

[Question 13 acts as a screen, so that consumers that have not heard of arbitration will not be asked to describe it. This estimate may be reported on its own.]

13.1. [If Q13="Yes"] What does it mean to participate in arbitration? *[After the consumer stops answering]:* Is there anything else you know about arbitration? *[Interviewer will continue probing until no other answers are provided.]*

[Question 13.1 can be used to distinguish consumers that are able to identify key characteristics of arbitration for segmentation of data reporting, for example, by noting the percentage of consumers that report that the results of an arbitration proceeding are binding. This estimate may also be reported on its own.]

[Consumers' answers will be coded to delineate consumers that describe arbitration as having a binding result or decision-maker, as opposed to a mediation or a settlement discussion (both of which are non-binding).]

14. [If Q13 = “Yes”] Think again of the credit card that you use most frequently. Does your account agreement for this credit card include any requirements related to arbitration? Would you say yes, no, or I don’t know? [or refuse]

[Questions 14 and 14.1 may be reported as a percentage of the overall survey sample. Responses to Question 14 will likely be segmented by other answers to the survey.]

- 14.1. [Q14 = “No”] At any point, did your account agreement for this credit card include any requirements related to arbitration?

- 14.2. [Q14 or Q14.1 = “Yes”] Were you ever given the opportunity to opt out of arbitration requirements in your agreement? Would you say yes, no, or I don’t know? [or refuse]

[Question 14.2 helps mitigate the risk of false positives to Question 14.3. It also may be reported on its own.]

- 14.3. [If Q14.2 = “Yes”] Did you opt out of these arbitration requirements? Would you say yes, no, or I don’t know? [or refuse]

[Question 14.3 may be reported as a percentage of the overall survey sample.]

15. [If Q13 = “Yes”] Have you, your spouse, or any close friends or family ever participated in an arbitration? Would you say yes, no, or I don’t know? [or refuse]

[Question 15 may be used for data segmentation. It will not be reported on its own as an independent statement regarding the prevalence of arbitration proceedings. Questions 15-18 will help the CFPB control for any potential bias arising from past experiences with particular types of dispute resolution.]

16. [If Q12 = “Yes”] Have you, your spouse, or any close friends or family ever participated in a class action lawsuit? Would you say yes, no, or I don’t know? [or refuse]

[Question 16 may be used for data segmentation. It will not be reported on its own as an independent statement regarding the prevalence of class action lawsuits. Questions 15-18 will help the CFPB control for any potential bias arising from past experiences with particular types of dispute resolution.]

17. Have you, your spouse, or any close friends or family ever participated in a small claims suit? Would you say yes, no, or I don’t know? [or refuse]

[Question 17 may be used for data segmentation. It will not be reported on its own as an independent statement regarding the prevalence of small claims lawsuits. Questions 15-18 will help the CFPB control for any potential bias arising from past experiences with particular types of dispute resolution.]

18. Have you, your spouse, or any close friends or family ever participated in a court case other than a small claims suit? Would you say yes, no, or I don't know? [or refuse]

[Question 18 may be used for data segmentation. It will not be reported on its own as an independent statement regarding the prevalence of "regular" court cases. Questions 15-18 will help the CFPB control for any potential bias arising from past experiences with particular types of dispute resolution.]

[Pre19] Thank you. I just have a few more questions to ask you, but they will only be used for statistical analysis.

19. What was the highest grade or year in school that you completed? [Interviewer does not read the choices]

- Didn't graduate from high school
- Received GED (high school equivalency)
- Graduated from high school
- Technical/vocational schooling beyond high school
- Attended some college (but no degree)
- Associate's degree (2-year college degree)
- 4-year college degree
- Graduate or professional school beyond 4-year degree
- REFUSED

[Questions 19-24 may be used for data segmentation, but will primarily be used for weighting the sample population so that it is representative of the overall United States population.]

20. Are you Hispanic or Latino?

- No, not Hispanic or Latino
- Yes, Hispanic or Latino
- REFUSED

21. What is your race? [IF NEEDED: You may choose more than one.] [Mark all that apply]:

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or other Pacific Islander
- White

- REFUSED
22. How old are you? [Interviewer stop reading response options when respondent selects an answer]
- 18 to 24 years old
 - 25 to 34 years old
 - 35 to 44 years old
 - 45 to 54 years old
 - 55 to 64 years old
 - 65 or older
 - REFUSED
23. Please stop me when I get to the category that includes your total household income from all sources in (YEAR) before taxes.
- Below \$25,000;
 - \$25,000 to \$49,999;
 - \$50,000 to \$74,999;
 - \$75,000 to \$100,000;
 - Over \$100,000;
 - Don't know;
 - REFUSED
24. Interviewer record gender [*If necessary, the interviewer may ask: "I'm sorry to ask—are you male or female?"*]:
- Male
 - Female
 - REFUSED
25. That's all the questions that I have. Do you have any comments about our survey or suggestions for improving it?