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The Consumer Financial Protection Bureau ("CFPB") is continuing work on its study of pre-dispute arbitration agreements. Section 1028 of the Dodd-Frank Act requires CFPB to conduct a study of and report to Congress concerning the use of arbitration clauses in consumer agreements. In April CFPB began work on the study by submitting to the Federal Register for publication a "Request for Information Regarding Scope, Methods, and Data Sources for Conducting Study of Pre-Dispute Arbitration Agreements." The Request sought comments on the following: (i) the prevalence of pre-dispute arbitration agreements with consumer financial services products; (ii) claims brought by consumers against financial services companies in arbitration; (iii) claims brought by financial services companies against consumers in arbitration; and (iv) the impact of pre-dispute arbitration agreements on consumers and their ability to obtain redress of grievances.

Section 1028 of the Dodd-Frank Act provides CFPB with the authority to "prohibit or impose conditions or limitations on the use of [arbitration] agreement[s]." CFPB may ban or limit the use of consumer arbitration agreements if it "finds that such a prohibition or imposition of conditions or limitations is in the public's interest and for the protection of consumers." Consumer advocates have long been critical of mandatory pre-dispute arbitration clauses because they severely limit consumers' rights, including the right to join claims and pursue class actions. Without the availability of the class action device, many viable consumer claims cannot be economically pursued and consumers simply have to "eat" the losses they suffer as a result of unfair or deceptive trade practices or acts.