

Cabinet News and Views

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CFPB Launches Office of Competition and Innovation



By **Rachel Rodman**
Partner | Global Litigation

On May 24, the CFPB [launched](#) a new office, the Office of Competition and Innovation. The stated purpose of the new office is to promote competition and innovation that benefits consumers in the financial products and services market. Specifically, the Office of Competition and Innovation will (1) explore ways to reduce barriers to consumers' ability to switch accounts and providers, (2) research market-structure problems that create obstacles to innovation, and (3) work with stakeholders to identify and challenge existing market structures that harm consumers. The office will be housed in the CFPB's Division of Research, Markets & Regulations.

The Office of Competition and Innovation replaces the CFPB's Office of Innovation and Project Catalyst. The primary purpose of these programs was to process applications for No Action Letters and Sandboxes that applied to an individual company's specific product offering. In the CFPB's May 24 announcement, the agency stated that, "[a]fter a review of these programs," it concluded that "the initiatives proved to be ineffective."

The CFPB's statutory mandate under the Dodd-Frank Act includes ensuring that "markets for consumer financial products and services are fair, transparent, and competitive." 12 U.S.C. § 5511. Yet the Bureau has not historically focused on competition initiatives, and it is unclear how the statutes it administers would be (or could be) applied to address anti-competitive conduct as distinct from consumer protection violations. Indeed, the CFPB's May 24 announcement acknowledges that the agency will coordinate with "Federal, State, and international regulators on matters related to competition and innovation." Precisely how a focus on ensuring "competitive" markets for consumer financial services will influence the CFPB's future rulemaking and enforcement priorities remains to be seen.
