

# How Emotional Customer Complaints Impact Profitability

NLP-Powered Sentiment Analysis of 51,260 Customer Complaints

**51,260**

Complaints Analyzed

**8**

Emotions Classified

**6 Yrs**

of Complaint Data

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## Executive Summary

Why pay attention to customer complaints? Business stakeholders must pay attention because complaints affect three key revenue drivers. Additionally, not only must businesses pay attention to complaints, but they must pay attention to the **emotional strength** of those complaints.

First, unaddressed, strong-emotion complaints **damage reputation**. With reputational decline comes lower engagement with a company, from repeat purchases to word of mouth.

Second, unaddressed, strong-emotion complaints lead to **adverse financial resolutions**. Complaints with stronger emotions are more likely to require financial compensation to resolve.

Third, unaddressed, strong-emotion complaints mean that businesses must **spend more heavily on new customer acquisition** to backfill lost customers. Customer acquisition costs are rising, especially on digital channels.

In this paper, we examine the identification of unaddressed, strong-emotion complaints, including how to classify them and score them, and how to match the emotions to business outcomes.

# Situation Analysis

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Identifying and addressing the emotions of customers in the complaints process is essential to satisfying customers, retaining customers, and preventing more serious actions such as lawsuits. Historically, the credit reporting industry has done a poor job of identifying and classifying customer issues and their emotional impacts.

Additionally, financial issues are among the top reasons of stress in adults, and few industries face more scrutiny than the financial services industry. Within that industry, few companies deal with more complaints than credit reporting services. Consumers won't stick around if they feel that customer service is lacking.

These two factors — high-value/high-importance services and highly-emotional, high-stress processes for customers — create the potential for severe crises with customer complaints in the credit reporting industry.

Trust Insights examined 51,260 customer complaints from a credit reporting customer database over a 6-year period to draw out insights about what made consumers unhappy, which situations provoked significant emotional responses, what actions companies took, and what impact the resolutions had on the company's bottom line.

## Methodology

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Trust Insights analyzed a credit reporting customer database of 51,260 complaints about credit reporting products, services, and issues by customers, classifying the complaints into five major categories:

- Credit card and related issues
- Mortgages and related issues
- Fraud and fraudulent transactions
- Data breaches and compromised identities
- Bankruptcy and adverse financial events

The database was anonymized and stripped of any potential personally identifiable information (PII) including mailing addresses, contact information, account numbers, and other identifiers.

Trust Insights then used two machine learning libraries to classify every complaint against eight emotions using the NRC machine learning library based on EmoLex and Plutchik's wheel of emotions:

**Negative Emotions:** Anger, Disgust, Fear, Sadness

**Positive Emotions:** Anticipation, Joy, Surprise, Trust

Plus an overall average sentiment score for each complaint.

## Analysis

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Before we assess consumer behavior, let's examine the overall landscape. What topics (broad consumer financial concerns) and issues (specific kinds of complaints) are most common among the 51,260 complaints?

### Issues and Topics

	Bankruptcy	Data Breach	Credit Card	Fraud	Mortgage
Closing on a mortgage	0.000	0.000	0.000	0.000	1.000
Excessive fees	0.000	0.125	0.625	0.125	0.625
Confusing/missing disclosures	0.000	0.000	1.000	0.200	0.200
Incorrect info on report	0.177	0.176	0.150	0.329	0.159
Fraud alerts/security freezes	0.036	0.716	0.166	0.687	0.113
Problem with investigation	0.047	0.156	0.188	0.109	0.094
Customer service issues	0.000	0.344	0.281	0.406	0.094

Overall, mortgage-related issues, excessive fees, and problems with credit freezes are the most significant, common events in the complaints. All these topics are high-stress from a customer perspective — a customer whose identity has been compromised expects rapid, aggressive action.

## Issues and Emotions

	Anger	Disgust	Fear	Sadness
Confusing/missing disclosures	-0.400	-0.200	-0.400	-0.400
Closing on a mortgage	-1.000	-1.000	-2.000	-1.000
Unable to get credit report	-1.141	-0.559	-1.148	-1.626
Identity theft services	-1.192	-0.519	-1.289	-1.308
Improper use of report	-1.408	-0.569	-1.307	-1.177
Fraud or scam	-1.541	-0.541	-1.027	-1.649
Customer service problems	-1.594	-0.656	-1.188	-1.844
Incorrect info on report	-1.715	-0.728	-1.509	-1.850
Excessive fees	-1.750	-0.875	-1.000	-1.750
Fraud alerts/freezes	-1.751	-0.710	-1.650	-1.710

Fear, anger, and sadness are the strongest sentiments among the complaints. The actionable insight is to address the issues around the strongest negative emotions first.

# Outcomes: Emotions Drive Financial Impact

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## Company Responses and Emotions

	Disgust	Fear	Anger	Sadness
Unresolved (no outcome)	-4.000	-2.000	-4.000	-1.000
Closed with explanation	-0.670	-1.452	-1.659	-1.731
Closed with monetary relief	-0.918	-1.577	-2.167	-2.522
Closed with non-monetary relief	-0.714	-1.523	-1.829	-1.802
Untimely response	-0.556	-1.248	-1.425	-1.732

This is the most consequential finding: for each of the negative emotions, **the most frequent outcome from a complaint with strong emotion is closed with monetary relief**. This is a clear warning sign to the company, and to companies in general: pay attention to the emotional state of customers at the time of complaint.

The stronger the emotion — especially sadness and anger — the more likely it is you'll end up paying money to the customer as part of the resolution.

## Key Takeaways

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- 1. Emotions in customer complaints have a strong relationship with business outcomes.** If companies neglect to address emotional complaints early and thoroughly, they may end up paying more, having an adverse effect on the bottom line.
- 2. Emotions in customer complaints can be classified and quantified.** No longer do complaints need to languish in an obscure data prison. With modern machine learning software, businesses can make far more data actionable.
- 3. Emotional strength and business outcomes help to prioritize what needs to be fixed first.** Many businesses are anecdotally aware of what's wrong within the organization, but having clear prioritization of what will alleviate the strongest customer concerns could help move projects along.

**What is your company doing to analyze customer complaints? Are you burying them in a CRM, never to be analyzed, or are you identifying key issues that could be costing you time and money?**

# Ready to Light Up Your Data?

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Trust Insights uses natural language processing, machine learning, and advanced analytics to help companies turn unstructured data — like customer complaints, surveys, and support tickets — into prioritized, actionable intelligence.

## Contact Us

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*This case study contains anonymized data. All personally identifiable information was removed prior to analysis. The methodologies and findings described here represent general analytical approaches applicable across industries.*