

FTC urged to probe 'secret surveillance scores' used against shoppers, job and housing applicants

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It's possible your data is being used against you as you shop, travel or apply for jobs and housing, according to a new complaint filed with the Federal Trade Commission.

The Consumer Education Foundation, a California nonprofit, is urging the FTC to investigate companies' use of what it calls secret surveillance scores to determine how much to charge certain consumers when they shop online for products or services, or to deny them customer service, jobs or housing.

The scores are derived from the stream of personal data collected about consumers and compiled by data brokers, and "transmitted to [corporate clients](#) looking for ways to take advantage of, or even avoid, the consumer," according to the complaint, which was sent Monday to the FTC.

"Americans have been hemorrhaging personal information on a minute by minute basis for years," the group said. It cited various news reports and studies about secret surveillance scores, and used a price-discrimination tool developed by Northeastern University to do its own testing.

In its own testing, the group found price discrimination on the websites of Home Depot and Walmart, according to Laura Antonini, policy director for the Consumer Education Foundation. On Home Depot's website, the group found different prices quoted for paint, light bulbs, toilet paper, caulk guns, halogen floor lamps, screwdrivers and more. On Walmart's website, it found different prices for paper towels, highlighters, pens, paint and more.

"The Home Depot does not use consumer scores to determine pricing," a company spokeswoman said Tuesday. "Sometimes online national pricing can differ from in-store pricing, which is influenced by factors like vendor location and shipping costs."

Walmart has not returned a request for comment.

Also mentioned in the foundation's complaint are well-known companies including Expedia, Travelocity, Hotels.com, Orbitz and CheapTickets. Citing studies by Northeastern University and the founder of etracker.com and eBlocker.com, the group says the companies are using secret surveillance scores to charge travelers different prices.

Some consumers also are being denied [customer service](#), such as the ability to make returns or even purchases, based on customer-value or fraud scores, Consumer Education Foundation's complaint says.

The group names Macy's, Best Buy, Victoria's Secret, Starbucks, Airbnb, Opentable, Instacart, LinkedIn and Wayfair and others as users of fraud scores. Many of these companies were named in a recent Wall Street Journal report about the practice.

"Consumers who are treated as if they are criminals and whose transactions are declined may develop a negative credit score, affecting their ability to obtain credit or loans [?] a particularly pernicious repercussion of fraud scores," the group says.

In addition, the group takes aim at tenant scores and employment scores based on what it says are "sophisticated formulas" and "AI-driven predictions" that are far from transparent.

The Consumer Education Foundation urges the FTC to investigate the use of secret surveillance scores, who they're affecting and how they are harming [consumers](#). The group provided the FTC with dozens of names of companies that are supposedly using the scores, as well as the data analytics companies that are generating the scores.

"Section 5 of the FTC Act authorizes the Commission to investigate and prosecute 'unfair or deceptive acts or practices in or affecting commerce,' " the complaint reads.

The FTC has not yet returned a request for comment.

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