LifeLock Begins to Pay Up After Failing to Protect Consumers

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It’s taken a while, but if you bought LifeLock’s identity theft services between 2012 and 2014, you may be receiving some money from the Federal Trade Commission (FTC) soon. The FTC recently announced that it was distributing $31 million in checks averaging $29 each to more than a million consumers under a 2015 settlement with the company.

This case actually goes back to 2010 when LifeLock agreed to settle charges by the FTC and 35 states that it falsely claimed it could protect consumers from identity theft and that the personal information it collected from consumers was kept securely. While not acknowledging any wrongdoing, LifeLock promised not to make deceptive claims in the future, to beef up its data security, and to pay $12 million, most of which was refunded to consumers.

But according to the FTC, LifeLock failed to live up to that agreement by continuing to use deceptive advertising and not implementing a robust security program. So the FTC took action to enforce the 2010 order, leading to the 2015 settlement.

Consumer Federation of America (CFA) had flagged problems with LifeLock and other identity theft services in 2009 with its groundbreaking report, "To Catch a Thief: Are Identity Theft Services Worth the Cost?" "When we studied this industry it was disturbing to find that many companies were misleading consumers about what their services did and weren’t providing enough information about how what they did worked,” said Susan Grant, CFA’s Director of Consumer Protection and Privacy. To
address these problems, CFA created a working group consumer advocates and industry representatives to produce *Best Practices for Identity Theft Services*, which encourage ID theft companies to provide clear information about the services they offer and refrain from deceptive advertising. CFA also has tips for consumers and businesses about what to consider if they are in the market for identity theft services.

About those checks from the LifeLock settlement: scammers always take advantage of the news, and it wouldn’t be surprising if they contact consumers pretending to be from the company or the FTC to trick them into revealing personal information in order to get the money. The FTC is not calling people to tell them that the checks are coming or to ask them for any kind of payment or account information, and neither is LifeLock. If you get a check from the FTC, deposit or cash it within 60 days. And if you have a question about the refunds, call the refund administrator, Rust Consulting Inc., at 1-866-898-5106 or visit [www.ftc.gov/refunds](http://www.ftc.gov/refunds).