For Release

FTC Charges Experian with Spamming Consumers Who Signed Up for Company Accounts with Marketing Emails They Couldn't Opt Out Of

Under proposed order, company must pay financial penalty and offer consumers a way to opt out of such messages

August 14, 2023

Tags: Consumer Protection | Bureau of Consumer Protection | Online Advertising and Marketing | Credit Reporting

The Federal Trade Commission will require Experian Consumer Services, which offers consumers access to their Experian credit information, to pay $650,000 to settle charges it sent consumers unsolicited email without offering them a way to opt out of such messages, as required under the CAN-SPAM Act.

In a complaint filed by the Department of Justice on behalf of the FTC, the agency says that California-based Experian Consumer Services (ECS), also known as ConsumerInfo.com, Inc., spammed consumers with marketing offers after they signed up for an account with the company in order to manage their Experian credit report information. In the emails, the company failed to provide clear and conspicuous notice of consumers' ability to opt out of receiving additional marketing messages and a mechanism for doing so, in violation of the CAN-SPAM Act, according to the complaint.

"Signing up for a membership doesn't mean you're signing up for unwanted email, especially when all you're trying to do is freeze your credit to protect your identity," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "You always have the right to unsubscribe from marketing messages, and the FTC takes enforcing that right seriously."

Consumers who wish to freeze or take other steps to manage their Experian credit information online must create an account with ECS. The complaint charges that consumers who signed up for a free membership account with ECS were then sent emails promoting Experian's products and services such as one touting Experian Boost, which promotes ways for consumers to boost their credit scores, and another that offers a free "Dark Web" scan. But the emails did not contain an unsubscribe link consumers could use to keep from receiving even more marketing emails.

Experian includes a notice at the bottom of these emails informing recipients that they are receiving the messages because they "contain important information about your account." Contrary to Experian's claims, however, the complaint charges that the emails are not related to consumers' accounts and instead market or promote products and services. Therefore, the emails must provide consumers with a way to unsubscribe from receiving future messages.

In addition to the $650,000 penalty, the proposed order prohibits ECS from sending marketing emails that fail to offer a mechanism to opt out of such messages. The order must be approved by a federal court before it can go into effect.

The Commission voted 3-0 to refer the complaint and stipulated final order to the Department of Justice for filing. The DOJ filed the complaint and proposed stipulated order in the U.S. District Court for the Central District of California.

NOTE: The Commission authorizes the filing of a complaint when it has “reason to believe” that the named defendant is violating or is about to violate the law and it appears to the Commission that a proceeding is in the public interest. Stipulated final orders have the force of law when approved and signed by the District Court judge.

The lead FTC staffers on this matter are Frances Kern and Elsie Kappler from the FTC’s Bureau of Consumer Protection.

The Federal Trade Commission works to promote competition and protect and educate consumers. Learn more about consumer topics at consumer.ftc.gov, or report fraud, scams, and bad business practices at ReportFraud.ftc.gov. Follow the FTC on social media, read consumer alerts and the business blog, and sign up to get the latest FTC news and alerts.

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