

**FTC Settles Case Involving Location-Tracking Software  
Consent Agreement Requires Notice of Tracking Software  
By ADR Staff**

Dealers who install GPS tracking devices on financed or leased vehicles should take note of the Federal Trade Commission's recent action against Aaron's, Inc., a national, Atlanta-based rent-to-own retailer. Aaron's has agreed to settle FTC charges that it knowingly played a direct and vital role in its franchisees' installation and use of software on rental computers that secretly monitored consumers' activities. The FTC complaint specifically alleges that Aaron's used the illicitly gathered data about their customers to assist in collecting on past-due accounts and recovering computers after default. Besides the ability to log keystrokes, capture screenshots, and activate the webcam, the software allowed the company to track the physical location of rented computers using WiFi hotspot information.

The FTC complaint alleges that, as a result of Aaron's practices, consumers were substantially harmed. It further alleges that Aaron's knew the data being gathered by the software could be highly intrusive and invaded consumers' privacy. This software use without notice to computer users placed those consumers at risk from exposure of their personal, financial account access, and medical information.

Section III of the proposed order prohibits the deceptive gathering of consumer information. Section IV will prevent Aaron's from using any consumer information to collect on rental contracts that was improperly obtained through monitoring technology, tracking technology, or deceptive notices that appear on computer screens. Section V requires the destruction of any data using monitoring or tracking technology without the requisite notice and consent or obtained under false pretenses, and mandates the encryption of any properly collected data when it is transmitted.

Admittedly, the Aaron's case involved egregious violations of consumer privacy – including the surreptitious capture of private details of individual life through the use of the webcam – that go far beyond the use of GPS tracking devices on motor vehicles. Nevertheless, the FTC's message in this case is clear – the installation of consumer monitoring and tracking technology without prior notice and consent is an unfair and deceptive practice and will not be tolerated.

If your dealership uses GPS tracking devices on financed or leased vehicles, be attentive to your customers' privacy rights and heed the FTC's warning to provide clear and adequate disclosure to the consumer prior to finalization of the transaction.