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For Release: 08/15/2013

Certegey Check Services to Pay \$3.5 Million for Alleged Violations of the Fair Credit Reporting Act and Furnisher Rule

Penalty is Second-largest in a Fair Credit Reporting Act Matter

Certegey Check Services, Inc., one of the nation's largest check authorization service companies, has agreed to pay \$3.5 million to settle Federal Trade Commission charges that it violated the Fair Credit Reporting Act (FCRA).

Certegey, based in St. Petersburg, Florida, is a consumer reporting agency (CRA) that compiles consumers' personal information and uses it to help retail merchants throughout the United States determine whether to accept consumers' checks. Under the FCRA, consumers whose checks are denied based on information Certegey provides the merchant, have the right to dispute that information and have Certegey correct any inaccuracies.

The FTC's complaint alleges, among other things, that Certegey did not follow proper dispute procedures. The complaint further alleges that Certegey failed to follow reasonable procedures to assure maximum possible accuracy of the information it provided to its merchant clients, as required by the FCRA.

Among other things, the settlement requires Certegey to make improvements in these areas. This case is part of a broader initiative to target the practices of data brokers, which often compile, maintain, and sell sensitive consumer information. Consumer reporting agencies like Certegey are data brokers that sell information to companies making important decisions about consumers, such as their ability to get credit or pay for goods and services by check.

"Inaccurate information in a consumer reporting agency's file can have a huge impact on a person's everyday life, starting with their check being denied at the grocery store," said Jessica L. Rich, Director of FTC's Bureau of Consumer Protection. "In this case, we alleged that Certegey delivered a one-two punch: the company not only failed to assure that the information it provided to retailers was accurate, but it also failed to follow proper dispute procedures. Today's settlement will benefit consumers who use checks to pay for essential goods and services, including many older consumers and people without alternate means of payment, such as credit cards."

In addition to the allegations described above, the complaint alleges that Certegey violated the FCRA by failing to create a streamlined process for consumers to obtain free annual reports that they are entitled to; and establish and implement reasonable written policies and procedures regarding the accuracy and integrity of information it furnishes to other CRAs. This is the first Commission action alleging violations of the Furnisher Rule, which went into effect on July 1, 2010. The settlement requires Certegey to comply with the Furnisher Rule, as well as the requirement to maintain a streamlined process so that consumers can request their free annual reports.

Information for Business

The FTC has [information for businesses on the Furnisher Rule](#), which can be found on the Commission's website. Information regarding [what businesses should know about consumer reports](#) also is available.

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Related Items:

[United States of America \(for the Federal Trade Commission\), Plaintiff, v. Certegey Check Services, Inc., Defendant](#)

(United States District Court for the District of Columbia)
Case No. 1:13-cv-01247
FTC File No. 112 3184

For Consumers:

- [Blog: Keeping 'em in Check](#)
- [Disputing Errors on Credit Reports](#)

For Businesses:

- [Blog: "Check" out the \\$3.5 million penalty in the latest FCRA case](#)
- [Credit Reporting](#)

The Commission vote approving the referral of the complaint to the Department of Justice and consent in settlement of the court action was 4-0. The complaint and proposed consent were filed in the U.S. District Court for the District of Columbia on August 15, 2013, against Certegy Check Services, Inc. The proposed consent decree is subject to court approval.

NOTE: The Commission authorizes the filing of a complaint when it has “reason to believe” that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. Consent decrees have the force of law when signed by the District Court judge.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC’s online [Complaint Assistant](#) or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC’s website provides [free information on a variety of consumer topics](#). Like the FTC on [Facebook](#), follow us on [Twitter](#), and [subscribe to press releases](#) for the latest FTC news and resources.

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