

COMPLAINT STATISTICS

Complaint Numbers

CBPR-Related Complaints for period 6/01/14-11/30/15: **75**

Note: For purposes of this report, "complaint" refers to a complaint filed with TRUSTe via TRUSTe's Feedback and Resolution System against a TRUSTe client certified at that time by TRUSTe under our APEC-CBPR program.

Complaint Statistics

From June 1, 2014 through November 30 2015, TRUSTe handled 75 Dispute Resolution complaints against CBPR certified companies. The statistics below show how these complaints were classified and ultimately resolved by TRUSTe. About 45% of total complaints were closed by TRUSTe on “procedural grounds.” Such procedural grounds may include complaints that fail to state a comprehensible issue or even a complete word (e.g. random typing such as “xyxyxy”). In other examples, the consumer complaint did not give TRUSTe permission to pass identifying information to the site in question, or provided an invalid e-mail address, impeding investigation of that complaint. Of the remaining complaints not closed on procedural grounds, 51% were resolved by consumer education. 15% required issue-specific changes by the site (e.g. unsubscribe the user, close the account). Approximately 5% required changes by the client to their privacy practices. 22% fell into other categories such as that fall outside the scope of TRUSTe’s authority under our privacy program, (e.g. billing/transactional issues, requests for feature enhancements). TRUSTe typically suggests that the consumer contact the site directly in these instances. 7% were pending resolution as of the close of the reporting period.

Complaints Type

By Principle	By Country	By Type
Other: 39 Access: 27 Security: 5 Use: 4	Unspecified: 1 Angola: 4 Australia: 1 Canada: 6 Germany: 2 Denmark: 1 France: 1 Great Britain: 4 India: 1 Pakistan: 1 Philippines: 1 Romania: 1 Saudi Arabia: 2	Changes Required by Client: 2 Consumer Education by TRUSTe: 21 Duplicate Complaint: 5 Invalid Complainant Email Address: 3 No Action Required: 7 No Consumer Response: 16 Out of Scope: 9 Pending: 3 Permission Not Granted by Consumer: 1 PII Removed Account Closed or Credential Validated: 1 Response Obtained But No Changes Required: 2 Unsubscribed: 5

	Turkey: 1 United States: 47 South Africa: 1	
TOTAL: 75		

Complaint Process Quality Measures

These statistics are drawn from TRUSTe’s internal Dispute Resolution program. This process begins with a consumer complaint filed against a CBPR Participant either with the company, or with TRUSTe. After TRUSTe receives a complaint, we initiate an investigation. TRUSTe then reviews the complaint to determine if the complaint is relevant and falls under the scope of the Program Requirements. This initial review can take up to 10 business days. The consumer (complainant) receives TRUSTe’s initial response within 10 business days, our published time frame (available at <https://feedback-form.truste.com/watchdog/request>). After the complaint has been investigated, the Participant ordinarily has 10 business days to provide a written response for the complainant. For more urgent issues, such as security vulnerabilities, we escalate to the Participant via phone as well and generally expect responses much sooner, especially if we are able to verify the problem. Once the complaint is resolved, TRUSTe will send an email notice to both the complainant and, if participating, the Participant, notifying them of closure of the complaint. TRUSTe asks the complainant to provide consent before TRUSTe shares their personal information with the CBPR Participant the complainant is filing a dispute about. All personal information collected during the request for assistance is collected in accordance with TRUSTe’s Privacy Policy (available at <https://www.truste.com/privacy-policy>).

CASE NOTES

CASE NOTE 1

Citation: *Third Party Email Use, 2014, TRUSTe, Case Note 1*

Case Report

Facts: Complainant wrote that someone using Participant's website created an account using the complainant's e-mail address. TRUSTe's system sent the standard automatic acknowledgement which included assigning the ticket number. Three days later, a TRUSTe staff member replied to the complainant acknowledging that the issue is valid for further research under our privacy program and notified the Participant that same day. Complainant had already consented to allow TRUSTe to notify the Participant of the issue. Participant verified that the complainant did indeed control the email address involved, removed use of it from all accounts and notified the complainant of these actions. TRUSTe wrote to the complainant indicating that in the absence of further information, we consider the issue resolved. This process took approximately 3 weeks from notification to final resolution.

Law (*Excerpted from the United States' 2012 Application to Join the APEC CBPR System*): The FTC enforces Section 5 of the FTC Act, 15 U.S.C. § 45, which prohibits unfair or deceptive acts or practices in or affecting commerce. An act or practice is deceptive if it is likely to mislead a consumer acting reasonably under the circumstances and is likely to affect a consumer's conduct or decision regarding a product or service. An act or practice is unfair when it causes, or is likely to cause, substantial injury to consumers that (i) is not reasonably avoidable by consumers themselves; and (ii) is not outweighed by countervailing benefits to consumers or to competition. A company that joins the APEC CBPRs must publicly declare that it will comply with the CBPR program requirements and must make these program requirements publicly accessible. If the company fails to comply with any of these program requirements, its public representation of compliance may constitute an unfair or deceptive act or practice subject to Section 5 enforcement. If a company engages in any of the following practices it may violate Section 5 of the FTC Act, 15 U.S.C. § 45 and be subject to an enforcement action: a. Making a public representation relating to the notice requirements and failing to comply with the representation; b. displaying a seal, trustmark or other symbol on the company's website or on any other of its own publicly available documentation that indicates that it participates in the APEC CBPRs and thus complies with the notice requirements and failing to comply; or c. causing the company's name to appear on a list of companies that are certified for participation in the APEC CBPRs (e.g., lists on the websites of participating government authorities, privacy enforcement authorities, APEC-recognized Accountability Agents, or on an APEC website specifically dedicated to the operation of APEC Cross-Border Privacy Rules) thereby indicating that it complies with the notice requirements and failing to comply.

Discussion: The issues raised in this instance involve several CBPR program requirements, including:

22. Do you have a mechanism for correcting inaccurate, incomplete and out-dated personal information to the extent necessary for purposes of use? Provide a description in the space below or in an attachment if necessary.

37. Upon request, do you provide individuals access to the personal information that you hold about them?

a) Do you take steps to confirm the identity of the individual requesting access?

b) Do you provide access within a reasonable time frame following an individual's request for access?

c) Is information communicated in a reasonable manner that is generally understandable (in a legible format)?

d) Is information provided in a way that is compatible with the regular form of interaction with the individual (e.g. email, same language, etc)?

e) Do you charge a fee for providing access? If YES, describe below on what the fee is based and how you ensure that the fee is not excessive.

In addition to the Participant's legal obligation to comply with its CBPR requirements under the FTC's Section 5 authority, TRUSTe has the authority to enforce its program requirements against Participants through our Master Services Agreement ("MSA") which we require all clients to sign before we begin the engagement (see Appendix B). This is reflected in TRUSTe's MSA, section 3(3): Participant's Adherence to the Program: "Customer shall fully comply with the applicable Certification Standards, including but not limited to any annual (or other) recertification requirements contained in the applicable Certification Standards." As part of the Participant's CBPR certification, TRUSTe verified that the Participant had the necessary policies and practices to implement each CBPR program requirement. In this instance, those policies were successfully applied to resolve the complainant's issue.

CASE NOTE 2

Citation: *Improper Notice, 2015, TRUSTe, Case Note 2*

Case Report

Facts: A complainant wrote that a Participant in one of TRUSTe's programs was also claiming to be a participant in the APEC CBPR system. The Participant was not CBPR certified and was not listed as so on the TRUSTe or CBPR participant lists as an active member. However, the Participant was in the process of completing CBPR certification. TRUSTe's system sent the standard automatic acknowledgement which included assigning the ticket number. TRUSTe

researched the issue, worked with the Participant and replied to the complainant within two weeks that the Participant was not yet certified under TRUSTe's CBPR program at the time the complaint was filed or at the time of the response, and that the site had removed the reference to APEC CBPRs pending completion of the certification. TRUSTe informed the complainant that it was closing the complaint. The complainant appealed via the instructions provided, indicating that CBPR participation was referenced elsewhere by the Participant, including in its blog area. TRUSTe notified the complainant that it would reopen the complaint and contact the Participant. The Participant made the required changes and posted an update in its blog. Subsequently TRUSTe notified the complainant when the Participant had completed the CBPR certification process. TRUSTe then closed the issue. The initial request took roughly 3 weeks from initial filing to resolution. The appeal took an additional 3 weeks to final resolution.

Law (*Excerpted from the United State's 2012 Application to Join the APEC CBPR System*): The FTC enforces Section 5 of the FTC Act, 15 U.S.C. § 45, which prohibits unfair or deceptive acts or practices in or affecting commerce. An act or practice is deceptive if it is likely to mislead a consumer acting reasonably under the circumstances and is likely to affect a consumer's conduct or decision regarding a product or service. An act or practice is unfair when it causes, or is likely to cause, substantial injury to consumers that (i) is not reasonably avoidable by consumers themselves; and (ii) is not outweighed by countervailing benefits to consumers or to competition. A company that joins the APEC CBPRs must publicly declare that it will comply with the CBPR program requirements and must make these program requirements publicly accessible. If the company fails to comply with any of these program requirements, its public representation of compliance may constitute an unfair or deceptive act or practice subject to Section 5 enforcement. If a company engages in any of the following practices it may violate Section 5 of the FTC Act, 15 U.S.C. § 45 and be subject to an enforcement action: a. Making a public representation relating to the notice requirements and failing to comply with the representation; b. displaying a seal, trustmark or other symbol on the company's website or on any other of its own publicly available documentation that indicates that it participates in the APEC CBPRs and thus complies with the notice requirements and failing to comply; or c. causing the company's name to appear on a list of companies that are certified for participation in the APEC CBPRs (e.g., lists on the websites of participating government authorities, privacy enforcement authorities, APEC-recognized Accountability Agents, or on an APEC website specifically dedicated to the operation of APEC Cross-Border Privacy Rules) thereby indicating that it complies with the notice requirements and failing to comply.

Discussion: The issues raised in this instance involve the following CBPR program requirement:

1. Do you provide clear and easily accessible statements about your practices and policies that govern the personal information described above (a privacy statement)?

The following TRUSTe program requirement was also relevant to the resolution of this case:

In order for a business to successfully obtain a TRUSTe APEC Privacy Certification, the business must provide access to its privacy and data governance practices in order to be evaluated against these APEC Privacy Certification Standards (Certification Standards). Upon satisfactory evaluation, TRUSTe offers an APEC Privacy Certification trustmark that attests to the business' CBPR compliance. (<https://www.truste.com/privacy-certification-standards/apec>)

In addition to the Participant's legal obligation to comply with its stated privacy practices under the FTC's Section 5 authority, TRUSTe has the authority to enforce its program requirements against Participants through our Master Services Agreement ("MSA") which we require all clients to sign before we begin the engagement (see Appendix B). This is reflected in TRUSTe's MSA, section 3(3): Participant's Adherence to the Program: "Customer shall fully comply with the applicable Certification Standards, including but not limited to any annual (or other) recertification requirements contained in the applicable Certification Standards." While the Participant was not yet certified by TRUSTe as a CBPR participant, they were certified under another TRUSTe program and therefore a signatory to our MSA with a functioning privacy feedback mechanism. As such, TRUSTe was able to receive a complaint through this system and successfully work with the Participant to correct their privacy policy until such time as CBPR certification was completed at which point the Participant could then indicate participation in the CBPR system.

CASE NOTE 3

Citation: *Unsubscribe Issues, 2015, TRUSTe, Case Note 3*

Case Report

Facts: A complainant wrote that they clicked a Participant's unsubscribe links and received acknowledgement that they had been removed from the lists in question, but continued to get e-mail from the Participant. They then asked TRUSTe to request the Participant remove them from every mailing list that Participant operates so they receive no further communication. TRUSTe's system sent the standard automatic acknowledgement which included assigning the ticket number. TRUSTe requested sample emails received by the complainant from the Participant, which the complainant provided. TRUSTe's testing indicated that the messages came from several different mailing lists operated by the Participant, each of which appeared to have functioning unsubscribe mechanism. There was also a link to unsubscribe from all communications by the Participant. It is not clear whether the complainant had elected this option. TRUSTe forwarded the complainant's request to the Participant, since the complainant had previously consented to do so. The Participant apologized to the consumer for any difficulty they encountered and confirmed that the complainant's e-mail address has been unsubscribed from all general and subscription email communications by the Participant. This result took approximately 20 calendar days. TRUSTe wrote to the consumer notifying them that TRUSTe understands that this resolves the issue, and asking the consumer to reply within 2 weeks if they

had further concerns. TRUSTe then closed the ticket after allowing the consumer time to respond.

Law (*Excerpted from the United State's 2012 Application to Join the APEC CBPR System*): The FTC enforces Section 5 of the FTC Act, 15 U.S.C. § 45, which prohibits unfair or deceptive acts or practices in or affecting commerce. An act or practice is deceptive if it is likely to mislead a consumer acting reasonably under the circumstances and is likely to affect a consumer's conduct or decision regarding a product or service. An act or practice is unfair when it causes, or is likely to cause, substantial injury to consumers that (i) is not reasonably avoidable by consumers themselves; and (ii) is not outweighed by countervailing benefits to consumers or to competition. A company that joins the APEC CBPRs must publicly declare that it will comply with the CBPR program requirements and must make these program requirements publicly accessible. If the company fails to comply with any of these program requirements, its public representation of compliance may constitute an unfair or deceptive act or practice subject to Section 5 enforcement. If a company engages in any of the following practices it may violate Section 5 of the FTC Act, 15 U.S.C. § 45 and be subject to an enforcement action: a. Making a public representation relating to the notice requirements and failing to comply with the representation; b. displaying a seal, trustmark or other symbol on the company's website or on any other of its own publicly available documentation that indicates that it participates in the APEC CBPRs and thus complies with the notice requirements and failing to comply; or c. causing the company's name to appear on a list of companies that are certified for participation in the APEC CBPRs (e.g., lists on the websites of participating government authorities, privacy enforcement authorities, APEC-recognized Accountability Agents, or on an APEC website specifically dedicated to the operation of APEC Cross-Border Privacy Rules) thereby indicating that it complies with the notice requirements and failing to comply.

Discussion: The issues raised in this instance involve the following CBPR program requirement:

15. Subject to the qualifications described below, do you provide a mechanism for individuals to exercise choice in relation to the use of their personal information?

In addition to the Participant's legal obligation to comply with its stated privacy practices under the FTC's Section 5 authority, TRUSTe has the authority to enforce its program requirements against Participants through our Master Services Agreement ("MSA") which we require all clients to sign before we begin the engagement (see Appendix B). This is reflected in TRUSTe's MSA, section 3(3): Participant's Adherence to the Program: "Customer shall fully comply with the applicable Certification Standards, including but not limited to any annual (or other) recertification requirements contained in the applicable Certification Standards." This case illustrates how TRUSTe uses our Feedback and Resolution system to initiate testing to verify continued compliance with a Participant's CBPR obligations. As previously described, TRUSTe's testing indicated that the messages provided by the complainant came from several different mailing lists operated by the Participant and that each list appeared to have functioning

unsubscribe lists. Ultimately, the complainant's issue was successfully resolved and no further action was required.