



# Federal Trade Commission

For Release: 02/06/2012  
**Protecting America's  
Consumers**

## FTC Warns Marketers That Mobile Apps May Violate Fair Credit Reporting Act

### Agency Sends Letter to Marketers of Six Apps for Background Screening

The Federal Trade Commission [warned marketers](#) of six mobile applications that provide background screening apps that they may be violating the Fair Credit Reporting Act. The FTC warned the apps marketers that, if they have reason to believe the background reports they provide are being used for employment screening, housing, credit, or other similar purposes, they must comply with the Act.

According to the FTC, some of the apps include criminal record histories, which bear on an individual's character and general reputation and are precisely the type of information that is typically used in employment and tenant screening.

"If you have reason to believe that your background reports are being used for employment or other FCRA purposes, you and your customers who are using your reports for such purposes must comply with the FCRA," the letters say.

The FCRA is designed to protect the privacy of consumer report information and ensure that the information supplied by consumer reporting agencies is accurate. Consumer reports are communications that include information on an individual's character, reputation, or personal characteristics and are used or expected to be used for purposes such as employment, housing or credit.

Under the FCRA, operations that assemble or evaluate information to provide to third parties qualify as consumer reporting agencies, or CRAs. Mobile apps that supply such information may qualify as CRAs under the Act. CRAs must take reasonable steps to ensure the user of each report has a 'permissible purpose' to use the report; take reasonable steps to ensure the maximum possible accuracy of the information conveyed in its reports; and provide users of its reports with information about their obligations under the FCRA. In the case of consumer reports provided for employment purposes, for example, CRAs must provide employers with information regarding their obligation to provide notice to employees and applicants of any adverse action taken on the basis of a consumer report.

According to the letters, the agency has made no determination whether the companies are violating the FCRA, but encourages them to review their apps and their policies and procedures to be sure they comply with the FCRA.

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](#) and follow us on [Twitter](#).

#### MEDIA CONTACT:

Claudia Bourne Farrell  
Office of Public Affairs  
202-326-2181

#### STAFF CONTACT:

Anthony Rodriguez  
Bureau of Consumer Protection

202-326-2757

---

**E-mail this News Release**

If you send this link to someone else, the FTC will not collect any personal information about you or the recipient.

**Related Items:****FTC Warns Marketers of Six Mobile Applications That Provide Background Screening Applications That They May Be Violating the Fair Credit Reporting Act**

- [Sample Warning Letter](#)

**For Consumers:**

- [Credit Reports & Scoring](#)

**For Businesses:**

- [BCP Business Center: Credit Reporting](#)

---

Last Modified: Monday, February 6, 2012