

SCOTUS Getting Involved With TransUnion Class Action FCRA Lawsuit

December 17, 2020 - The US Supreme Court has agreed to review a case known as Trans Union LLC v. Ramirez. The case centers around technology that was used by TransUnion to match names on credit files with a list of people supplied by the US Office of Foreign Assets Control (OFAC) and then supply that information to businesses when they ran credit checks. US companies are forbidden from doing business with people who appear on the OFAC list because they are criminals, terrorists or otherwise sanctioned by the federal government. But TransUnion didn't bother to use other information, such as birth dates, to verify that the information they were reporting was correct. And that "oversight" led to an eight-figure judgement against the company in federal court; a decision that has already been upheld by the US Ninth Circuit Court of Appeals.

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The lead plaintiff in the case - Ramirez - found out about his name being flagged when he attempted to purchase an automobile only to be told that the dealer couldn't sell it to him. This apparently happened with both his wife and his father-in-law present, leading to a most embarrassing moment.

Ramirez became the lead plaintiff in a class action suit which alleges that TransUnion violated the Fair Credit Reporting Act (FCRA) because it included inaccurate information in his credit file and didn't use any reasonable to verify that information prior to including it. As it turns out, there were nearly 9,000 other people who had the same type of information inaccurately placed in their credit files. All of them stand to receive money from the law suit, but the Supreme Court's involvement could change that.

SCOTUS is looking at "standing." In short, they are going to determine if all of the people in the class have "standing" to receive money from the lawsuit. To determine that, the court will have to decide what constitutes "standing" in this case. Does a person have standing simply because TransUnion placed inaccurate information in their credit file? Or does that inaccurate information need to be shared with a third party - like the car dealer that Ramirez was attempting to purchase from - to give them standing?

The number of eligible plaintiffs will shrink dramatically if the court decides that standing requires the information to be shared. Fewer than 2,000 people had this happen. But the FCRA requires that Consumer Reporting Agencies maintain accurate records and it gives consumers the right to take action against them when they don't. Just based on that, it is hard to tell which way the court will decide. We'll keep you posted as the case moves forward.

by Jim Malmberg

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