

Experian's 'free' service has some strings



David Lazarus

The ad opens with quick cuts of creepy-looking hackers in sinister surroundings. A serious male voice asks: "Is your personal information already being traded on the dark web?"

Then the imagery brightens — a sunny kitchen, a family playing with a fluffy white dog. "Find out with Experian," says a friendly female voice. "Act now to help keep your personal information safe."

Consumers' and lawmakers' attention is rightly focused at the moment on the security breach involving Equifax, which left millions of people facing a very real possibility of fraud and identity theft.

But the recent ad from rival Experian highlights a more troublesome aspect of credit agencies — their use of questionable methods to spook people into buying services they may not need and, in so doing, giving the companies permission to share data with marketers and business partners.

"One of the biggest problems with credit reporting agencies is that their real customers are the banks and landlords who pay for credit reports," said Peter Swire, a professor of law and ethics at Georgia Tech.

"Ordinary consumers are not their main market, except when the company can talk us into paying for something about our own credit history," he said.

The dark web is a real thing. It's a hard-to-reach part of the internet — a network of shadowy, encrypted websites that don't come up in normal searches and typically require special software to access.

"Because of its hidden nature and the use of special applications to maintain anonymity, it's not surprising that the dark web can be a haven for all kinds of illicit

activity," Experian says on its own website. "This means if you've ever been a victim of a data breach, it's a place where your sensitive information might live."

Scary.

Luckily, Experian is here with a free scan of the dark web on consumers' behalf. All you have to do is enter your email address.

The search box makes a stab at transparency by stating that inputting your email means you're giving Experian permission to pitch its own products as well as "other products that may be of interest."

It also says you're agreeing to Experian's terms of service.

But that hardly comes close to a full disclosure of what's transpiring. I clicked on Experian's terms of service and found a densely written, nearly 17,600-word document — a contract the length of a novella.

Not surprisingly, this is where you'll find an arbitration clause preventing you from suing the company — an increasingly common aspect of consumer contracts nowadays. That's the least of your worries, though.

It turns out running a free dark-web email scan opens you up to "advertisements or offers for available credit cards, loan options, financial products or services, or credit-related products or services and other offers to customers."

It also exposes you to "the ability to track and collect certain consumer information specific to you," including your credit score, loan and credit card payments, and interest rates.

The terms reveal that Experian "receives compensation for the marketing of credit opportunities or other products or services available through third parties," which is exactly what it sounds like. You're giving permission for the company to sell you out.

And if you make it to the very bottom of the

contract — no small feat, I assure you — you'll find this little cow chip: Even if you cancel any Experian service, your acceptance of the arbitration clause "shall survive."

For the rest of your natural life? That seems to be the presumption.

Claudia Kubowicz Malhotra, an associate professor of marketing at the University of North Carolina at Chapel Hill, said two big problems with Experian's pitch are that no one will read 17,600 words of fine print and that relatively few consumers have the slightest idea what the dark web is.

"For those who may be hearing about the dark web for the first time, it sounds ominous," she observed. "And then it is super easy for the consumer to click and proceed with the free search."

So is the dark-web search worth it?

I did it and Experian listed my work email as "compromised" after finding a single mention on the dark web. However, the company was unable to provide any details, such as what sort of site contained the reference or in what context.

On the other hand, Experian was able to say that maybe more extensive searches, including for my Social Security number, driver's license number and credit card numbers, would turn up something more significant.

It would be happy to do this and more for just \$9.99 a month.

Swire at Georgia Tech noted that Experian agreed to pay \$950,000 in 2005 to settle charges brought by the Federal Trade Commission that it deceived consumers who sought free credit reports.

"This new product from Experian looks like an aggressive way for them to say something is 'free' when it really isn't," he said.

I shared my experience with Sandra Bernardo, an Experian spokeswoman, and

posed a number of questions about the usefulness of a dark-web search and the various conditions I'd agreed to.

She said the value of the free search lies in helping consumers "start on the path of learning more about the dark web and how to better protect themselves from identity theft and fraud."

Bernardo said the terms of service are long because they're "meant to be as comprehensive and complete as possible." I'd argue that if "comprehensive" means roughly the length of Franz Kafka's "The Metamorphosis," maybe some CliffsNotes are in order.

She denied my suggestion that acceptance of Experian's terms, thanks to the "shall survive" clause, will last in perpetuity.

Even so, Bernardo acknowledged that my agreement to the company's arbitration provision could last years.

Finally, she noted that if you don't like being marketed to as a result of the dark-web scan, you can always opt out of such solicitations, but that entails multiple steps with multiple parties.

This is where I now find myself, in a position where I gave up a lot of privacy in return for a single purported dark-web reference that Experian can't even tell me about.

And, yes, I'll be opting out of all that marketing, tracking and collecting.

Maybe the dark web is a concern. To be honest, having my email address mentioned once doesn't keep me up at night.

But Experian ratting me out to its business partners, and Equifax all but handing people's data to hackers, those are things I could definitely live without.

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