



Lifelock Settles Lawsuit With Experian, Can No Longer Issue Fraud Alerts

By [Allison Tomek](#)

The settlement of a lawsuit involving Lifelock Inc. includes an agreement that will bar the identity theft prevention company from using a service that it used to attract its first customers. The settlement capped a legal battle between Lifelock and credit reporting agency Experian, which began in 2008 when they alleged that Lifelock had broken provisions of the Fair Credit Reporting Act (FCRA) with its fraud alert service that had been one of the company's selling points since its inception.

While details of the case remained confidential, Experian officials had reportedly grown concerned over the feature of Lifelock's identity and fraud prevention services that charged users a fee to place warnings on their credit reports to help ward off potential breaches.

According to the Phoenix Business Journal, Experian argued that while consumers were free to put alerts on their credit reports with any of the three major credit reporting agencies - which consist of Experian, Equifax, and TransUnion - a third party acting in their place was a violation of the FCRA, which monitors accuracy and fairness in credit reporting.

Experian noted that it was "pleased with the result of the settlement," which it divulged had "permanently restrained" Lifelock to either directly or indirectly file alerts to any credit reporting agency on the behalf of its customers.

Lifelock CEO Todd Davis took the settlement in stride, telling the Arizona Republic that the service had not lost customers as a result of the ruling and adding that he believed the service had become stronger because of their need to find alternative means to detect fraud.

"The unintended consequence that Experian may not realize is we have a better service than we did before," he said.

In August, Lifelock announced a new identity protection system based on "scientific modeling and multi-point data mining to identify fraud and help protect consumers."

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