**In the Matter of Federal Trade Commission vs. Equifax Inc., Commission File No. 172 3203 (2019)**

Equifax Inc., a Georgia corporation, offers various credit reporting and information products and services to business and consumers. The company collects, processes, stores, and maintains vast quantities of personal information, including PII of more than 200 million customers. In September 2017, Equifax announced that it was a victim of a data breach that exposed the personal information of 147 million people. Consequently, the Federal Trade Commission (FTC), the Consumer Financial Protection Bureau (CFPB), and 50 state partners filed complaints on July 22, 2019, alleging that Equifax failed to take the necessary steps to secure personal information on its network. According to the plaintiff, the FTC, the breach occurred due to the company’s violations which included failures to address unpatched critical and high-risk vulnerability across systems that prevailed for a long time. The FTC also discussed that the breach could have been prevented if appropriate measures were taken and that internal warnings were given attention. The FTC brings this action under section 13 (b) of the FTC Act, 15 U.S.C. §53(b), and the Standards for safeguarding customer information.

Consequently, under the terms of the FTC consent, the defendant, Equifax Inc., was required to create a system to solicit and address the security concerns raised by any employee. The defendant neither admitted nor denied any of the allegations in the complaint during jurisdiction. However, the company later agreed to pay at least $575 million, and possibly up to $700 million as part of the global settlement with the FTC, the CFPB, and 50 U.S states and territories.

Equifax’s data breach is closely tied to negligence claims in data breach litigation. In this incident, the company owed customers a legal duty to protect their sensitive personal information. However, the defendant breached that duty and caused a cognizable injury to them by exposing their SSN and credit information for identity theft. The incident was also addressed by the FTC act and standard for safeguarding customer information. Hence, such type of negligence claims might be the most appropriate in data breaches that are related to PII and failure to comply with standards such as PCI DSS.

References

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