

Rent-to-Own Franchisor Agrees to Stop Aiding Spying On Consumers

Some franchisees of Aaron's, Inc., the rent-to-own retailer, leased computers with programs that spied on their customers with the franchisor's knowledge and assistance.

Aaron's, Inc. agreed to a consent decree with the Federal Trade Commission acknowledging that it played a direct and vital role in surreptitiously tracking customers, mining personal information, and even taking pictures of customers "in intimate contact."

Aaron's operates its own stores as well as franchising stores to others. The FTC complaint stated that, from 2009 to 2012, some franchisees installed a program called PC Rental Agent on computers that were leased to customers. The franchisees also installed the Detective Mode, which was part of PC Rental Agent. Consumers could not detect that the programs were installed on their computers and they could not disable the programs, even if they found out the programs had been installed.

Using Detective Mode, franchisees could monitor the activities of the computer users, including logging keystrokes, capturing screenshots, and activating the computer's webcam. "Through Detective Mode Aaron's franchisees could—and did—secretly gather consumers' personal information using fake software registration windows. In addition, using a different PC Rental Agent feature, Aaron's franchisees tracked the physical location of rented computers using WiFi hotspot location information," the complaint said.

As a result, the franchisees obtained user names and passwords for email access, social media websites, and financial institutions; medical information; Social Security numbers; and bank and credit card information. "Webcams operating secretly inside computer users' homes took photographs of computer users and anyone else within view of the camera. These included images of minor children as well as individuals not fully clothed and engaged in intimate conduct," the FTC complaint stated. The data and images were gathered and sent to the requesting franchisees every two minutes.

Aaron's knew about the programs because PC Rental Agent did not work smoothly with Aaron's network and Aaron's worked with the franchisees to make it compatible.

Under the settlement, Aaron's will be prohibited from using monitoring technology that captures keystrokes or screenshots or that activates the camera or microphone on a consumer's computer. The company also is required to obtain express consent from consumers at the time of rental to install any tracking software. The settlement also requires Aaron's to destroy any information that it has improperly obtained.

In re Aaron's, Inc., Federal Trade Commission No. 1223264.

