

## FTC Settles Computer Tracking Charges Against Rent-to-Own Company

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The FTC has settled charges against Aaron's, Inc., a national rent-to-own consumer electronics company, over charges that Aaron's franchisees loaded and used a product called PC Rental Agent. The product is made by DesignerWare, LLC and lets the installer disable computers remotely. It also lets the installer put on an add on called "Detective Mode" that lets the installer monitor the computer user without the user's knowledge. As we reported on in September 2012, the FTC settled charges with DesignerWare over the PC Rental Agent product's spying capabilities. In the case against Aaron's, the FTC acknowledged that company-owned stores did not use Detective Mode, only franchisee-owned stores did so, and did so in order to assist in collecting past-due payments. Detective Mode, according to the complaint, let franchisees see keystroke logs (which recorded usernames and passwords) and screenshot captures (which included banking and medical information), as well as take computer webcam photos of users (in some instances, of minor children or people not fully clothed). According to the FTC complaint, there was no notice given to users if Detective Mode was operating, the existence of Detective Mode was not visible to users, and there was no way to uninstall that mode. Although it was the franchisees that engaged in this activity, many factors suggested to the FTC that Aaron's should also be held responsible, including that Aaron's knew about the use of the tool, provided trouble-shooting for PC Rental Agent to its franchisees, franchisees used Aaron's computer networks, and franchisees often needed Aaron's consent to access the DesignWare site to use PC Rental Agent. Aaron's has settled unfair and deceptive trade practices charges with the FTC, and has agreed to get user consent before installing a tool like PC Rental Agent, destroying any information obtained through PC Rental Agent, conduct annual monitoring of franchisees (and hold them accountable to the terms of the settlement), and to terminate franchisees who do not live up to the settlement terms.

**TIP: This case is a reminder that companies should take care not to use tracking technologies – especially those that engage in intrusive tracking – without clear notice, and to consider what type of choice may be appropriate. Companies should also review their interactions with partners, including franchisees, to ensure that they are not supporting illicit activities by those partners. This case suggests that depending on the level of support given to partners, companies could find themselves held to account for the improper activities of others.**

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Chicago

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