

Massachusetts Proposed Class Action Plaintiff Settles with Retailers over ZIP Code Collection at Checkout

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The lead plaintiff in a proposed class action filed in the U.S. District of Massachusetts against Urban Outfitters and Free People LLC concerning the improper collection of ZIP codes from customers at checkout recently settled with the two retailers. The proposed class action alleged Massachusetts state law violations involving the improper collection of customers' ZIP codes, which were used to identify the customer's address in a commercially available database. By obtaining the address, defendants were allegedly able to send unauthorized marketing materials to customers. Specifically, the class plaintiff alleged that the collection of ZIP codes violated [Mass. Gen. Laws c. 93 § 105\(a\)](#), were an invasion of privacy, and constituted an unfair and deceptive trade practice. The proposed settlement of \$711,660 includes providing a \$20 gift card, redeemable at either Urban Outfitters or Free People to one sub-class, and a \$10 gift card to another sub-class based on their specific damages allegations.

TIP: This settlement serves as a reminder that retailers should review their in-store information collection practices and compliance with state and federal laws. In several states such as Massachusetts, California, and others, as we have previously [reported](#), retailers' collection of certain types of data during credit card transactions during checkout may give rise to claims of state law privacy violations.

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