

FTC orders 8 companies to provide information on 'surveillance pricing' practices

July 24 2024, by Wyatt Grantham-Philips



The Federal Trade Commission building is seen, Jan. 28, 2015, in Washington. The Federal Trade Commission said on Tuesday, July 23, 2024, that it's ordering eight companies that offer “surveillance pricing” to turn in information about their practices, as the agency investigates potential impacts on privacy and consumer protection. Credit: AP Photo/Alex Brandon, File

The Federal Trade Commission has ordered information from eight companies that the agency says offer products and services that use personal data to set prices based on a shopper's individual characteristics.

In a Tuesday announcement, the FTC said it was seeking to better understand the "opaque market" of "surveillance pricing" practices using [consumer data](#)—including credit information, location and browsing history—to charge different customers different prices for the same goods.

To do this, the agency noted, third-party intermediaries claim to use advanced algorithms, artificial intelligence and other technology.

"Firms that harvest Americans' [personal data](#) can put people's privacy at risk. Now firms could be exploiting this vast trove of personal information to charge people higher prices," FTC Chair Lina M. Khan said in a prepared [statement](#).

Khan added that the FTC's inquiry "will shed light on this shadowy ecosystem of pricing middlemen."

The FTC said it sent orders to Mastercard, Revionics, Bloomreach, JPMorgan Chase, Task Software, PROS, Accenture and McKinsey & Co.

The agency [says](#) its "study" will aim to understand how surveillance pricing works and investigate potential impacts on privacy and consumer protection.

The orders requested information on the "types of surveillance pricing" that each company has produced, developed or licensed—as well as details on data collection methods, which customers were offered such products or services and other potential impacts, such as different prices

paid, the FTC said.

In a statement sent to The Associated Press Tuesday, Revionics said that it "does not develop software that recommends pricing targeted to specific individuals"—or use individual consumer data "in any manner."

The [software company](#) said its AI price optimization software considers several "market-level factors" to recommend optimal [prices](#), such as historical sales data. Revionics added that its data is often sourced from retail partners—reiterating that it "does not, in any way, conduct operations related to the surveillance of consumers."

Mastercard did not comment when reached by the AP Tuesday afternoon, but confirmed that it received the FTC's request and would cooperate in the process. The remaining companies did not immediately release additional statements.

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