

Data Privacy

The Problem for Consumers

Consumers currently possess very limited power to protect their personal information in the digital economy, while online businesses operate with virtually no limitations as to how they collect and process that information (so long as they note their behavior somewhere in their privacy policy). As a result, consumers are ubiquitously tracked and detailed insights into their most personal characteristics—including health conditions, political affiliations, precise geolocation, and sexual orientation—are shared with innumerable third-parties. This information is sold as a matter of course, is used to deliver targeted advertising, facilitates differential pricing, and enables opaque algorithmic scoring—all of which can lead to unfair outcomes.

For example:

- Several major auto manufacturers were recently found to have secretly collected consumer driving behaviorⁱ and shared it with insurance companies that used it, in some cases, to increase consumers' premium rates without their awareness.
- A CR investigation found that Kroger compiles extensive (and often inaccurate) profiles of consumers through its loyalty program that affect the targeted discounts that consumers receive.ⁱⁱ
- Several data brokersⁱⁱⁱ were recently caught selling lists of consumers who visited sensitive locations, such as religious facilities, hospitals, or political protests. One of those brokers suffered a massive data breach that may have leaked the location information of millions of individuals.^{iv}
- Other data brokers sell lists of consumers sorted by characteristics like "Rural and Barely Making It" and "Credit Crunched: City Families," which can be used to target individuals most likely to be susceptible to scams or other predatory products.^v

The Policy Opportunity

In the absence of action at the federal level, state lawmakers have taken up the mantle to pass consumer privacy legislation. Currently, 19 states have a comprehensive privacy law. Unfortunately many of those laws—heavily influenced by Big Tech lobbying—do not protect consumers from the harms of online tracking and data abuse as well as they could. Other states have taken action to pass sector-specific legislation (e.g. laws focused on non-regulated health data, children's privacy, location privacy, or data brokers), many of which CR has supported.^{vi}

Though CR has successfully advocated for incremental improvements in many of these state laws, we believe that there is still a long way to go before consumers have the privacy protections they need. We recently partnered with the Electronic Privacy Information Center (EPIC) to create the State Data Privacy Act—a model comprehensive privacy law that focuses on putting default protections into place so that the onus of protection is on businesses, rather than forcing consumers to make endless consent choices. The base text of the State Data Privacy Act is the Connecticut Data Privacy Act (CTDPA), a bill that industry often cites as a model for other states to adopt. In our view, CTDPA contains too many loopholes, but it can be built upon to create more meaningful consumer protections that interoperate with existing state laws.

Consumer Reports' Positions

CR supports strong comprehensive state privacy laws that include: the principle of data minimization, universal opt-outs, enhanced protections for sensitive data, and robust enforcement via a private right of action.

CR also supports legislation to put stronger regulations on specific types of sensitive information — such as health and geolocation data — as well as more stringent rules for data brokers who traffic in selling personal information.

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ⁱ Kashmir Hill, Automakers Are Sharing Consumers' Driving Behavior With Insurance Companies, New York Times, (March 13, 2024), <https://www.nytimes.com/2024/03/11/technology/carmakers-driver-tracking-insurance.html>

ⁱⁱ Derek Kravitz, Inside Kroger's Secret Shopper Profiles: Why You May Be Paying More Than Your Neighbors, Consumer Reports, (May 21, 2025), <https://www.consumerreports.org/money/questionable-business-practices/kroger-secret-grocery-shopper-loyalty-profiles-unfair-a1011215563/>

ⁱⁱⁱ See, e.g., Federal Trade Commission, FTC Takes Action Against Gravy Analytics, Venntel for Unlawfully Selling Location Data Tracking Consumers to Sensitive Sites, (December 3, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/2123035gravyanalyticscomplaint.pdf

^{iv} Joseph Cox, 404Media, Hackers Claim Massive Breach of Location Data Giant, Threaten to Leak Data, (January 7, 2025), <https://www.404media.co/hackers-claim-massive-breach-of-location-data-giant-threaten-to-leak-data>

^v Consumer Financial Protection Bureau, Protecting Americans from Harmful Data Broker Practices (Regulation V), Proposed Rule; request for public comment, (December 3, 2024), <https://www.consumerfinance.gov/rules-policy/rules-under-development/protecting-americans-from-harmful-data-broker-practices-regulation-v/>

^{vi} CR played a central role in the creation and passage of the California Consumer Privacy Act, the California Delete Act, the Maryland Online Consumer Data Privacy Act, and Oregon's location privacy law, among many others.

About Consumer Reports

Founded in 1936, CR is on a mission to create a fair and just marketplace for all. Widely known for our rigorous research and testing of products and services, we also survey millions of consumers each year, report extensively on marketplace issues, and advocate for consumer rights and protections around safety, digital rights, financial fairness, and sustainability. CR is independent and nonprofit.