

Texas Federal Court Limits Victims Ability to Sue Over Data Breaches

The Federal District Court for the Southern District of Texas has dismissed a class action lawsuit against St. Joseph for a data breach. The court ruled that the named plaintiff's claim that she may become a victim of fraud or identity theft in the future was not a basis for "standing" in the case.

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Former St. Joseph's patient Beverly Peters brought the class action suit against the medical provider after receiving notification that her medical information, along with other personally identifiable information, had been breached. She was just one of approximately 405,000 St. Joseph customers who were impacted in the breach.

Peters claimed that was a violation under the Fair Credit Reporting Act (FCRA) and that she and others involved in the breach had "an elevated risk of future identity theft/fraud." To back up her claim, she named several incidents of attempted fraud against her that could have been the result of the breach. All of the incidents were unsuccessful.

But St. Joseph claims that there is no evidence that Peters's breached data had been used to commit fraud. And the court found that there was no way to tie the fraudulent attempts to St. Joseph's breach.

The court also found that there were too many variables to be able to quantify "future harm" based on St. Joseph's breach.

In essence, the ruling requires that anyone filing suit within the district court's jurisdiction needs to be able to show that they have already suffered a financial harm and be able to show that the "harm" was caused by the data breach.

by Jim Malmberg

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