

37 State AGs All Credit Bureaus to Stop Charging Fees for Credit Freezes after Equifax Breach

October 12, 2017 - The Attorneys General from 37 states have signed onto a letter to Experian and TransUnion, asking them to halt the collection of fees from consumers who freeze their credit file due to the Equifax data breach. The letter is likely only the first step in a process to reign in the major credit bureaus and the fees they charge consumers. There are now proposals in several states and at the federal level to make it illegal for Equifax, TransUnion and Experian to charge any fees to consumers for implementing or lifting a credit freeze. All of this activity is due to the fact that Equifax was involved in a data breach that exposed the personally identifiable information of more than 150 million Americans.

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The letter to the two bureaus says, "We have heard from our consumers that they are outraged that they should have to pay a company with which they do not choose to do business in order to protect themselves from identity theft as a result of a breach that was not their fault. The crisis in confidence extends to the entire credit reporting industry."

The letter went on to say that its signatories believe congress will soon pass legislation outlawing credit freeze fees of any kind. "We believe this legislation will be successful given the public outcry in the wake of recent massive breaches where Social Security Numbers and other extremely sensitive information have been compromised. Unfortunately, consumers are scrambling now to protect themselves with credit freezes, and they need help now."

Rep. Patrick McHenry (R-N.C.) introduced legislation in the House of Representative today that would ban the use of social security numbers by credit bureaus for identification purposes by 2020. The bill would also force the credit bureaus to submit to annual federal cybersecurity reviews and make credit freezes free for minors and anyone over 65 years of age.

After Equifax announced its data breach last month, the company was initially charging consumers to implement a credit freeze. Only after an outcry from the public did they change their policy to make credit freezes free. They are now offering free credit freezes through January. Experian and TransUnion are both still charging consumers for credit freezes. And in what can only be termed disgusting behavior, all of the credit bureaus are still discouraging consumers from implementing a credit freeze while they try to steer them into paid credit monitoring services. While Equifax is also offering one year of credit monitoring for free, it is quite likely that millions of people who sign up for the service will eventually elect to pay for it. The bureaus are clearly trying to profit from a crisis of their own making.

by Jim Malmberg

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