

PIPA CASE SUMMARY P2006-CS-002***Furniture retailer uses wrong customer's credit card information.*****Summary**

The Complainant found an erroneous charge on her credit card statement from La-Z-Boy Canada Ltd. ("La-Z-Boy") for a purchase she did not make. La-Z-Boy explained that the charge was a mistake (and corrected it); it was intended to be made out to another person who has the same last name and who lives in the same town as the Complainant. Apparently, the other person had made a telephone order and asked that the charge be placed on her credit card number already on La-Z-Boy's file. The Complainant was concerned about how the error occurred, why La-Z-Boy still had her credit card number on file, and how it was used by a La-Z-Boy furniture outlet she had not done business with.

Jurisdiction

PIPA applies to provincially-regulated private sector organizations operating in Alberta, including La-Z-Boy. The Information and Privacy Commissioner has jurisdiction in this case because La-Z-Boy Canada Ltd. is "an organization", as defined in section 1(i) of the Act. Section 36 of the Act empowers the Commissioner to conduct investigations to ensure compliance with any provision of PIPA and make recommendations to organizations regarding their obligations.

Analysis & Findings

La-Z-Boy advised that credit card numbers are not entered into any computers, nor recorded anywhere except on the original merchant copy of the sales receipt. When another La-Z-Boy store could not locate the other individual's previous sales receipt, the salesperson conducted a computer search on past orders placed by a person with that name and located an order made by the Complainant at a different location. The salesperson called that store's administrator who manually searched through the receipts, found the Complainant's receipt and gave the credit card number to the other store.

Section 35 of the Act enables organizations to retain personal information for "legal or business purposes" for as long as is reasonable. La-Z-Boy advised that it retains sales slips for one year for year-end accounting purposes. After one year, the receipts are shredded. Section 34 of PIPA requires that:

An organization must protect personal information that is in its custody or under its control by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure, copying, modification, disposal or destruction.

The investigator examined the security arrangements that La-Z-Boy had in place to safeguard personal information in its custody. All of the sales receipts were stored in a locked storage room for which there are only two keys. Only the manager and the administrator had keys to access the room. The investigator found this to be an adequate arrangement.

Section 8(1) of PIPA permits an organization to use an individual's personal information for another purpose with that person's verbal consent. In this case, La-Z-Boy did have the other person's verbal consent to use her credit card number. La-Z-Boy's use of the Complainant's credit card number, instead of the other person's was simply clerical error. However, the investigator was concerned by the process described that permitted the improper use of the Complainant's personal information which resulted in a contravention of section 34 of PIPA.

Recommendation

The investigator found that the Organization contravened section 34 of PIPA.

As a result of the investigator's recommendations, La-Z-Boy agreed: to cease tracing previous credit card receipts for existing customers who place phone orders, and instead ask for credit card numbers at each order; to re-program its three credit card machines to truncate credit card numbers so that only the last four digits are displayed on sales receipts; to advise other La-Z-Boy franchises to do the same. La-Z-Boy also shredded the Complainant's credit card receipt that was in its custody. The charge on the Complainant's credit card had already been reversed. The Complainant was satisfied with this outcome.