



Office of the Secretary

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

May 24, 2018

Danea Basse  
State of Michigan

Re: In the Matter of PayPal, Inc., Matter No. 1623102, C-4651

Dear Ms. Basse:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed consent order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting consumers engaged in peer-to-peer payments from deceptive or other unlawful practices, so we greatly appreciate your feedback on this matter.

The complaint in this matter alleges that PayPal, operating as Venmo, misled consumers by notifying them that funds they received were available to transfer to their bank accounts, without disclosing that funds could still be frozen or removed when Venmo reviewed the consumers' underlying transactions. The complaint also alleges that Venmo's privacy settings misled consumers about the extent to which they could keep their transactions private. It further alleges that Venmo misrepresented the extent to which consumers' financial accounts were protected by "bank grade security systems," and violated the Gramm-Leach-Bliley Act's Safeguards and Privacy Rules.

The proposed order requires Venmo, when making representations about fund availability, to clearly disclose to consumers that transactions are subject to review and that funds can be frozen or removed as a result of that review. It requires Venmo to tell consumers how their information will be shared with other users, and how they can use Venmo's privacy settings to limit what information they share. It also prohibits them generally from making misrepresentations about the extent to which consumers can prevent the sharing of information and what steps they must take to prevent the sharing of information, the extent to which Venmo maintains a particular level of security, or any other limitation of the service.

Your comment expresses frustration with Venmo for inappropriately withholding your funds. We have added your comment to our agency's complaint database, which assists us in tracking complaints and helps inform our law enforcement decisions. Further, if you have any additional information regarding these practices, we would encourage you to submit a complaint with the Commission at our website, [www.ftccomplaintassistance.gov](http://www.ftccomplaintassistance.gov), or by calling our Consumer Response Center (877) 382-4357.

Having considered all the facts of this case and all of the comments submitted in response to the proposed consent order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of the Secretary

May 24, 2018

Brown  
State of Delaware

Re: In the Matter of PayPal, Inc., Matter No. 162 3102, C-4651

Dear Mr. or Ms. Brown:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed consent order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting consumers engaged in peer-to-peer payments from deceptive or other unlawful practices, so we greatly appreciate your feedback on this matter.

The complaint in this matter alleges that PayPal, operating as Venmo, misled consumers by notifying them that funds they received were available to transfer to their bank accounts, without disclosing that funds could still be frozen or removed when Venmo reviewed the consumers' underlying transactions. The complaint also alleges that Venmo's privacy settings misled consumers about the extent to which they could keep their transactions private. It further alleges that Venmo misrepresented the extent to which consumers' financial accounts were protected by "bank grade security systems," and violated the Gramm-Leach-Bliley Act's Safeguards and Privacy Rules.

The proposed order requires Venmo, when making representations about fund availability, to clearly disclose to consumers that transactions are subject to review and that funds can be frozen or removed as a result of that review. It requires Venmo to tell consumers how their information will be shared with other users, and how they can use Venmo's privacy settings to limit what information they share. It also prohibits them generally from making misrepresentations about the extent to which consumers can prevent the sharing of information and what steps they must take to prevent the sharing of information, the extent to which Venmo maintains a particular level of security, or any other limitation of the service.

Your comment expresses the concern that the proposed consent order should have required PayPal to pay a penalty or to repay consumers for the funds that Venmo withheld from consumers. The Commission considers various factors in each individual case to determine whether to seek penalties and other relief, such as whether the relevant statutes provide for such relief, and how much money the relevant company takes from consumers. We considered those types of factors here, including that the Commission's complaint alleges violations of Section 5(a) of the FTC Act and the Gramm-Leach-Bliley Act, and the Commission is not authorized to

collect fines or penalties based on such violations. Based on our evidence and allegations, we have determined that the proposed consent order's injunctive relief will serve to remedy the alleged violations of the FTC Act and deter future violations. In addition, if PayPal violates this order in the future, it could be liable for civil penalties of up to \$41,484 per violation. As is the case with all Commission orders, Commission staff will closely monitor PayPal's future activities to determine whether any violations occur.

Having considered all the facts of this case and all of the comments submitted in response to the proposed consent order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary



Office of the Secretary

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

May 24, 2018

Richard Bruno  
State of Arkansas

Re: In the Matter of PayPal, Inc., Matter No. 162 3102, C-4651

Dear Mr. Bruno:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed consent order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting consumers engaged in peer-to-peer payments from deceptive or other unlawful practices, so we greatly appreciate your feedback on this matter.

The complaint in this matter alleges that PayPal, operating as Venmo, misled consumers by notifying them that funds they received were available to transfer to their bank accounts, without disclosing that funds could still be frozen or removed when Venmo reviewed the consumers' underlying transactions. The complaint also alleges that Venmo's privacy settings misled consumers about the extent to which they could keep their transactions private. It further alleges that Venmo misrepresented the extent to which consumers' financial accounts were protected by "bank grade security systems," and violated the Gramm-Leach-Bliley Act's Safeguards and Privacy Rules.

The proposed order requires Venmo, when making representations about fund availability, to clearly disclose to consumers that transactions are subject to review and that funds can be frozen or removed as a result of that review. It requires Venmo to tell consumers how their information will be shared with other users, and how they can use Venmo's privacy settings to limit what information they share. It also prohibits them generally from making misrepresentations about the extent to which consumers can prevent the sharing of information and what steps they must take to prevent the sharing of information, the extent to which Venmo maintains a particular level of security, or any other limitation of the service.

Your comment expresses frustration with PayPal for inappropriately withholding your funds. We have added your comment to our agency's complaint database, which assists us in tracking complaints and helps inform our law enforcement decisions. Further, if you have any additional information regarding these practices, we would encourage you to submit a complaint with the Commission at our website, [www.ftccomplaintassistance.gov](http://www.ftccomplaintassistance.gov), or by calling our Consumer Response Center (877) 382-4357.

Having considered all the facts of this case and all of the comments submitted in response to the proposed consent order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary



Office of the Secretary

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

May 24, 2018

Alexander Chrisopoulos  
State of Michigan

Re: In the Matter of PayPal, Inc., Matter No. 162 3102, C-4651

Dear Mr. Chrisopoulos:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed consent order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting consumers engaged in peer-to-peer payments from deceptive or other unlawful practices, so we greatly appreciate your feedback on this matter.

The complaint in this matter alleges that PayPal, operating as Venmo, misled consumers by notifying them that funds they received were available to transfer to their bank accounts, without disclosing that funds could still be frozen or removed when Venmo reviewed the consumers' underlying transactions. The complaint also alleges that Venmo's privacy settings misled consumers about the extent to which they could keep their transactions private. It further alleges that Venmo misrepresented the extent to which consumers' financial accounts were protected by "bank grade security systems," and violated the Gramm-Leach-Bliley Act's Safeguards and Privacy Rules.

The proposed order requires Venmo, when making representations about fund availability, to clearly disclose to consumers that transactions are subject to review and that funds can be frozen or removed as a result of that review. It requires Venmo to tell consumers how their information will be shared with other users, and how they can use Venmo's privacy settings to limit what information they share. It also prohibits them generally from making misrepresentations about the extent to which consumers can prevent the sharing of information and what steps they must take to prevent the sharing of information, the extent to which Venmo maintains a particular level of security, or any other limitation of the service.

Your comment expresses frustration with PayPal for inappropriately withdrawing funds from an external account. We have added your comment to our agency's complaint database, which assists us in tracking complaints and helps inform our law enforcement decisions. Further, if you have any additional information regarding these practices, we would encourage you to submit a complaint with the Commission at our website, [www.ftccomplaintassistance.gov](http://www.ftccomplaintassistance.gov), or by calling our Consumer Response Center (877) 382-4357.

Having considered all the facts of this case and all of the comments submitted in response to the proposed consent order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary



Office of the Secretary

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

May 24, 2018

Darcy Pfeifer  
State of Arizona

Re: In the Matter of PayPal, Inc., Matter No. 162 3102, C-4651

Dear Ms. Pfeifer:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed consent order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting consumers engaged in peer-to-peer payments from deceptive or other unlawful practices, so we greatly appreciate your feedback on this matter.

The complaint in this matter alleges that PayPal, operating as Venmo, misled consumers by notifying them that funds they received were available to transfer to their bank accounts, without disclosing that funds could still be frozen or removed when Venmo reviewed the consumers' underlying transactions. The complaint also alleges that Venmo's privacy settings misled consumers about the extent to which they could keep their transactions private. It further alleges that Venmo misrepresented the extent to which consumers' financial accounts were protected by "bank grade security systems," and violated the Gramm-Leach-Bliley Act's Safeguards and Privacy Rules.

The proposed order requires Venmo, when making representations about fund availability, to clearly disclose to consumers that transactions are subject to review and that funds can be frozen or removed as a result of that review. It requires Venmo to tell consumers how their information will be shared with other users, and how they can use Venmo's privacy settings to limit what information they share. It also prohibits them generally from making misrepresentations about the extent to which consumers can prevent the sharing of information and what steps they must take to prevent the sharing of information, the extent to which Venmo maintains a particular level of security, or any other limitation of the service.

Your comment expresses frustration with PayPal for inappropriately withholding your funds. We have added your comment to our agency's complaint database, which assists us in tracking complaints and helps inform our law enforcement decisions. Further, if you have any additional information regarding these practices, we would encourage you to submit a complaint with the Commission at our website, [www.ftccomplaintassistance.gov](http://www.ftccomplaintassistance.gov), or by calling our Consumer Response Center (877) 382-4357.

Having considered all the facts of this case and all of the comments submitted in response to the proposed consent order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary



Office of the Secretary

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

May 24, 2018

Sherri Reames  
State of Texas

Re: In the Matter of PayPal, Inc., Matter No. 162 3102, C-4651

Dear Ms. Reames:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed consent order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting consumers engaged in peer-to-peer payments from deceptive or other unlawful practices, so we greatly appreciate your feedback on this matter.

The complaint in this matter alleges that PayPal, operating as Venmo, misled consumers by notifying them that funds they received were available to transfer to their bank accounts, without disclosing that funds could still be frozen or removed when Venmo reviewed the consumers' underlying transactions. The complaint also alleges that Venmo's privacy settings misled consumers about the extent to which they could keep their transactions private. It further alleges that Venmo misrepresented the extent to which consumers' financial accounts were protected by "bank grade security systems," and violated the Gramm-Leach-Bliley Act's Safeguards and Privacy Rules.

The proposed order requires Venmo, when making representations about fund availability, to clearly disclose to consumers that transactions are subject to review and that funds can be frozen or removed as a result of that review. It requires Venmo to tell consumers how their information will be shared with other users, and how they can use Venmo's privacy settings to limit what information they share. It also prohibits them generally from making misrepresentations about the extent to which consumers can prevent the sharing of information and what steps they must take to prevent the sharing of information, the extent to which Venmo maintains a particular level of security, or any other limitation of the service.

Your comment expresses the concern that Venmo asked you for sensitive information without providing a secure method by which you could provide the information. The proposed order contains several provisions intended to ensure that PayPal takes reasonable measures to protect the privacy, security and integrity of consumer personal information it maintains. For instance, the proposed order requires Venmo to implement a comprehensive data security program and to obtain biennial third-party assessments of its security program for 10 years. In addition, if PayPal violates this order in the future, it could be liable for civil penalties of up to

\$41,484 per violation. As is the case with all Commission orders, Commission staff will closely monitor PayPal's future activities to determine whether any violations occur.

We take seriously your concerns about the privacy and security of sensitive information. We have added your comment to our agency's complaint database, which assists us in tracking complaints and helps inform our law enforcement decisions. Further, if you have any additional information regarding these practices, we would encourage you to submit a complaint with the Commission at our website, [www.ftccomplaintassistance.gov](http://www.ftccomplaintassistance.gov), or by calling our Consumer Response Center (877) 382-4357.

Your comment also expresses concern that the proposed consent order does not appear to have done anything to prompt the company to change its behavior. The proposed consent order is now final and requires PayPal's compliance going forward.

Having considered all the facts of this case and all of the comments submitted in response to the proposed consent order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary



Office of the Secretary

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

May 24, 2018

Matt Smith  
State of New York

Re: In the Matter of PayPal, Inc., Matter No. 162 3102, C-4651

Dear Mr. Smith:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed consent order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting consumers engaged in peer-to-peer payments from deceptive or other unlawful practices, so we greatly appreciate your feedback on this matter.

The complaint in this matter alleges that PayPal, operating as Venmo, misled consumers by notifying them that funds they received were available to transfer to their bank accounts, without disclosing that funds could still be frozen or removed when Venmo reviewed the consumers' underlying transactions. The complaint also alleges that Venmo's privacy settings misled consumers about the extent to which they could keep their transactions private. It further alleges that Venmo misrepresented the extent to which consumers' financial accounts were protected by "bank grade security systems," and violated the Gramm-Leach-Bliley Act's Safeguards and Privacy Rules.

The proposed order requires Venmo, when making representations about fund availability, to clearly disclose to consumers that transactions are subject to review and that funds can be frozen or removed as a result of that review. It requires Venmo to tell consumers how their information will be shared with other users, and how they can use Venmo's privacy settings to limit what information they share. It also prohibits them generally from making misrepresentations about the extent to which consumers can prevent the sharing of information and what steps they must take to prevent the sharing of information, the extent to which Venmo maintains a particular level of security, or any other limitation of the service.

Your comment expresses frustration with PayPal and its subsidiaries for illegal activities and recommends a large fine against, and further investigation into, PayPal. The Commission's complaint alleges violations of Section 5(a) of the FTC Act and the Gramm-Leach-Bliley Act, and the Commission is not authorized to collect fines or penalties based on such violations. The proposed consent order does, however, include strong injunctive relief to prevent future violations. In addition, if PayPal violates this order in the future, it could be liable for civil

penalties of up to \$41,484 per violation. As is the case with all Commission orders, Commission staff will closely monitor PayPal's future activities to determine whether any violations occur.

With regard to undertaking further investigation, we would encourage you to submit any complaint you have about PayPal or any other company to our agency's complaint database, which assists us in tracking complaints and helps inform our law enforcement decisions. You can submit a complaint with the Commission at our website, [www.ftccomplaintassistance.gov](http://www.ftccomplaintassistance.gov), or by calling our Consumer Response Center (877) 382-4357.

Having considered all the facts of this case and all of the comments submitted in response to the proposed consent order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of the Secretary

May 24, 2018

Brian Stewart  
State of California

Re: In the Matter of PayPal, Inc., Matter No. 162 3102, C-4651

Dear Mr. Stewart:

We would like to thank you for commenting on the Federal Trade Commission's ("Commission" or "FTC") proposed consent order in the above-referenced proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the agency's Rules of Practice, 16 C.F.R. §4.9(b)(6)(ii). The Commission is committed to protecting consumers engaged in peer-to-peer payments from deceptive or other unlawful practices, so we greatly appreciate your feedback on this matter.

Your comment expresses the concern that PayPal and Venmo have kept funds away from consumers inappropriately. The FTC is similarly concerned that Venmo was not clear in its messaging to consumers about when funds could be withheld from them. The complaint in this matter alleges that PayPal, operating as Venmo, misled consumers by notifying them that funds they received were available to transfer to their bank accounts, without disclosing that funds could still be frozen or removed when Venmo reviewed the consumers' underlying transactions. The complaint also alleges that Venmo's privacy settings misled consumers about the extent to which they could keep their transactions private. It further alleges that Venmo misrepresented the extent to which consumers' financial accounts were protected by "bank grade security systems," and violated the Gramm-Leach-Bliley Act's Safeguards and Privacy Rules.

The proposed order requires Venmo, when making representations about fund availability, to clearly disclose to consumers that transactions are subject to review and that funds can be frozen or removed as a result of that review. It requires Venmo to tell consumers how their information will be shared with other users, and how they can use Venmo's privacy settings to limit what information they share. It also prohibits them generally from making misrepresentations about the extent to which consumers can prevent the sharing of information and what steps they must take to prevent the sharing of information, the extent to which Venmo maintains a particular level of security, or any other limitation of the service.

Your comment also expresses the view that companies like PayPal should be subject to the same regulations to which banks are subject. The FTC does not have authority to regulate banks but does have authority to regulate a variety of non-bank financial institutions. The proposed order in this case makes clear that PayPal's Venmo is a financial institution for

purposes of complying with the Gramm-Leach-Bliley Act and therefore Venmo must comply with rules to protect the privacy and security of customer personal information.

Having considered all the facts of this case and all of the comments submitted in response to the proposed consent order, the Commission has now determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary



Office of the Secretary

UNITED STATES OF AMERICA  
Federal Trade Commission  
WASHINGTON, D.C. 20580

July 23, 2018

Marc Rotenberg, President and Executive Director  
Sam Lester, Consumer Privacy Counsel  
Christine Bannan, Policy Counsel  
Alan Butler, Senior EPIC Counsel  
Electronic Privacy Information Center  
1718 Connecticut Avenue, NW  
Suite 200  
Washington, D.C. 20009

*Re: In the Matter of PayPal, Inc., File No. 1623102, Docket No. C-4651*

Dear Mr. Rotenberg, Mr. Lester, Ms. Bannan and Mr. Butler:

Thank you for your comment regarding the consent agreement that the Federal Trade Commission (“Commission” or “FTC”) released for public comment in the above-entitled matter in February 2018. The Commission greatly appreciates your feedback on the consent agreement. As you may know, the Commission voted to approve the Complaint and proposed Decision and Order on May 24, 2018. Subsequently, the Commission learned that, due to an error, your comment was not posted to the docket prior to the vote. The Commission has now carefully considered the issues in your comment and provides this response.

The Complaint in this matter alleges that PayPal, operating as Venmo, misled consumers by notifying them that funds they received were available to transfer to their bank accounts, without disclosing that funds could still be frozen or removed when Venmo reviewed the consumers’ underlying transactions. The Complaint also alleges that Venmo failed to adequately disclose to consumers the extent to which they could keep their transactions private. It further alleges that Venmo misrepresented the extent to which consumers’ financial accounts were protected by “bank grade security systems,” and violated the Gramm-Leach-Bliley Act’s Safeguards and Privacy Rules.

The order contains provisions designed to prevent Venmo from committing future violations similar to those alleged in the Complaint. The order requires Venmo to issue clear and conspicuous disclosures to existing customers and to new customers going forward. With respect to the privacy claims, Venmo must issue a disclosure informing consumers how their information will be shared with other users, and how they can use Venmo’s privacy settings to limit what information they share. The order also prohibits Venmo from making misrepresentations about the extent to which consumers can prevent the sharing of information, the steps they must take to prevent the sharing of information, and the extent to which Venmo maintains a particular level of security, among other things. The order also requires Venmo to

comply with the Gramm-Leach-Bliley Act's Safeguards and Privacy Rules, and requires PayPal to obtain biennial third-party assessments of its compliance with these Rules for ten years. Finally, the order includes recordkeeping and compliance monitoring provisions.

Your comment expresses support of the Complaint and the order's requirements, but also urges the Commission to include additional requirements. Specifically, you recommend that the Commission require PayPal to (1) change Venmo's default privacy settings to private, (2) prohibit PayPal from changing user privacy settings without affirmative consent, (3) implement multi-factor authentication for Venmo, and (4) implement the Fair Information Practices ("FIPs").

The order is designed to address the Complaint's allegations that PayPal failed to adequately disclose the extent to which consumers could limit the visibility of their transactions to other Venmo users and that Venmo made deceptive statements about its practices for securing and protecting consumer financial accounts. It is not intended to impose specific obligations that may not be tied to such conduct. That said, the Commission believes that the order addresses many of the issues that your comment discusses. With respect to privacy settings, the order requires Venmo to provide clear and conspicuous disclosures that provide notice of the ways that Venmo shares a consumer's financial information with other users and that call attention to the available privacy settings. With respect to affirmative consent, unlike in the *Facebook* complaint, the Complaint does not allege that the Respondent changed user privacy settings without permission. Rather, the Complaint alleges a failure to adequately disclose how the settings operate. With respect to your proposal that Venmo be required to implement multi-factor authentication, the order requires Venmo to provide appropriate safeguards for customer information and to obtain independent assessments of its security practices. As part of those safeguards, Venmo has offered multi-factor authentication to consumers since at least April 2015. Finally, with respect to a requirement that Venmo implement the FIPs, your comment requests that the order require Venmo to implement all of the FIPs, including, for example, the right of consumers to access information stored about them and correct errors, even though the challenged conduct here did not involve access or correction issues. The settlement agreement is designed to address the specific conduct at issue, and may not impose additional obligations that are not reasonably related to such conduct or preventing its recurrence.

Your comment further recommends that the FTC require that PayPal's security assessments be made available to the public. Although the FTC does not publish the third-party assessments that many of its privacy and data security orders require, the Commission agrees that transparency regarding compliance with FTC orders can provide a public benefit. Thus, the public may seek access to compliance reports by requesting them under the Freedom of Information Act.<sup>1</sup> The Commission will make every effort to be transparent regarding compliance reports, consistent with the applicable laws. If a compliance report contains trade secrets or other confidential commercial or financial information, or information about consumers or other third parties, the Commission is prohibited from disclosing that information.<sup>2</sup>

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<sup>1</sup> 5 U.S.C. § 552 *et seq.*

<sup>2</sup> 15 U.S.C. § 46(f) ("the Commission shall not have any authority to make public any trade secret or any commercial or financial information which is obtained from any person and which is privileged or confidential"); Commission Rule of Practice § 4.10, 16 C.F.R. § 4.10.

July 23, 2018

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Upon receipt of a request for confidential treatment of all or part of a compliance report, the Commission will conduct a careful review to determine whether confidential treatment is warranted. If the Commission determines that a report has been frequently requested, the agency will post on the agency's website such portions as may be released to the public.

The Commission has placed your comment on the public record pursuant to rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii). Having considered all the facts of this case and all the comments submitted in response to the order, the Commission still finds that the public interest is best served by issuing the Complaint and Decision and Order in final form without further modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. The Commission thanks you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary