

Receipts for Online Sales Must Comply with Privacy Law

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The Fair Credit Reporting Act ("FACTA") is a federal law directed at combating identity theft. FACTA prohibits a seller from printing a receipt at the point of sale showing more than five digits of a consumer's credit card number or the card's expiration date. There is no question that the FACTA prohibitions apply to traditional brick and mortar businesses that accept credit card payments. A federal court in Florida has now ruled that online businesses are also subject to these FACTA requirements.

Wayne Grabein purchased flowers online from 1-800-Flowers.com. Grabein received an electronically transmitted receipt from the retailer that contained Grabein's credit card expiration date. Grabein sued 1-800-Flowers.com claiming the receipt was in violation of FACTA. 1-800-Flowers.com argued that it neither 'prints' a receipt nor does it provide the receipt at the 'point of sale' and, therefore, FACTA does not apply.

The court disagreed, holding that electronically transmitting a receipt to a consumer for an online purchase constitutes 'printing' a receipt at the point of sale. The court reasoned that to exclude online sales from FACTA's scope would be inconsistent with the legislative intent of the law. For businesses conducting transactions online and accepting payment via credit card, these FACTA requirements cannot be ignored.

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