

Annual APEC CBPR and PRP Dispute Resolution Report

Reporting Period: March 1, 2020 through February, 2021



EXECUTIVE SUMMARY

This annual report of TRUSTe LLC (TRUSTe), a subsidiary of TrustArc Inc, provides aggregated dispute resolution complaint statistics about the number and types of complaints received through TRUSTe’s Feedback and Resolution System against companies certified under TRUSTe’s APEC Cross Border Privacy Rules (CBPR) and APEC Privacy Recognition for Processors (PRP) Assurance Programs (program(s)) during the reporting period. Anonymized case notes about selected complaints resolved under TRUSTe’s APEC-CBPR program are also included in this report.

From March 1, 2020 through February 28, 2021, 37 companies participated in one or both of TRUSTe’s APEC certification programs, an increase from 33 that participated during the previous reporting period.

During the reporting period, March 1, 2020 through February 28, 2021, TRUSTe received a total 244 complaints broken down as follows:



52 complaints against companies certified under both the TRUSTe APEC-CBPR and APEC-PRP programs, an increase from 22 complaints received during the previous reporting period;



153 complaints against companies certified under only the TRUSTe APEC-CBPR program, an increase from 147 complaints received during the previous reporting period; and



39 complaints against companies certified under only the TRUSTe APEC-PRP program, an increase from 15 complaints received during the previous reporting period.

The total number of complaints received during this reporting period is a 25% increase from the last reporting period, with 59% of the complaints coming from individuals located in an APEC economy. The APEC economies that complaints originated from include Australia, Canada, Chile, China, Indonesia, Japan, Malaysia, Mexico, Papua New Guinea, The Russian Federation, United States, and Viet Nam. The remaining 41% of the complaints came from individuals that are located in countries outside of APEC.

The complaints TRUSTe received concerned a number of APEC Principles, however, TRUSTe noted the largest number of complaints, 38%, were regarding an individual’s ability to contact a participating company generally, or to exercise choice relating to the use of their personal information or individual rights. This along with the increase in the total number of complaints received illustrates increasing privacy awareness as demonstrated by individuals wanting to exercise their privacy-related rights or reaching out to ask questions or raise concerns.



REPORT OVERVIEW

This report includes information about:

- Compliant statistics for companies participating in both APEC-CBPR and APEC-PRP programs
- Complaint statistics for companies participating in only the APEC-CBPR program
- Complaint statistics for companies participating in only the APEC-PRP program
- Complaint process quality measures
- APEC-CBPR Case Notes

I. Complaint Statistics: APEC-CBPR and APEC-PRP Certified Companies

From March 1, 2020 through February 28, 2021, TRUSTe handled 52 Dispute Resolution complaints against companies that have been certified under both the APEC-CBPR and APEC-PRP programs. Table 1 shows how the resolution of these complaints were classified and resolved by TRUSTe. No complaints were pending resolution as of the close of this reporting period.

Complaint Resolution Classification	Number of Complaints Resolved
Procedural grounds <i>Procedural grounds may include:</i> <ul style="list-style-type: none"> ● Complaints that fail to state a comprehensible issue or even a complete word (e.g. random typing such as “xyxyxy”); ● When the complaint did not give TRUSTe permission to pass identifying information to the company in question; or ● The complainant provided an invalid e-mail address, impeding investigation of that complaint. 	28
Out of scope <i>Out of scope are complaints that fall into categories that are outside the scope of TRUSTe’s authority under its Assurance Programs, (e.g., billing/transactional issues, requests for feature enhancements). TRUSTe typically suggests that the complainant contact the company directly in these instances.</i>	5
Consumer education by TRUSTe	14
TRUSTe's assistance in facilitating resolution was required, with a change required to the company’s privacy notice or practices. The types of changes required are highlighted in the APEC-CBPR Case Notes section of this report.	2
TRUSTe's assistance in facilitating resolution was required, but no changes were required of the participating company.	3
Total	52

Table 1

Table 2 details the types of complaints TRUSTe received about companies it certified under both APEC-CBPR and APEC-PRP programs by the APEC Principle to which the complaint type aligns, country where the complainant is located, and by type of complaint. APEC economies are noted with an asterisk (“*”).

Complaint Facts:

- 42 of the 52 complaints came from individuals located in APEC economies
- 48% of the complaints were regarding a company’s compliance with an APEC Principle
- 16 complaints highlighted challenges of contacting the company, or exercising choice, or access or deletion rights.

APEC CBPR or PRP Principle		Complainant location		By Type	
Use	6	Australia*	4	Abuse by Another User	1
Security Safeguards	1	Canada*	3	Account Hacked / Disabled / Suspended	5
Access	6	Germany	1	Can't Change / Remove Personal Info	6
Choice	3	India	7	Help with Features / Functionality	16
Accountability	9	Italy	1	Monetary / Billing / Transactional	5
Other	27	Malaysia*	1	Privacy Settings Not Working	2
		Mexico*	1	Shared Personal Info with Unauthorized Third Party	1
		Nigeria	1	Unable to Contact Participating Site	9
		United States*	32	Unable to Unsubscribe	1
		Vietnam*	1	Undefined e.g. Incomprehensible	6
Totals	52	Totals	52	Totals	52

Table 2



II. Complaint Statistics: APEC-CBPR Certified Companies

From March 1, 2020 through February 28 2021, TRUSTe handled 153 Dispute Resolution complaints against companies that have only been certified under the APEC-CBPR program. Table 3 shows how the resolution of these complaints were classified and resolved by TRUSTe. No complaints were pending resolution as of the close of this reporting period.

Complaint Resolution Classification	Number of Complaints Resolved
Procedural grounds <i>Procedural grounds may include:</i> <ul style="list-style-type: none"> Complaints that fail to state a comprehensible issue or even a complete word (e.g. random typing such as “xyxyxy”); When the complaint did not give TRUSTe permission to pass identifying information to the company in question; or The complainant provided an invalid e-mail address, impeding investigation of that complaint. 	50
Out of scope <i>Out of scope are complaints that fall into categories that are outside the scope of TRUSTe’s authority under its Assurance Programs, (e.g., billing/transactional issues, requests for feature enhancements). TRUSTe typically suggests that the complainant contact the company directly in these instances.</i>	33
Consumer education by TRUSTe	69
TRUSTe’s assistance in facilitating resolution was required, with a change required to the company’s privacy notice or practices. The types of changes required are highlighted in the APEC-CBPR Case Notes section of this report.	1
Total	153

Table 3

Table 4 details the types of complaints TRUSTe received about its APEC-CBPR certified companies by the APEC CBPR Principle to which the complaint type aligns, country where the complainant is located, and by type of complaint. APEC economies are noted with an asterisk (“*”).

Complaint Facts:

- 85 of the 153 complaints came from individuals located in APEC economies
- 57% of the complaints were regarding a company’s compliance with an APEC Principle
- 66 complaints highlighted challenges of contacting the company, or exercising choice, or access or deletion rights.



APEC CBPR Principle		Complainant location		By Type	
Collection Limitation	2	Albania	1	Abuse by Another User	2
Use	15	Australia*	2	Account Access / Creation	2
Security Safeguards	2	Brazil	3	Account Hacked / Disabled / Suspended	15
Access	11	Bouvet Island	1	Can't Change / Remove Personal Info	6
Choice	2	Cambodia	1	Help with Features / Functionality	27
Accountability	56	Canada*	4	Monetary / Billing / Transactional	9
Other	65	Chile*	1	Unable to Contact Participating Site	56
		China*	2	Unable to Unsubscribe	2
		Colombia	1	Unauthorized Profile With My Information	3
		Egypt	1	Undefined e.g. Incomprehensible	29
		France	15		
		Indonesia*	3		
		India	16		
		Iraq	1		
		Iran	1		
		Italy	3		
		Japan*	1		
		Malaysia*	3		



		Myanmar	3		
		Nigeria	1		
		Papua New Guinea*	1		
		Poland	2		
		Romania	1		
		Russian Federation*	1		
		South Africa	1		
		Spain	2		
		Turkey	4		
		Uganda	1		
		United Kingdom	7		
		United States*	65		
		Vietnam*	2		
		Virgin Islands, US	2		
Totals	153	Totals	153	Totals	153

Table 4

III. Complaint Statistics: APEC-PRP Certified Companies

From March 1, 2020 through February 28 2021, TRUSTe handled 39 Dispute Resolution complaints against companies that have only been certified under the APEC-PRP program. Table 5 shows how the resolution of these complaints were classified and resolved by TRUSTe. No complaints were pending resolution as of the close of this reporting period.

Complaint Resolution Classification	Number of Complaints Resolved
Duplicate complaint	16
Out of scope <i>Out of scope are complaints that fall into categories that are outside the scope of TRUSTe's authority under its Assurance Programs, (e.g., billing/transactional issues, requests for feature enhancements). TRUSTe typically suggests that the complainant contact the company directly in these instances.</i>	9
Consumer education by TRUSTe	13
TRUSTe's assistance in facilitating resolution was required, but no changes were required of the participating company.	1
Total	39

Table 5

Table 6 details the types of complaints TRUSTe received about companies it certified under the APEC-PRP program by the APEC-PRP Principle to which the complaint type aligns, country where the complainant is located, and by type of complaint. APEC economies are noted with an asterisk ("*").

Complaint Facts:

- 17 of the 39 complaints came from individuals located in APEC economies
- 64% of the complaints were regarding a company's compliance with an APEC Principle
- 23 complaints highlighted challenges of contacting the company, or exercising choice, or access or deletion rights.

APEC CBPR or PRP Principle		Complainant location		By Type	
Security Safeguards	2	Austria	1	Account Hacked / Disabled / Suspended	2
Accountability Mechanisms	23	Brazil	1	Can't Change / Remove Personal Info	3



Other	14	France	1	Help with Features / Functionality	6
		India	11	Monetary / Billing / Transactional	1
		Indonesia*	1	Received Unauthorized E-Mail	2
		Israel	1	Unable to Contact Participating Site	18
		Malaysia*	2	Undefined e.g. Incomprehensible	7
		Mexico*	1		
		Saudi Arabia	1		
		United Kingdom	1		
		United States*	13		
		Virgin Islands, US	4		
		Yemen	1		
Totals	39	Totals	39	Totals	39

Table 6

IV. Complaint Process Quality Measures

These statistics are drawn from TRUSTe’s internal Dispute Resolution program. This process begins with a complaint filed by an individual against an APEC-CBPR or APEC-PRP certified company (Participant) either with the company, or with TRUSTe. After TRUSTe receives a complaint, we initiate an investigation starting with a review of the complaint to determine if the complaint is relevant and falls under the scope of the APEC CBPR or APEC-PRP Program Requirements. This initial review can take up to 10 business days. The individual (complainant) receives an initial response from TRUSTe within 10 business days, our published time frame (available at <https://feedback-form.truste.com/watchdog/request>).

TRUSTe asks the complainant to provide consent before TRUSTe shares their personal information with the Participant about which the complainant is filing a dispute. All personal information collected during the request for assistance is collected in accordance with the TrustArc Inc, the parent company of TRUSTe LLC, group privacy notice (available at <https://www.trustarc.com/privacy-policy/>).



After the complaint has been investigated, the Participant ordinarily has 10 business days to provide a written response for the complainant. For more urgent issues, such as security vulnerabilities, TRUSTe will escalate this issue to the Participant via phone as well and generally expect responses much sooner, especially if we are able to verify the problem. Once the complaint is resolved, TRUSTe will send an email notice to both the complainant and, if participating in the process, the Participant, notifying them of closure of the complaint.

V. Case Notes

This section provides anonymized case notes for three complaints where the certified company was required to make a change in its policies or practices as part of resolving a complaint.

For purposes of these case notes, "Complaint" refers to a complaint filed with TRUSTe via TRUSTe's Feedback and Resolution System against a company ("Participant") certified at that time by TRUSTe under its APEC-CBPR and/or APEC-PRP programs.

Case Note 1: Company certified under APEC-CBPR program only

Citation:

Unable to contact Participant, 2020, TRUSTe US, Case Note 1

Facts:

Complainant informed TRUSTe that Participant's privacy statement did not have an email address, despite it saying that consumers should email them to request access, deletion, or changes to their account. The next day TRUSTe reached out to our privacy escalations contact at the Participant to inquire about this discrepancy, and our contact provided an email address the Complainant could contact with their data request, as well as a commitment to updating their privacy statement to resolve this issue. TRUSTe forwarded this email address to Complainant one week after they filed their report with TRUSTe, and the Participant scheduled an update to their site. TRUSTe kept the ticket open to follow up, and the site made their revision 4 months later. The Complainant never responded to TRUSTe's updates throughout this process.

Law (Excerpted from the United State's 2012 Application to Join the APEC CBPR System):

The FTC enforces Section 5 of the FTC Act, 15 U.S.C. § 45, which prohibits unfair or deceptive acts or practices in or affecting commerce. An act or practice is deceptive if it is likely to mislead a consumer acting reasonably under the circumstances and is likely to affect a consumer's conduct or decision regarding a product or service. An act or practice is unfair when it causes, or is likely to cause, substantial injury to consumers that (i) is not reasonably avoidable by consumers themselves; and (ii) is not outweighed by countervailing benefits to consumers or to competition. A company that joins the APEC CBPRs must publicly declare that it will comply with the CBPR program requirements and must make these program requirements publicly accessible. If the company fails to comply with any of these program requirements, its public representation of compliance may constitute an unfair or deceptive act or practice subject to Section 5 enforcement. If a company engages in any of the following practices it may violate Section 5 of the FTC Act, 15 U.S.C. § 45 and be subject to an enforcement action: a. Making a public representation relating to the notice requirements and failing to comply with the representation; b. displaying a seal, trustmark or other symbol on the company's website or



on any other of its own publicly available documentation that indicates that it participates in the APEC CBPRs and thus complies with the notice requirements and failing to comply; or c. causing the company’s name to appear on a list of companies that are certified for participation in the APEC CBPRs (e.g., lists on the websites of participating government authorities, privacy enforcement authorities, APEC-recognized Accountability Agents, or on an APEC website specifically dedicated to the operation of APEC Cross-Border Privacy Rules) thereby indicating that it complies with the notice requirements and failing to comply.

Discussion: The issues raised in this instance involve the following CBPR program requirements:

1.d) Does this privacy statement disclose the name of the applicant’s company and location, including contact information regarding practices and handling of personal information upon collection?

37. Upon request, do you provide individuals access to the personal information that you hold about them?

In addition to the Participant’s legal obligation to comply with its stated privacy practices under the FTC’s Section 5 authority, TRUSTe has the authority to enforce its program requirements against Participants through our Master Services Agreements (“MSAs”), or our online Subscription and Services Agreement (“SSA”) and Assurance Services Addendum (“ASA”), either of which we require all clients to enter into before we begin the engagement (see Appendix F of TRUSTe’s 2019 APEC CBPR and PRP Application) unless we have negotiated with a particular Participant separate terms, which are comparable to those contained in the MSA or the SSA and ASA. This is reflected in the Company’s ASA, which states in relevant part in Section 4.2.1: “If participating in a TRUSTe Assurance Solution, Customer shall fully comply with the applicable Assurance Standards.” The Assurance Standards are defined in Section 2.1 of the ASA as: “the requirements, conditions, and other terms applicable to the Customer under an applicable TRUSTe Assurance Program or Assurance Solution.”

This case illustrates how TRUSTe Feedback and Resolution system facilitates an individual’s ability to request access to their personal information, ensure the necessary update was made to the Participant’s privacy notice, and to verify a Participant’s practices and procedures align with those required by the APEC-CBPR program requirements listed above. Ultimately, the Complainant’s request was successfully resolved using this process and no further action was required.

Case Note 2: Company certified under both APEC-CBPR and APEC-PRP programs

Citation:

Unable to unsubscribe, 2020, TRUSTe US, Case Note 2

Facts:

Complainant informed TRUSTe that a link the Participant provided to individuals to unsubscribe from marketing emails was not working. TRUSTe was able to reproduce this error, and we sent this report to the Participant 2 days after the Complainant filed the report with TRUSTe. The Participant responded 10 days later, informing TRUSTe that the link the consumer reported was no longer active due to an internal system migration, and that they updated their privacy statement with the proper unsubscribe link in response to this report. They also included the updated link for the Complainant in their response. TRUSTe sent our final



resolution to the Complainant in under 2 weeks from their initial filing (but allowed the Complainant an additional 14 days in case they wished to respond; the Complainant did not write back).

Law (Excerpted from the United State’s 2012 Application to Join the APEC CBPR System):

The FTC enforces Section 5 of the FTC Act, 15 U.S.C. § 45, which prohibits unfair or deceptive acts or practices in or affecting commerce. An act or practice is deceptive if it is likely to mislead a consumer acting reasonably under the circumstances and is likely to affect a consumer’s conduct or decision regarding a product or service. An act or practice is unfair when it causes, or is likely to cause, substantial injury to consumers that (i) is not reasonably avoidable by consumers themselves; and (ii) is not outweighed by countervailing benefits to consumers or to competition. A company that joins the APEC CBPRs must publicly declare that it will comply with the CBPR program requirements and must make these program requirements publicly accessible. If the company fails to comply with any of these program requirements, its public representation of compliance may constitute an unfair or deceptive act or practice subject to Section 5 enforcement. If a company engages in any of the following practices it may violate Section 5 of the FTC Act, 15 U.S.C. § 45 and be subject to an enforcement action: a. Making a public representation relating to the notice requirements and failing to comply with the representation; b. displaying a seal, trustmark or other symbol on the company’s website or on any other of its own publicly available documentation that indicates that it participates in the APEC CBPRs and thus complies with the notice requirements and failing to comply; or c. causing the company’s name to appear on a list of companies that are certified for participation in the APEC CBPRs (e.g., lists on the websites of participating government authorities, privacy enforcement authorities, APEC-recognized Accountability Agents, or on an APEC website specifically dedicated to the operation of APEC Cross-Border Privacy Rules) thereby indicating that it complies with the notice requirements and failing to comply.

Discussion: The issues raised in this instance involve the following CBPR program requirement:

15. Subject to the qualifications described below, do you provide a mechanism for individuals to exercise choice in relation to the use of their personal information?

In addition to the Participant’s legal obligation to comply with its stated privacy practices under the FTC’s Section 5 authority, TRUSTe has the authority to enforce its program requirements against Participants through our Master Services Agreements (“MSA”), or our online Subscription and Services Agreement (“SSA”) and Assurance Services Addendum (“ASA”), either of which we require all clients to enter into before we begin the engagement (see Appendix F of TRUSTe’s 2019 APEC CBPR and PRP Application) unless we have negotiated with a particular Participant separate terms, which are comparable to those contained in the MSA or the SSA and ASA. This is reflected in the Company’s ASA, which states in relevant part in Section 4.2.1: “If participating in a TRUSTe Assurance Solution, Customer shall fully comply with the applicable Assurance Standards.” The Assurance Standards are defined in Section 2.1 of the ASA as: “the requirements, conditions, and other terms applicable to the Customer under an applicable TRUSTe Assurance Program or Assurance Solution.”

This case illustrates how TRUSTe Feedback and Resolution system facilitates an individual’s ability to unsubscribe, ensure a functioning unsubscribe link was made available, and to verify a Participant’s practices and procedures align with those required by the APEC-CBPR program requirements listed above. Ultimately, the Complainant’s request was successfully resolved using this process and no further action was required.



Case Note 3: Company certified under both APEC-CBPR and APEC-PRP programs

Citation:

Deletion request, 2020, TRUSTe US, Case Note 3

Facts:

Complainant informed TRUSTe that they were experiencing difficulty deleting their account and associated data with the Participant; the Complainant reported that they were required to call the Participant to make this request, that their native language was not supported, and that a support staff member said the deletion process could take up to 90 days. TRUSTe sent this report to the Participant 10 days after the Complainant filed their report with TRUSTe, and the Participant provided a full response to the report 12 days later. The Participant apologized for the inconvenience the Complainant experienced, and confirmed that the Complainant's data had been deleted. They also clarified the amount of time required for processing a deletion request was less than 90 days and consistent with GDPR requirements, and that they were taking measures to avoid similar misstatements by support staff in the future. They further clarified that a phone call was not required to request deletion, as they have forms and processes for deletion which may occur online. However, they committed to further investigate the Complainant's observation to ensure that proper procedures were being followed. The Complainant provided further comments, to which the Participant responded. TRUSTe then informed the Complainant that as there were no further items for which TRUSTe informed the Participant that we were closing the request in TRUSTe's system as there were no further action TRUSTe could require. This request took approximately 6 weeks to resolve.

Law (Excerpted from the United State's 2012 Application to Join the APEC CBPR System):

The FTC enforces Section 5 of the FTC Act, 15 U.S.C. § 45, which prohibits unfair or deceptive acts or practices in or affecting commerce. An act or practice is deceptive if it is likely to mislead a consumer acting reasonably under the circumstances and is likely to affect a consumer's conduct or decision regarding a product or service. An act or practice is unfair when it causes, or is likely to cause, substantial injury to consumers that (i) is not reasonably avoidable by consumers themselves; and (ii) is not outweighed by countervailing benefits to consumers or to competition. A company that joins the APEC CBPRs must publicly declare that it will comply with the CBPR program requirements and must make these program requirements publicly accessible. If the company fails to comply with any of these program requirements, its public representation of compliance may constitute an unfair or deceptive act or practice subject to Section 5 enforcement. If a company engages in any of the following practices it may violate Section 5 of the FTC Act, 15 U.S.C. § 45 and be subject to an enforcement action: a. Making a public representation relating to the notice requirements and failing to comply with the representation; b. displaying a seal, trustmark or other symbol on the company's website or on any other of its own publicly available documentation that indicates that it participates in the APEC CBPRs and thus complies with the notice requirements and failing to comply; or c. causing the company's name to appear on a list of companies that are certified for participation in the APEC CBPRs (e.g., lists on the websites of participating government authorities, privacy enforcement authorities, APEC-recognized Accountability Agents, or on an APEC website specifically dedicated to the operation of APEC Cross-Border Privacy Rules) thereby indicating that it complies with the notice requirements and failing to comply.

Discussion: The issues raised in this instance involve the following CBPR program requirements:

38. Do you permit individuals to challenge the accuracy of their information, and to have it rectified, completed, amended and/or deleted?



38.c) Do you make such corrections or deletions within a reasonable time frame following an individual's request for correction or deletion?

44. Do you have procedures in place for training employees with respect to your privacy policies and procedures, including how to respond to privacy-related complaints?

In addition to the Participant's legal obligation to comply with its stated privacy practices under the FTC's Section 5 authority, TRUSTe has the authority to enforce its program requirements against Participants through our Master Services Agreements ("MSA"), or our online Subscription and Services Agreement ("SSA") and Assurance Services Addendum ("ASA"), either of which we require all clients to enter into before we begin the engagement (see Appendix F of TRUSTe's 2019 APEC CBPR and PRP Application) unless we have negotiated with a particular Participant separate terms, which are comparable to those contained in the MSA or the SSA and ASA. This is reflected in the Company's ASA, which states in relevant part in Section 4.2.1: "If participating in a TRUSTe Assurance Solution, Customer shall fully comply with the applicable Assurance Standards." The Assurance Standards are defined in Section 2.1 of the ASA as: "the requirements, conditions, and other terms applicable to the Customer under an applicable TRUSTe Assurance Program or Assurance Solution."

This case illustrates how TRUSTe Feedback and Resolution system facilitates an individual's ability to have their personal information deleted within a reasonable timeframe, and to verify a Participant's practices and procedures align with those required by the APEC-CBPR program requirements listed above. Ultimately, the Complainant's request was successfully resolved using this process and no further action was required.