

# Annual APEC CBPR and PRP Dispute Resolution Report

Reporting Period: March 1, 2023 through February 29, 2024



## EXECUTIVE SUMMARY

This annual report of TrustArc Inc (“TrustArc”) 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. TrustArc provides certification and dispute resolution services under its TRUSTe brand.

From March 1, 2023 through February 29, 2024, 58 companies participated in one or both of TRUSTe’s APEC certification programs, a decrease from 65 that participated during the previous reporting period.

During the reporting period, March 1, 2023 through February 29, 2024, TRUSTe received a total 39 complaints broken down as follows:



**25 complaints against companies certified under both the TRUSTe APEC-CBPR and APEC-PRP programs, a decrease from 75 complaints received during the previous reporting period;**



**0 complaints against companies certified under only the TRUSTe APEC-CBPR program, an decrease from 150 complaints received during the previous reporting period; and**



**14 complaints against companies certified under only the TRUSTe APEC-PRP program, no change from 14 complaints received during the previous reporting period.**

The total number of complaints received during this reporting period is a 84% decrease from the last reporting period, with 51% of the complaints coming from individuals located in an APEC economy. The APEC economies that complaints originated from include Chinese Taipei, Mexico, and the United States. The remaining 49% of the complaints came from individuals that are located in countries outside of APEC. The decrease in complaints is attributed to a change in the types of companies participating in TrustArc’s APEC CBPR and PRP programs. There is a shift towards more business-to-business (B2B) companies participating, rather than companies with a larger consumer presence.

The complaints TRUSTe received concerned a number of APEC Principles, however, TRUSTe noted the largest number of complaints, 54%, 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. Even though the number of complaints we received has decreased, the majority of the complaints continue to



demonstrate that individuals are aware of their privacy rights wanting to exercise those rights or reach 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, 2023 through February 29, 2024, TRUSTe handled 25 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"> <li>● Complaints that fail to state a comprehensible issue or even a complete word (e.g. random typing such as “xyxyxy”);</li> <li>● When the complaint did not give TRUSTe permission to pass identifying information to the company in question; or</li> <li>● The complainant provided an invalid e-mail address, impeding investigation of that complaint.</li> <li>● Complainant withdrew the complaint.</li> <li>● Duplicate complaint.</li> <li>● No response from the complainant</li> </ul>	9
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	6
Personal information removed, account closed or credentials validated	1
<b>Total</b>	<b>25</b>

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:

- 11 of the 25 complaints came from individuals located in APEC economies
- 72% of the complaints were regarding a company’s compliance with an APEC Principle
- 14 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	1	Brazil	2	Account Access / Creation	3
Security Safeguards	3	Germany	1	Can't Change / Remove Personal Info	5
Access	5	Iraq	1	Help with Features / Functionality	1
Accountability	9	Jordan	1	Monetary / Billing / Transactional	3
Other	7	Kyrgyzstan	1	Shared Personal Info with Unauthorized Third Party	1
		Mexico*	2	Unable to Contact Participating Site <sup>1</sup>	9
		Nepal	1	Undefined e.g. Incomprehensible	3
		Nigeria	2		
		Pakistan	1		
		Spain	1		
		Saudi Arabia	1		

<sup>1</sup> TRUSTe requires complainants to first contact the APEC certified company to give the company a chance to resolve the issue before contacting TRUSTe. In many instances, the complainant will indicate on TRUSTe’s Feedback and Dispute Resolution submission form that they have not attempted to contact the company or contacted the company less than 24 hours prior to contacting TRUSTe. All APEC certified companies are required to include contact information in their privacy notice about how to contact them regarding privacy-related questions or issues.



		Turkey	1		
		United Kingdom	1		
		United States*	9		
<b>Totals</b>	<b>25</b>	<b>Totals</b>	<b>25</b>	<b>Totals</b>	<b>25</b>

Table 2

### II. Complaint Statistics: APEC-CBPR Certified Companies

From March 1, 2023 through February 29 2024, TRUSTe handled zero (0) Dispute Resolution complaints against companies that have only been certified under the APEC-CBPR program.

### III. Complaint Statistics: APEC-PRP Certified Companies

From March 1, 2023 through February 29 2024, TRUSTe handled 14 Dispute Resolution complaints against companies that have only been certified under the APEC-PRP 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"> <li>Complaints that fail to state a comprehensible issue or even a complete word (e.g. random typing such as “xyxyxy”);</li> <li>When the complaint did not give TRUSTe permission to pass identifying information to the company in question; or</li> <li>The complainant provided an invalid e-mail address, impeding investigation of that complaint.</li> <li>Duplicate complaint</li> <li>No response from the consumer</li> </ul>	4
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>	6



Consumer education by TRUSTe	3
Response Obtained but No Changes Required	1
<b>Total</b>	<b>14</b>

Table 3

Table 4 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:

- 9 of the 14 complaints came from individuals located in APEC economies
- 71% of the complaints were regarding a company’s compliance with an APEC Principle
- 7 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	3	Afghanistan	1	Account Hacked / Disabled / Suspended	3
Accountability Mechanisms	7	Cambodia	1	Can't Change / Remove Personal Info	3
Other	4	Chinese Taipei*	1	Help with Features / Functionality	1
		Germany	1	Monetary / Billing / Transactional	1
		India	1	Unable to Unsubscribe	1
		Italy	1	Unable to Contact Participating Site <sup>2</sup>	3
		United States*	8	Undefined e.g. Incomprehensible	2
<b>Totals</b>	<b>14</b>	<b>Totals</b>	<b>14</b>	<b>Totals</b>	<b>14</b>

Table 4

<sup>2</sup> TRUSTe requires complainants to first contact the APEC certified company to give the company a chance to resolve the issue before contacting TRUSTe. In many instances, the complainant will indicate on TRUSTe’s Feedback and Dispute Resolution submission form that they have not attempted to contact the company or contacted the company less than 24 hours prior to contacting TRUSTe. All APEC certified companies are required to include contact information in their privacy notice about how to contact them regarding privacy-related questions or issues.

## 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 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 an anonymized case note for one of the complaints where the certified company may have been required to make a change in its data, 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 both APEC-CBPR and APEC PRP programs

**Citation:**

Disable account request, 2024, TRUSTe US, Case Note 1

**Facts:**

The Complainant asked to have their account disabled so nobody can log into it. The next day TRUSTe requested additional information from the Complainant, including the correspondence with the Participant. The Complainant provided the requested information the same day. Two days later, TRUSTe notified the Participant and followed up for a response. The Participant responded that they do not have a mechanism to disable an account still in retention but researched it further; 57 days after initial notification of the site by TRUSTe, the Participant offered the consumer to replace the email address with a generated non-functional address that would be inaccessible by anyone. The Complainant replied the next day agreeing with this approach. The Participant acknowledged and said the change was in progress. The Complainant was notified that the change was completed and the request was closed. Time to resolve: 145 days.

**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? Describe your applicant's policies/procedures in this regard below and answer questions 37 (a), (b), (c), (d) and (e)*

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

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 Assurance Services Addendum ("ASA"), which we require all clients to enter into before we begin the engagement (see Appendix F of TRUSTe's 2022 APEC CBPR and PRP Application) unless we have negotiated with a particular Participant separate terms, which are comparable to those contained in the ASA. This is reflected in the Company's ASA, which states in the 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 exercise their right to have their personal information deleted or account deactivated, and to verify a Participant's practices and procedures align with those required by the APEC-CBPR program requirements listed above. The Participant responded by deactivating the account using a non-functional email address as agreed to by the Complainant after verifying the Complainant's request. The complaint was closed after TRUSTe forwarded the Participant's response to the Complainant.