

FLOOR ALERT

SB 362 (Becker) – OPPOSE

“The Delete Act,” would delete consumer data without consumer protections!

Is it a Consumer, Authorized Agent, or Fraudster? SB 362 does not provide any protections to determine if it is a consumer that is requesting deletion or a fraudster. Without guardrails, any entity can claim to be an authorized agent and defraud consumers. Data brokers provide services to every type of industry and government agencies. Unauthorized deletion could significantly impact a consumer.

It Creates Significant Competition Issues and Empowers Large Tech Companies. The deletion mechanism under SB 362 would apply only to registered data brokers, which does not include the largest data brokers (social media platforms and search engines). The government mechanism would create a business environment that allows companies to drive mass deletion requests against direct competitors. The bill provides no restrictions, creating an uneven regulatory environment and empowering organizations that don't register with the state. Consumer privacy rights should be based on data use, not a particular business model.

Deletion without Education. SB 362 creates an indiscriminate deletion button without educating the consumer on the consequences of that data deletion. Consumers already have the right under the CCPA to request a business to delete their personal information. Consumer privacy rights require a fully informed choice.

SB 362 Undermines Consumer Fraud Protections. Fraud prevention for credit cards, financial institutions, and online merchants, relies heavily on data provided by data brokers to verify customers, including through tools like knowledge-based authentication. If this information is deleted, companies can't use it to verify a customer or detect likely fraudulent activity, making it easier for fraudsters to use the deletion mechanism to harm consumers.

Consumers and Small Businesses Pay the Price. Small businesses rely on data brokers to help grow their business, compete with larger companies, and serve consumers. When services used to engage with consumers are removed, small businesses are forced to use services provided by technology platforms not covered by the legislation. This increases cost for small business to reach consumers and reduces the ability for consumers to find relevant services.