



**LANTERN**  
BY LABATON

# CONSUMER ALERT

## FREE PERSONAL FINANCE APPS AND YOUR CREDIT INFORMATION – WHAT YOU NEED TO KNOW

In the era of digital finance, free personal finance and budgeting apps like those utilizing powerful analytics technology such as Plaid have become popular tools to manage money and track spending. However, concerns have arisen regarding the handling of your sensitive financial data by these services, particularly in relation to sharing consumer credit information with third-party loan companies.

The Fair Credit Reporting Act (FCRA) has set stringent guidelines for entities that furnish consumer credit information, to ensure that consumers' financial information is accurate and private. The FCRA requires furnishers to provide complete and accurate information to credit reporting agencies, investigate consumer disputes forwarded by the credit reporting agencies, and correct and update information as necessary. However, there are concerns that some personal finance apps may not be taking the necessary precautions as required by the FCRA when sharing consumer credit information.

### Sharing credit information without these precautions may lead to:

1. **Inaccurate Information.** Without FCRA-compliant checks and balances, there's an increased risk that inaccurate credit information might be shared, which could negatively impact your credit score and ability to secure loans.
2. **Privacy Violations.** Sharing sensitive credit information with third parties without proper consent or safeguards can lead to privacy violations.

3. **Unwanted Marketing.** Your credit information could potentially be used for targeted advertising by loan companies, which can lead to unsolicited marketing communications.

### To protect your financial information, consider the following steps:

1. **Read the Fine Print.** Before using a personal finance app, carefully review its privacy policy and terms of service. Understand how your data may be used, stored, and shared.
2. **Limit Information Sharing.** If the app allows, opt out of data sharing with third parties or limit it as much as possible.
3. **Monitor Your Credit.** Regularly review your credit reports for any inaccuracies. If you find any, dispute them directly with the credit reporting agencies and the furnisher of the information.
4. **Seek Legal Advice.** If you suspect your rights under the FCRA have been violated, consider seeking legal advice.

In conclusion, while personal finance apps can be valuable tools, it's important to understand the potential privacy risks and take proactive steps to protect your financial information. Remember that you have rights under the FCRA, and you can hold companies accountable to ensure they respect these rights.



Labaton Sucharow's lawyers are available to address any questions you may have regarding these developments. Please contact the Labaton Sucharow lawyer with whom you usually work or the contacts below.

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