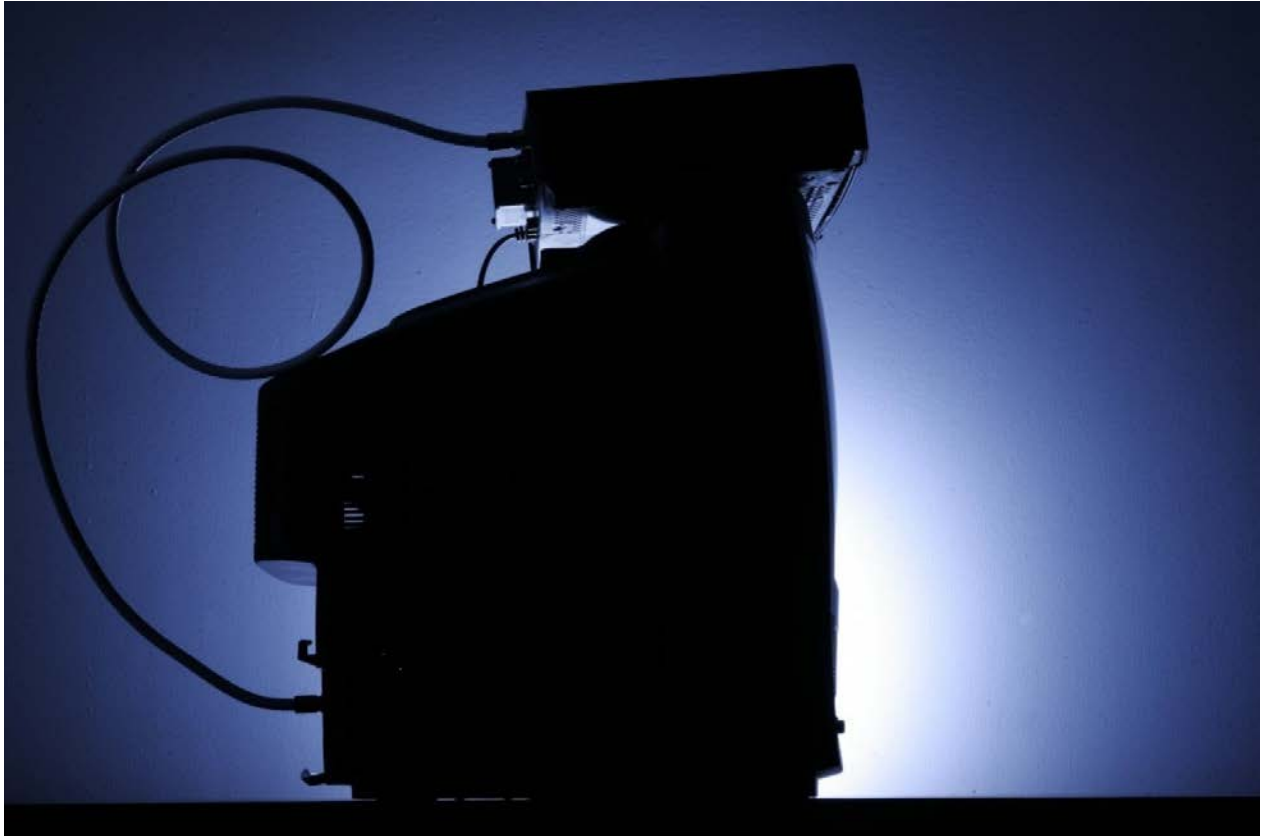


# These smart TVs were apparently spying on their owners

By [Hayley Tsukayama](#) February 6, 2017, Washington Post



Is your TV watching you, too? (Matt Rourke/AP)

The Federal Trade Commission said Monday that Vizio used 11 million televisions to spy on its customers. The television maker agreed to pay \$2.2 million to settle a case with the FTC and the New Jersey attorney general's office after the agencies accused it of secretly collecting — and selling — data about its customers' locations, demographics and viewing habits.

With the advent of “smart” appliances, customers and consumer advocates have raised concerns about whether the devices could be sending sensitive information back to their manufacturers. The FTC says the Vizio case shows how a television or other appliance might be telling companies more than their owners are willing to share.

“Before a company pulls up a chair next to you and starts taking careful notes on everything you watch (and then shares it with its partners), it should ask if that’s O.K. with you,” Kevin Moriarty, an attorney with the FTC's Division of Privacy and Identity Protection, wrote in a blog post. “Vizio wasn’t doing that, and the FTC stepped in.”

**As part of the settlement, Vizio neither confirmed nor denied wrongdoing.**

“Today, the FTC has made clear that all smart-TV makers should get people’s consent before collecting and sharing television viewing information, and Vizio now is leading the way,” Vizio's general counsel, Jerry Huang, said of the settlement.

Although some consumers might not recognize the name Vizio, most have probably watched something on a Vizio television. The Irvine, Calif.-based firm, which Chinese firm LeEco recently announced it would buy, is the most popular TV maker in the United States. With 20 percent of the U.S. market, it made about 1 in 5 TVs sold here in 2016. LeEco has broad ambitions in the consumer space, with businesses that also produce a Netflix-style media service, smartphones and even cars.

According to the lawsuit, Vizio was literally watching its watchers — capturing “second-by-second information” about what people viewed on its smart TVs. That included data from cable, broadband, set-top boxes, over-the-air broadcasts, DVDs and streaming devices. Vizio also is accused of linking demographic information to the data and selling the data — including users' sex, age and income — to companies that do targeted advertising.

Vizio said in its statement that it never paired viewing information with data that identified individual users but used viewing data only in “the ‘aggregate’ to create summary reports measuring viewing audiences or behaviors.”

The U.S. District Court for the District of New Jersey ordered Vizio to pay \$1.5 million to the FTC and \$1 million to the New Jersey attorney general's office; Vizio won't have to pay \$300,000 of that unless it violates the order in the future.

The part of the settlement paid to the FTC reflects the amount that Vizio probably made from collecting and selling the customer information. Vizio will delete all the data it collected through the feature before March 2016. It must also prominently display its data collection and privacy policies to consumers and create a program to make sure its partners follow those policies.