

GAO Highlights

Highlights of [GAO-22-104527](#), a report to the Chairwoman, Subcommittee on Research and Technology, Committee on Science, Space, and Technology, House of Representatives

Why GAO Did This Study

The growing use of consumer scores to make decisions affecting consumers has raised questions among some in Congress and others about their usage and potential risks. Scores are generated using various pieces of information about consumers, which can include public data. Some may derive from complex methodologies using technologies such as artificial intelligence.

GAO was asked to review how predictive consumer scores are used and regulated. This report examines (1) how such scores are used, (2) the potential risks to consumers, and (3) federal consumer protections for scores. The review is focused on selected types of scores, some of which may fall outside of the Fair Credit Reporting Act. GAO analyzed publicly available information from the websites of a nongeneralizable sample of 49 consumer scores, selected based on literature reviews and stakeholder interviews; reviewed studies by academics and consumer advocates; interviewed score creators, industry organizations, consumer advocates, and federal officials; and reviewed applicable laws and regulations.

What GAO Recommends

Congress should consider implementing appropriate consumer protections for consumer scores beyond those currently afforded under existing federal laws. Among the issues that should be considered are the rights of consumers to view and correct data used in the creation of scores and to be informed of scores' uses and potential effects.

View [GAO-22-104527](#). For more information, contact Alicia Puente Cackley at (202) 512-8678 or cackleya@gao.gov.

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CONSUMER PROTECTION

Congress Should Consider Enhancing Protections around Scores Used to Rank Consumers

What GAO Found

Consumer scores are indicators that group consumers based on their past actions and characteristics. Score creators use public records and nonpublic information such as purchase histories to create scores. Businesses and other entities use these scores to segment or rank individuals to predict how they will behave in the future. For example, businesses use certain scores to target advertising toward consumers most likely to purchase a particular product or service. Consumers may benefit from such scores by receiving targeted discounts or deals that they might not have otherwise received. Consumer scores have a variety of uses, although the full range of uses is unknown. GAO identified a number of score uses, including those in the figure below.

Selected Ways That Consumer Scores Are Used

Score use	Definition and examples
Marketing 	Scores that are designed to group consumers based on various demographic and socioeconomic factors, among others. Companies use these scores to target advertisements for financial or other products, allocate customer service resources, provide individualized pricing, and conduct other marketing activities.
Health care administration 	Scores that assess an individual's health status or history. Health systems, including hospitals and other companies, use these scores to help triage patients, develop billing plans that are suited to patient needs, and identify patients with complex health needs who require additional medical attention, among other things.
Higher education 	Scores that assess potential students' enrollment likelihood, financial need, and likelihood of success at the institution. Higher education institutions use the scores to inform strategies for marketing, financial aid, and student retention.

Source: GAO analysis. | [GAO-22-104527](#)

The risks that consumer scores can pose include potential bias and adverse effects, and the scores generally lack transparency. The data used to create scores may contain racial biases—for example, one study found Black patients were assigned lower risk scores than White patients with the same health care needs, predicting less of a need for a care management program. The use of consumer scores can also have potential negative outcomes for some consumers, who may be charged higher prices or targeted for less desirable financial products. Further, consumers are generally unaware of the ways in which they are scored—which prevents them from knowing how their personal information is being used and responding to negative consequences.

No federal law expressly governs the creation, sale, and use of all consumer scores. Federal consumer protection laws can help to ensure that consumer scores are based on accurate information and used in a fair and transparent manner, but these laws only apply in certain circumstances. For example, whether a law applies to a particular score may depend on the information used to create the score, the source of the score, or the purpose for which the score is used. Without congressional consideration of whether consumer scores should be subject to additional consumer protections, consumers may continue to be at risk of being adversely affected by the use of these scores and may have limited options for recourse.