

In the Matter of

GENERAL MOTORS LLC, a limited liability company;

GENERAL MOTORS HOLDINGS LLC, a limited liability company; and

ONSTAR, LLC, a limited liability company .

DOCKET NO.

COMPLAINT

The Federal Trade Commission, having reason to believe that General Motors LLC, a company organized under the laws of the State of Michigan, and General Motors LLC is engaged in unfair or deceptive acts or practices in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 57, and 16 C.F.R. § 312.2, and that Onstar, LLC, a company organized under the laws of the State of Michigan, and Onstar, LLC is engaged in unfair or deceptive acts or practices in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 57, and 16 C.F.R. § 312.2, and that General Motors LLC and Onstar, LLC are jointly and severally liable for such acts or practices, and that the principal office or place of business of General Motors LLC and Onstar, LLC is located at 300 Renaissance Center, Detroit, Michigan 48226-1652.

4. Respondents have operated as a common enterprise while engaging in the unlawful acts and practices alleged below. Respondents have conducted the business practices described below through interrelated companies that have common ownership. Because Respondents have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below.

5. Respondents manufactured, advertised, and distributed vehicles in the United States, including vehicles under the Chevrolet, GMC, Cadillac, and Buick brands (collectively, “GM-branded” vehicles), to GM-authorized dealerships that were then sold to consumers for their own personal use. Respondents offer connected car products and services for their GM-branded vehicles under the OnStar brand. Respondents sell or otherwise disclose consumer driving data, including precise geolocation data, obtained from the GM-branded vehicles to third parties.

6. The acts and practices of Respondents alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.

### **Respondents’ Business Practices**

7. Cars are ubiquitous in the daily lives of Americans. Millions rely on personal vehicles to drive their children to school, commute to work, obtain healthcare, practice religious worship, meet with romantic partners, exercise political expression, and connect with their community. For many, driving is not just a necessity but an American pastime. Driving one’s own car affords freedom of movement within a personal space.

8. While today’s connected cars offer conveniences that were unheard of thirty years ago, such as navigation and lane departure warnings, the “always-on” connectivity also enables car manufacturers like Respondents to amass huge volumes of data about people and their driving habits, including sensitive location data, that can be sold to third parties. This use and disclosure threaten consumers’ privacy and financial welfare.

9. Respondents told consumers the driving data they collected from consumers would be used for the consumers’ own assessment of their driving habits. However, Respondents used their tracking technology to sell precise geolocation data and consumer driving behavior data without consumers’ consent. As a result of these practices, consumers have experienced loss of auto insurance, unexpected increases in insurance premiums, as well as the loss of privacy about sensitive locations they visit and their day-to-day movements.

### **OnStar Connected Services**

10. In 1996, Respondents began offering a connected car feature in their GM-branded vehicles called OnStar. Initially, the OnStar module within a vehicle could connect the driver to an OnStar representative who could relay information to first responders in an emergency. OnStar connected services later expanded to include such features as hands-free voice assistance and real-time traffic and navigation. While some OnStar features were included in a basic

involving recurring subscriptions or negative option offerings. Over time, Respondents have offered the basic OnStar connected services plan as a free trial or for a free, often multi-year, service period. For purchasers of model year 2025 GM-branded vehicles, an offer of basic OnStar connected services plan for

*offer financing for the purchase or lease of GM vehicles or usage based insurance providers)* (emphasis in original).

16. The May 2018 Privacy Statement does not present the collection, use, and sharing disclosures in a form that would allow a consumer to understand the invasiveness of the data collection and sharing (precise geolocation tracking every 3 seconds, *see* Paragraph 28, *infra*), the identities of the entities with which the data would in fact be shared, or the purposes for which the data would be used. In addition, a consumer would reasonably understand this policy to mean that additional user consent or authorization would be collected for sharing a consumer's driving information for marketing activities or uses related to third-party services. Subsequent revisions to the Privacy Statement presented the information in similar fashion until September 2024. Consequently, from May 2018 to September 2024, consumers were asked to give their consent to the collection, use, and disclosure of their data with incomplete information.

17. In a section entitled "Your Choices," the May 2018 GM Privacy Statement also indicated:

In addition, some collection and sharing practices are tied to the products and services we offer. To stop the collection or sharing of some information, you may have to decline those products and services or be willing to accept limited functionality.

18. The May 2018 GM Privacy Statement did not further explain what

Driver *and* to receive safety and diagnostic alerts about the vehicle. On this screen, Respondents did not give consumers the choice to consent to one feature and not the other.

21. Consumers were given the following information about the OnStar Smart Driver features on the second screen:

22. On this screen, Respondents also provided the following information about their use OnStar Smart Driver data:

Notably, the Respondents failed to state in these consent screens that consumers' data will not just be used internally but shared with and sold to third parties (namely, consumer reporting agencies). They also failed to disclose the names of the third parties or the purposes for which the data collected, used or retained. *See* Paragraphs 38 to 48, *infra*.

23. Adding to the impression that the data is collected to support the consumer's driving experience, the second screen offered consumers a safety and diagnostics notification feature that is separate from and unrelated to the OnStar Smart Driver feature. This feature offered notification of maintenance and performance issues, including low tire pressure and oil change alerts, and theft alarm notification. It instructs consumers: "[O]pt[ ] into notifications that will keep you informed on services that need your attention. But first, we need your permission to send them." But any consumer who opted into the notifications feature had to also enroll in the OnStar Smart Driver feature, because the second screen only offered a single "Accept" or "Decline" radio button.

24. Indeed, Respondents instructed GM-authorized dealers to describe the OnStar Smart Driver feature as a type of notification for vehicle maintenance, with statements like, "On the

These are notifications for services to help you maintain and monitor your vehicle's health, like Smart Driver, Vehicle Diagnostics & Alerts, Theft Alarm Notifications, Data usage, and Dealer Maintenance Notifications." Respondents' talking points were misleading because the OnStar Smart Driver feature was not related to vehicle maintenance or vehicle health at all.

25. Until at least late April 2024, the third screen in the enrollment process was entitled "Confirm customer information," which included a summary of the account, vehicle, and plan information, along with the consumer's enrollment preferences and a list of terms the consumer has accepted. With respect to enrollment preferences, the summary listed "Notifications," presumably referring to the safety and diagnostics notification feature disclosed on the second screen but did not mention the feature it was coupled with on the second screen: OnStar Smart Driver. The summary also did not include the OnStar Smart Driver terms on the list of terms that the consumer had agreed to as part of OnStar enrollment. Therefore, even if consumers received a printout of the summary to review after they left the dealership, they would not have known that they had opted into receiving notifications *and* signed up for a completely separate feature, OnStar Smart Driver.

26. As a result of Respondents' OnStar enrollment process, many consumers were unaware they had s (s)-1s, -32.47 -1.15cests' OnSr-32.sdr (um)-oee disclolo ( O ) ( O]TJ0 Tc 0 Tw 25c)4 (ons)-eeefice a (

29. Since at least 2019, Task has also collected persistent vehicle identifier, which linked the precise geolocation data to a particular Vehicle Identification Number (“VIN”). This accompanying data could be used to associate a single vehicle to multiple trips

30. Respondents initially created Task A on a select number of vehicles for internal purposes. By 2018, however, Respondents were focused on external data monetization as the primary purpose for Task A data collection as referenced in Respondents’ internal privacy impact assessments for Task A. Over time Respondents expanded the number of vehicles upon which Task A is enabled from around 500,000 vehicles to approximately nine million as required by one third-party contract.

31. Once the Task A data collected from the OnStar modules and transmitted to Respondents’ storage system, the data most instantly transferred to third parties. In 2018, Respondents entered into a contract to license Task A data to Wejo Ltd. (“Wejo”), a United Kingdom-based connected car data company, and the agreement continued until Wejo bankruptcy. Wejo’s assets were sold to Jacobs Engineering Group, Inc. (“Jacobs”), a Texas-based consulting company, on January 3, 2024. That same day, Jacobs entered into an agreement with Respondents to license Task A data.

32. Respondents allowed Wejo and later Jacobs to license Respondents’ Task A data to other entities with Respondents’ approval, called egress licenses for transportation planning, infrastructure construction and management, outdoor advertising analytics, and retail and real estate location planning, among other uses. At one point, Respondents amended their contract with Wejo to allow Wejo’s egress licensees to also receive Respondents’ data about what radio station a consumer was listening to in their car. Indeed, under the terms of the contracts with third parties Respondents knew and approved each egress licensee to whom Wejo and Jacobs had licensed Respondents’ data. However, Respondents did not disclose information about specific egress licensees to consumers.

33. Moreover, consumers were never informed whether their GM-branded vehicles were among the nine million vehicles from which Respondents collected and sent Task A data to Wejo or Jacobs. Indeed, the OnStar Terms and Respondents’ Privacy Statement did not inform consumers that their precise geolocation data would be sold to third parties, licensed to other entities with whom the third parties had their own relationships, used for the specific purposes carried out by Wejo and Jacobs.

34. It was only in late September 2024 that Respondents updated their Privacy Statement to notify consumers that, with respect their precise geolocation information:

[w]e may disclose precise Geolocation Information collected from connected vehicles to our affiliates and the following categories of third parties for the following limited purpose . . . Affiliates or third parties for research and development purposes (such as university research institutes for improving highway safety)

However, none of these “limited” purposes indicated that Respondents sold consumers’ precise geolocation data to companies that licensed the data to other companies that use the data for

purposes other than what was disclosed



including name, address, and persistent identifiers, which included the VIN, together with driving data including trip ID, mileage, hard braking, acceleration, and speed events over 80 miles per hour (“mph”).

39. In August 2019, Respondents entered into a contract with consumer reporting agency Lexis Nexis Risk Solutions, Inc. (“Lexis Nexis”) for Respondents to furnish driving event data collected from GM-branded vehicles leased or owned by consumers who were enrolled in

average miles per gallon and miles per hour, *in order to provide you with your driving activity information*” (emphasis added). In the same communication, Respondents stated that participating in OnStar Smart Driver “is not intended as an assessment of your compliance with driving laws or guidelines.” This







