

Lyft Wins Background Check Class Action Claim

Insights

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Apparently, even a “no decision” decision by the U.S. Supreme Court can still establish precedent.

Relying on a Spring 2016 SCOTUS decision, a federal magistrate judge in California dismissed a proposed class action lawsuit by a driver against the ride-sharing company, Lyft, Inc., which had alleged privacy violations of the Fair Credit Reporting Act. Magistrate Judge Joseph C. Spero ruled on Wednesday, October 5, 2016 that the driver, Michael Nokchan, lacked “standing” – the right to sue – guaranteed under Article III of the U.S. Constitution, because he could not demonstrate he suffered “concrete harm” as a result of Lyft’s manner of conducting background checks on job applicants.

In so ruling, Judge Spero followed the SCOTUS decision in May 2016 in the case of *Spokeo v. Robins*. In that case, Thomas Robins filed a class action suit against Spokeo, Inc., an online assembler of information about individuals, alleging Spokeo published inaccurate information about Robins on its website. His suit sought to include in the claim other individuals who also felt Spokeo published false information about them on its website.

SCOTUS ruled by a 6-2 vote, months after the untimely death of Justice Antonin Scalia, that Robins did not have standing to sue Spokeo because he could not demonstrate he suffered a real or “concrete” injury as a result of the inaccurate information having been published.

In *Nokchan v. Lyft, Inc.*, Nokchan alleged in his putative class action claim, filed in June 2015, that Lyft had committed a technical violation of the Fair Credit Reporting Act by failing to provide him a disclosure of his rights to request copies of his credit check and background report.

But, citing *Spokeo*, Judge Spero ruled that Nokchan failed to meet his obligation to show that his injury was “concrete and real,” because he did not allege he suffered any real harm because he did not receive the required disclosures or a summary of his rights. Nokchan actually was hired as a driver by Lyft, and still drives for them today.

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