

RETAIL

Saks subject to data breach as Neiman Marcus settles 2013 credit card leak

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Image courtesy of Saks Fifth Avenue

By STAFF REPORTS

Department store chains Saks Fifth Avenue and Neiman Marcus have discovered the importance of safeguarding consumers' data in two separate cases.

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Saks is the latest high-end brand to have a data breach, while Neiman Marcus has agreed to settle with those affected by a 2013 credit card information leak. As ecommerce becomes more of a common practice for affluent consumers making high-end purchases, cybersecurity measures will need to be a priority for luxury brands.

Security check

On March 20, it was reported by BuzzFeed News that Saks Fifth Avenue stored sensitive consumer data in plain text on its servers. The data of tens of thousands of consumers are said to be on the servers without encryption protection.

Although there was no payment information found, the servers housed consumers' email addresses, phone numbers, IP addresses and the skews of products purchased. If credit card information had been breached, and the personal data was readily found, hackers could have easily committed identity fraud of the listed consumers.

In its report, BuzzFeed News found that Saks' sites are inconsistent in terms of Web encryption. For example, the login page may be secure, but others such as a product page may not be, making it possible for someone on the same local network to access unencrypted Web traffic to compromise an account.

Hudson's Bay Company, Saks' parent company, has removed the information while it works on a better protected solution. The retail conglomerate has acknowledge that only "some email addresses" were affected.

There is currently no evidence that hackers made off with Saks consumers' data, and the breach does not affect HBC-owned Gilt or Lord & Taylor.



Image courtesy of Neiman Marcus

Also on March 20, Neiman Marcus reached a settlement agreement with consumers who may have had their credit card details breached between July and October 2013. The data breach likely exposed the information of approximately 350,000 consumers during that time frame ([see story](#)).

Neiman Marcus Group settled with consumers at an Illinois federal court for \$1.6 million. U.S. residents who shopped using their credit or debit card at Neiman Marcus, Bergdorf Goodman, Cusp or Last Call during the four month period will be sent retribution.

Consumers will only receive payment from the class action lawsuit if they are willing to provide proof that their financial information was subject to a breach. Consumers will be paid up to \$100 in payment from the settlement.

In a twist of irony, HBC is rumored to be in talks to purchase the debt-ridden Neiman Marcus.

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