Storing customer ZIP codes violates California law

By Denny Walsh and Rick Daysog, Sacramento Bee

Consumer advocates were celebrating, and retailers were shocked Thursday, when the California Supreme Court declared that state law bars a merchant from asking for a customer's ZIP code and recording it as part of a credit card purchase.

As part of an address, a ZIP code qualifies as personal identification information, so when a merchant asks a customer for it and records it as part of a transaction, that violates California's Credit Card Act, the high court ruled.

The unanimous 17-page opinion outlaws the widespread practice and strikes down an appellate court's 2009 decision.

The defendant, high-end household goods giant Williams-Sonoma Stores Inc., offers no reason that would justify departing from the "statute's plain language, protective purpose and legislative history," the court concluded.

Through both its attorney and its marketing vice president, San Francisco-based Williams-Sonoma declined to comment.

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