

3rd Circ. Says Financial Services Rule Thwarts Privacy Suit

By **P.J. D'Annunzio**

Law360 (May 12, 2026, 4:47 PM EDT) -- The Third Circuit declined to reinstate class claims made by a group of John Hancock customers from Illinois accusing Amazon Web Services Inc. and Pindrop Security Inc. of collecting consumers' voice data without their consent, ruling Tuesday that exemptions under Illinois and federal law applied.

A three-judge panel ruled in a precedential opinion that Pindrop is considered a "financial institution" under that state's Biometric Information Protection Act and the federal Gramm-Leach-Bliley Act, which makes it exempt from privacy suits over biometric data collection. The panel also held that the lower court properly granted summary judgment in favor of Amazon, upholding its ruling that the plaintiffs failed to show that the company collected their data

The class members alleged that Amazon's call center, Amazon Connect, unlawfully collected consumers' voice data while processing customer phone calls for the insurance company John Hancock, in violation of Illinois law. They also sued Pindrop, which offers customer verification services for those calls.

U.S. Circuit Judge Stephanos Bibas, sitting by designation in Delaware federal court, dismissed the suit. The class members brought up multiple arguments on appeal, chiefly that Pindrop was not a financial institution. However, U.S. Circuit Judge David J. Porter, writing the opinion for the panel, said that Pindrop's work for John Hancock put it in the financial services sector under BIPA.

"Pindrop contends — and plaintiffs concede — that Pindrop engages in authentication services for John Hancock's customers conducting financial transactions. Because these authentication services fall squarely within BIPA's incorporated definition of 'financial activities,' Pindrop is exempt from BIPA," the panel said.

The plaintiffs also argued that the lower court wrongly rejected their request for more time to conduct discovery, making it "impossible" to find crucial evidence during what at that time had been four years of litigation, the panel said.

But the lower court repeatedly warned the parties to move discovery along promptly, the opinion said, and to only ask for "narrowly-tailored" extensions.

"Plaintiffs disregarded the district court's repeated warnings about time management in extension requests, and the district court did not abuse its discretion by denying plaintiffs' motions under these circumstances," it said.

Attorneys for the parties did not respond to requests for comment Tuesday.

U.S. Circuit Judges David J. Porter, Tamika Montgomery-Reeves and Emil J. Bove sat on the panel for the Third Circuit.

The class members are represented by Andrew D. Schlichter and Sean E. Soyars of Schlichter Bogard LLC.

Amazon is represented by Elizabeth B. Herrington, Jody C. Barillare, Michael E. Kenneally, Ari M. Selman, Jordan McCrary and Kyle Nodes of Morgan Lewis & Bockius LLP.

Pindrop is represented by Diana M. Torres, George W. Hicks Jr. and Andrew B. Bloomer of Kirkland & Ellis LLP.

The case is McGoveran et al. v. Amazon Web Services Inc., case number 24-3215, in the U.S. Court of Appeals for the Third Circuit.

--Additional reporting by Jack McLoone and Rachel Scharf. Editing by Adam LoBelia.