

DATA PRIVACY & GOVERNANCE HUB

Lawsuit Filed Against Netflix Over Data Privacy

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Key Takeaways

- The Texas Attorney General filed a lawsuit against Netflix for collecting and profiting from users' data without their knowledge or consent.
- The petition claims that Netflix gathers large amounts of behavioral data on users and monetizes it by sharing it with advertisers and commercial data brokers.
- This case, if true, calls for mandatory disclosure requirements, design transparency, and data minimization standards to strengthen accountability between platforms and consumers.

What Happened

On May 11, Texas Attorney General Ken Paxton [filed](#) a lawsuit against Netflix, one of the largest streaming services, for spying on children and collecting user data without their knowledge or consent.

The state is seeking civil penalties and data deletion, including limits on targeted advertising.

A Netflix spokesperson stated that this lawsuit does not [hold](#) any merit and is based on inaccurate information, describing how the company takes user privacy very seriously and is compliant with all privacy laws where the service is available.

Privacy and Governance Concerns

The Attorney General [stated](#) that although Netflix claims to be ad-free and kid-friendly, it is misleading consumers and using their data for profit. His petition alleges that the platform

intentionally tracked and logged users' viewing habits, preferences, devices, household networks, application usage, and other behavioral data, treating every interaction as its own unique data point.

The lawsuit claims that these practices violated the [Texas Deceptive Trade Practices Act](#), and that Netflix shares the collected data with advertisers and commercial data brokers. The filing also claims that the [autoplay](#) feature is designed to be intentionally addictive for users, particularly for kids, and is implemented to maximize screen time and generate additional data on behavior.

If true, this case highlights a gap in consumer protection where platforms can collect massive amounts of behavioral data with minimal transparency or consumer awareness. The autoplay feature also showcases the lack of clear regulatory oversight on design features that are intended to manipulate behavior.

Why It Matters / Policy Considerations

Mandatory disclosure of data collection practices would increase transparency and accountability, mandating companies like Netflix to clearly explain to consumers what data is being collected, how it is used, and who it is shared with.

Additionally, the disclosure of design tactics would give users the purpose behind certain features - like autoplay - that are engineered for engagement and data purposes, not just user ease. Data minimization standards would also be beneficial by providing legal requirements to only collect necessary data, rather than all data possible, to maximize profits.