

Rich Lofgren and MegaCredit

Associate Professor [Espen Andersen](#) of [The Norwegian School of Management \(BI\)](#) prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. Copyright © 2002 [Espen Andersen](#) and [The Norwegian School of Management](#). May be freely used for teaching purposes as long as this notice is not removed. Comments to [Espen Andersen](#).

Richard (Rich) Lofgren, a successful computer consultant living in Lexington, Massachusetts, was working in his home office one August afternoon when the telephone rang. The caller identified himself as a customer service representative from MegaCredit, one of the world's most well known credit card companies, of whom Lofgren was a customer. He asked for Ms. Lofgren (who was also a customer, with a card linked to their common account, which was in Rich Lofgren's name.) Lofgren replied that she was out shopping. The caller then asked whether she was all right. When Lofgren replied that, as far as he knew, she was just fine, the following conversation took place:

MC: I don't know how to put this properly, Sir, but is everything all right between you and Ms. Lofgren?

RL: Yes—but why on earth are you asking a question like that?

MC: Well, over the last three hours, a number of transactions occurred on your wife's credit card. These transactions form a pattern, a pattern that in our experience is associated with an imminent marital breakdown.

RL: What do you mean...what kind of pattern?

MC: The credit card has been used to make substantial purchases in some of Boston's most exclusive luxury stores. When this happens, we flag this as a warning and call the store. We talked to Ms. Lofgren and she confirmed the purchases. However, the pattern continues, so the computer system alerted us to call the owner of the card.

RL: Aaahhh I think I know what this is. My sister-in-law is visiting. She lives abroad, in a third world country, and mentioned that she wanted to buy a number of nice things to take back there. My wife is in town with her, and they must have decided to use my wife's credit card.

MC: I see. Well, in that case, I apologize for disturbing you. You see, in our experience, charges like these often end up being disputed, and we have a hard time getting them covered.

RL: Right. Well, bye then.

MC: Bye, Sir.

As he rang off, Rich Lofgren leaned back, and started to think. Was this a case of excellent customer service or the most flagrant invasion of privacy he had ever experienced?