

Ancestry.com Faces \$250M Auto-Renewal Suit

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Subscription plans that automatically renew at the end of a term are becoming more popular with companies. They're also getting more attention from regulators and class action attorneys. As we've [discussed before](#), some states regulate how these plans can be structured, and there have been both lawsuits and regulatory investigations targeting companies that have failed to comply. One of the latest lawsuits alleges that Ancestry.com has violated California's automatic renewal law.

The law generally requires that companies: (1) clearly disclose material offer terms before a consumer subscribes; (2)



obtain affirmative consent to the terms before the consumer is charged; (3) provide a confirmation to the consumer that includes the terms, a description of the cancellation policy, information on how to cancel, and, if the offer includes a free trial, that the consumer may cancel before being charged; and (4) provide an easy-to-use method for canceling.

The plaintiff alleges that Ancestry.com did not adequately disclose the offer terms, obtain her consent, or provide the required confirmation. As a result, she was surprised to see recurring monthly charges after her free trial. She claims not to be the only one in this position, either, and the lawsuit cites hundreds of complaints against the company on various public websites. The plaintiff is seeking injunctive relief and restitution which, according to Ancestry.com's removal notice, could exceed \$250 million.

Based on the screen shots attached to the complaint, there are references to monthly charges during the order flow and there is a link to the company's "Renewal and Cancellation Terms" before checkout. Those Terms provide more disclosures and details on the company's policies. It's likely, then, that one of the key issues in the case will be whether the disclosures appear with the level of clarity required by law.

There are at least two lessons to keep in mind here. First, this is an area where we're likely to see continued litigation. If you haven't taken a look at how you present your automatic renewal terms recently, now might be a good time to do that. Second, although consumer complaints on public websites rarely tell the whole story, they can provide a warning of trouble to come. Make sure you monitor these complaints so you can prevent them from escalating.