

Florida Settles with Company Over Free Trial Offers and Automatic Renewals

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Earlier this year, we [posted](#) that the Florida Attorney General had sued a company over allegations the company enrolled consumers in a monthly subscription program without the consumers' knowledge or consent. According to the AG, consumers who signed up for a "free trial" were automatically enrolled in the program. Today, the AG [announced a settlement](#) with another company over similar issues.

The AG claims the company offered free trials of books and magazines and billed consumers if they did not return the books or cancel the magazine subscriptions, and then enrolled the consumers in automatic renewals of magazines or automatically shipped books to them without specific consent. As part of the settlement, the company has agreed to (a) clearly and conspicuously disclose the terms of its offers, (b) provide refunds to certain consumers, and (c) pay up to \$1.3 million to the AG's Office for attorneys' fees and costs and for future investigation and enforcement.

Companies that use trial offers must clearly and conspicuously disclose the terms of the offers before consumers sign up and incur costs. Among other things, a company must disclose whether there are any costs associated with the offers and whether a consumer has to cancel to avoid future charges. Failure to clearly disclose this information is certain to lead to complaints from consumers and challenges from regulators. These challenges can often result in costly settlements. For example, in addition to today's settlement, the FTC recently [imposed a \\$7.8 million penalty](#) on a company that failed to adequately disclose the terms of its free trial.