

# FTC Releases Narrowed Junk Fees Rule for Ticketing and Lodging

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Fourteen months after proposing a far-reaching rule that would have overhauled the way fees are disclosed across sectors (see our previous discussion [here](#)), the FTC today [announced](#) a significantly curtailed final rule limited to the sale of live-event tickets and short-term lodging. The Rule, which still applies to both business-to-consumer and business-to-business transactions, requires covered industries to include a clear and conspicuous disclosure of the total price whenever a price offer is made, meaning that ticketing and hotel sites will need to include total pricing information upfront if they display a price.

The Commission vote promulgating the Rule was 4-1, with Commissioner and soon-to-be Chair Andrew Ferguson [dissenting](#) on grounds unrelated to the “merits of the Final Rule,” but instead because “the time for rulemaking by the Biden-Harris FTC is over.” Conversely, Republican Commissioner Holyoak voted [in support](#) of the cut-back rule because it “promotes greater price transparency, ensuring consumers understand the total price of live-event tickets or short-term lodging and can easily compare different offerings,” while noting that she does “not agree with every drafting choice.”

Key aspects of the Rule include:

- **More prominent disclosure of total price with mandatory fees and cost of “ancillary goods and services.”** The total price must be disclosed *more prominently* than any other pricing information and must include all fees for the good or service the consumer “must pay” and any additional “Ancillary Good or Service” that is necessary to render the primary good or service fit for its intended purpose. As in the initial proposed rule, optional fees, charges imposed on the transaction by a government, and shipping charges (defined as charges related to sending physical goods to consumers) are excluded from the total price requirement, similar to state laws governing fees.
- **Disclosure of final payment price with total price.** “[W]here the final amount of payment for the transaction is displayed,” the final payment amount must be disclosed more prominently than, or as prominently as, the “total price.” In other words, the grand total price, including shipping and taxes, must be at least as prominent as the previously displayed price that excluded those amounts on the payment page. The Rule also requires that both this final payment amount and the “nature, purpose, identity, and amount” of any fee excluded from the total price, such as shipping or taxes, be clearly and conspicuously disclosed.
- **Misrepresentations related to nature or purpose of fee.** The Rule further prohibits

misrepresenting any fee or charge in offers for these industries, including “the nature, purpose, amount, or refundability” and “the identity of the good or service for which the fee or charge is imposed.” In its Statement of Basis and Purpose, for example, the Commission notes that referring to fees using vague and unspecified language, such as “convenience fee” would likely violate the Rule.

While simultaneously announcing that the Rule will “put an end to junk fees around live event tickets, hotels, and vacation rentals,” the press release also notes that the Rule “does not prohibit any type or amount of fee,” and that businesses may still itemize fees in a way that does not “overshadow” the total price. The release cautions that industries not covered by the Rule are not off the hook, noting that bait and switch pricing “such as drip pricing and misleading fees” will continue to be pursued through “case-by-case enforcement.”

While industries not covered by the Rule may be breathing a sigh of relief, the narrowed scope of the Rule may lead state attorneys general and private plaintiffs to further increase enforcement and litigation activity around fees. As we have reported, the FTC’s proposed rule follows analogous expansions of junk fees laws by [California](#) and [Minnesota](#), and a [series of enforcement actions](#) by state AGs that included settlement terms similar to that of the FTC’s rule.