

# Hulu Hit with Class Action Over Automatic Renewals

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March 30, 2014

In 2010, California enacted a law governing automatic renewals. As we previously [posted](#), the law generally requires that companies: (1) clearly disclose the material offer terms before a consumers 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.

This month, Hulu was hit with a proposed class action for allegedly violating that law. The suit alleges that Hulu's website doesn't clearly disclose the material offer terms. Moreover, although free trial registration flow on a mobile phone includes a mechanism to obtain affirmative consent, the registration flow on desktop computers allegedly fails to include that mechanism. The plaintiffs also allege that the confirmation e-mails Hulu sends don't sufficiently disclose that the service will automatically renew, the company's cancellation policy, or how to cancel.

As we've mentioned in [previous posts](#), companies that offer automatic renewals and free trials have come under increased scrutiny by states, the FTC, and class action attorneys. Most complaints arise when consumers don't realize that the plans are going to automatically renew or consumers are impeded from canceling. Accordingly, it is important to ensure that consumers understand the offer terms and have an opportunity to cancel.