

Noom to Pay Over \$60M to Cancel Automatic Renewal Suit

Gonzalo E. Mon

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In several recent posts and a [webinar](#), we've talked about how the FTC and state AGs are focusing on automatic renewals. A series of new laws and investigations show that this continues to be a hot topic for both lawmakers and regulators. But a new settlement involving Noom's automatic renewal practices for its weight loss program serves as a reminder that class action attorneys are also paying attention and that the costs of getting things wrong can be very high.

Noom allows customers to try its weight loss coaching program "risk free" for two weeks.



After that period, Noom automatically enrolls customers in a program and begins charging membership fees. The problem, according to the complaint, is that Noom fails to adequately disclose material terms of the offer or get explicit consent to the renewal. (Although a screen shot in the complaint shows that Noom does disclose the automatic renewal terms, plaintiffs claim the disclosure isn't sufficiently clear.)

The lawsuit also takes issue with Noom's cancellation system. To cancel their memberships, customers would have to send a message to their "coach," who is actually a bot. ([We've warned about the dangers of bots before.](#)) The bot would then provide instructions to cancel on the iTunes App Store or Google Play Store. According to complaints filed with the BBB and on other sites, many consumers were frustrated when they were not able to avoid charges or get refunds.

According to the proposed settlement, Noom will substantially enhance its auto-renewal disclosures, as well as require consumers to take a separate action through a check box or digital signature to accept auto-renewal. The company will also include a "cancel" button on a customer's account page to allow for easier cancellation. In addition to these (and other) changes, the company has agreed to pay \$56 million, and provide an additional \$6 million in subscription credits.

If you haven't taken a look at your automatic renewal disclosures or your cancellation process recently, it may be time to take a fresh look. Simply having disclosures or cancellation process isn't

enough, as recent lawsuits are targeting just how clear disclosures are or just how easy it is to cancel. (Read our [posts on dark patterns](#) to see how this may play out in a state AG investigation.) It's also a good idea to take a look at your complaints, especially on public sites. There's a good chance that regulators and class action attorneys are looking at them, too.