

NY Attorney General Announces Infomercial Settlements

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This week, the New York Attorney General announced that it had settled investigations with two companies for deceptive sales practices related to infomercials. One company agreed to pay \$700,000 to settle the investigation and the other agreed to pay \$175,000.

According to the AG, both companies advertised attractive offers, but they failed to clearly disclose the fees associated with those offers. Moreover, when consumers placed orders, they were often subjected to confusing up-sells for additional products.



Consumers weren't given an opportunity to review their orders before they were processed, and many ended up paying for products they didn't intend to order.

Among other things, the settlements require the companies to: (a) clearly and conspicuously disclose all material terms and fees associated with an offer; (b) provide consumers with an opportunity to confirm order details before the order is processed; (c) clearly label all links on their sites so that consumers know what's on the landing page; (d) e-mail order details to consumers who order by phone; and (e) ensure that their customer service lines are adequately staffed so that consumers are not subjected to long hold times.

According to the press release, this appears to be part of a wider investigation into the direct marketing industry, so there may be more settlements to come. If you work in this industry and haven't reviewed your offers lately, now may be a good time.