

NYC Proposes a Click-to-Cancel Rule

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Within days of taking office this year, New York City Mayor Mamdani signed an executive order entitled *Fighting Subscription Tricks and Traps*, which directed the City's Department of Consumer and Worker Protection ("DCWP") to "consider and take appropriate actions to combat subscription tricks and traps."

Last week, DCWP Commissioner Samuel Levine—who served as Director of the FTC's Bureau of Consumer Protection when the FTC proposed its "Click-to-Cancel" Rule—released a proposed rule that would require businesses to provide a simple process for ending subscriptions. Echoing statements he made while at the FTC, Levine said: "If it's easy to sign up for something, it should be just as easy to cancel."

Here's an overview of what the proposed rule would require for companies that offer automatic renewals or continuous service offers, very similar to New York State's automatic renewal law (ARL):

- Companies must clearly disclose the material terms of the offer before requesting billing information or getting consent.
- Companies must provide a simple cancellation mechanism that is as easy to use as the mechanism that consumers use to provide consent.
- Companies must provide the ability to cancel "at any time through all mediums by which the business allows a consumer to provide affirmative consent."
- Companies cannot impose unreasonable conditions or otherwise obstruct a consumer's ability to cancel.
- Companies must provide renewal reminders to consumers before an offer with an initial paid term of one year or longer renews for a term of six months or longer.
- Companies must provide notice of material changes to offer terms.
- Companies must provide reminder notices to consumers who are on free trials of more than one month that convert into a paid subscription.

In a divergence from authority under the New York state law, companies would face an initial \$525 fine per violation, which can increase to \$3,500 for repeat offenses. If found in violation, the company would also be "liable for the monetary amount charged ... after the consumer's first attempt at cancellation" as restitution. (Note New York state often asserts violations of its general UDAP authority to supplement for penalties under its ARL of \$100 for a single violation and \$500 "for multiple violations resulting from a single act or incident.")

DCWP will hold a public hearing on the proposed rule on May 8, 2026 at 11:00 AM. Anyone interested in submitting comments can do that by the same date.