

StubHub Agrees to Pay \$9.5 Million to End Refund Investigation

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Last year, we [posted](#) about how some companies had retroactively changed their refund policies after COVID-19 hit, and we noted some of the potential pitfalls associated with that strategy. Lawsuits and regulatory investigations soon followed, and many have been working their way through the system. This week, ten states and DC announced that StubHub had agreed to pay over \$9.5 million in refunds to end one such investigation.

Before the pandemic, StubHub offered consumers cash refunds for tickets to events that were later canceled. As we noted in our post, StubHub later changed its policy to state that “if the event is canceled and not rescheduled, you will get a refund or credit for use on a future purchase, as determined in StubHub’s sole discretion (unless a refund is required by law).” Other communications omitted that parenthetical, suggesting that all consumers would get a coupon.

Although StubHub argued that it was forced to change its policy due to a near complete loss of revenue during the pandemic, regulators didn’t think that justified a retroactive application of the changes in a manner that shifted StubHub’s burden to consumers. For example, the Virginia Attorney General [said](#) that “the COVID pandemic should not be used as an excuse to withhold refunds owed to customers for cancelled events.”

If events over the past year have made you rethink whether your cancellation policy still makes sense, it’s fair to consider making changes to the policy, even if those changes limit consumers’ rights. But while those changes can be applied to future purchases, you generally should not apply them to purchases that were made while the previous policy was in effect.