Savage X Fenty to Pay $1.2 Million to Settle Automatic Renewal Suit

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Rihanna's Savage X Fenty is an online subscription service that sells women's lingerie. Like many other subscription services, they have faced scrutiny over how they advertise automatic renewals. In February 2020, Tina.org sent letters to the FTC and CA district attorneys urging them to investigate the company's marketing practices. In August 2022, the DAs filed a lawsuit against the company, and that lawsuit recently ended in a settlement.

According to the complaint, the company advertised reduced prices for items without clearly disclosing that those prices were only available to consumers who subscribed to a VIP membership program. When consumers made purchases, the company would automatically add a VIP membership to their shopping bags without clearly disclosing the material terms of the program. Moreover, the DAs allege that the company didn't clearly disclose the material terms of its store credits.

As part of the settlement, the company has agreed to make several changes to its automatic renewal practices. Among other things, the company is required to: (a) clearly disclose the terms of its VIP membership; (b) get express consent to the terms (such as through a check box); (c) send an acknowledgment after consent; (d) send reminder before renewal, if the initial term is a year or longer; and (e) establish an easy cancellation mechanism that can be used exclusively online.

In addition to these changes, Savage X Fenty agreed to pay $1 million in civil penalties, $50,000 in investigative costs, and $150,000 in restitution. (Coincidentally, this is not the first time a lingerie company has gotten in trouble over its subscriptions. In 2017, Adore Me agreed to pay $1.3 million to settle an FTC investigation over similar issues.) Regardless of what you sell, if you do it through a subscription, the settlement provides a good outline of what you need to consider.