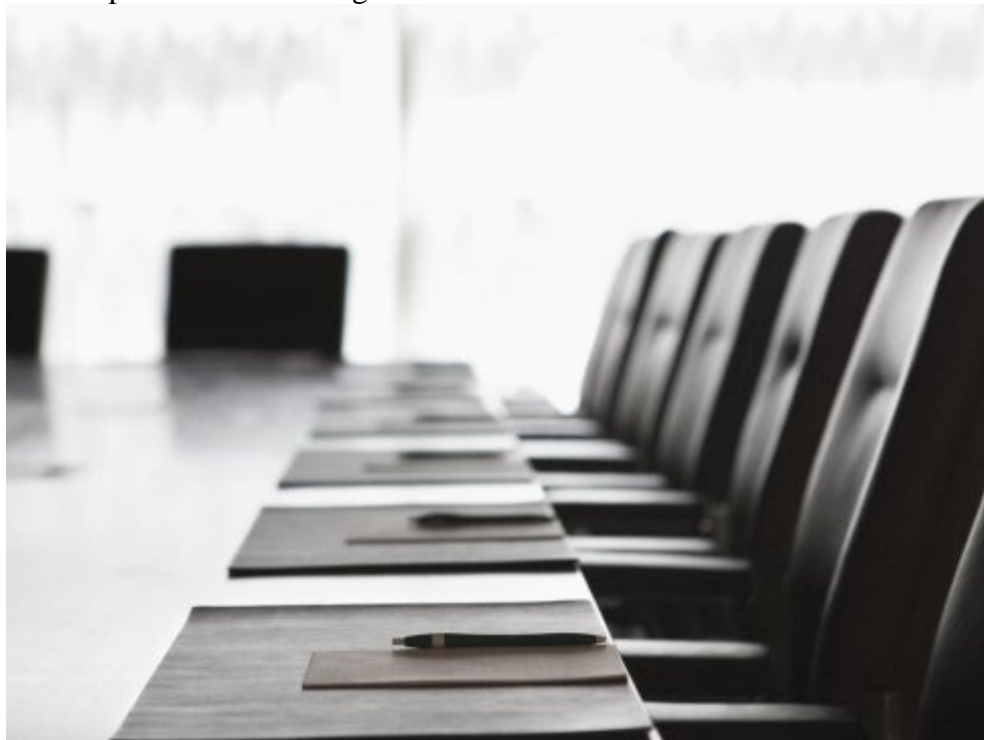


November 16, 2022

FTC Explores Potential Regulations To Prohibit “Junk” Fees



Key Update:

- The Federal Trade Commission (FTC) is [considering rulemaking](#) to curb unfair and deceptive fees.
- The FTC seeks comments on the effects of such fees and the methods companies may employ to impose them.

The FTC recently asked for public comments about "junk fees," defining such fees as one of the following:

- **Fees for services that add little or no value** (and that consumers would expect to be included in the overall advertised price); and
- **Hidden fees** that a seller only discloses late in the purchasing process (or not at all).

While these types of fees can be found in various industries, the FTC indicated that they are often found in the travel, telecommunications, and live entertainment (e.g., concerts, sporting events) industries. For example, the FTC expressed concerns that hotel "resort fees" disclosed late in the booking process or after a guest has arrived at the hotel hinder comparison shopping. According to [one study](#), resort fees are rising faster than published room rates. These added costs can facilitate inflation, which is of concern to politicians and other authorities at this time.

The FTC seeks feedback on areas where additional rulemaking could allow it to be more effective in enforcement and industry education outreach. In particular, the FTC wants to increase its enforcement authority and make it easier for consumers to obtain redress.

This announcement follows the FTC's publication of a [petition for rulemaking on the practice of "drip pricing"](#) in December 2021 and a [report on "dark patterns"](#) in September 2022. The FTC used public comments from the

December petition to justify its investigation into junk fees in this latest announcement, emphasizing that dark patterns may be used to obscure and collect such fees. The agency's announcement coincides with the Consumer Financial Protection Bureau's (CFPB) [declaration](#) that it is also investigating "junk data."

Authors

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