

FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Division of Consumer & Business Education

Could Free Trial Offers Be 'Fee' Trial Offers in Disguise?

Free trial offers can be an efficient way to sample a new product or service without paying for a membership, subscription or extended service contract. Sometimes, though, if you accept a free trial offer and don't cancel on time or according to the stated policy, you may be unintentionally agreeing to a contract to buy additional products and services.

The Federal Trade Commission (FTC), the nation's consumer protection agency, says "try before you buy" offers can be effective ways to market. If you like what you try, you may want to go ahead and make the purchase. But if you don't want to buy the product or service, you may need to cancel or take some other action on a particular timetable to avoid being charged.

When a company takes your failure to cancel before the end of the trial period as permission to continue billing you, you've made a "negative option" purchase. Sometimes, unscrupulous merchants make it tough for consumers to take the action that would prevent negative option billing: these merchants may hide the terms and conditions of their offers in teeny type, use pre-checked boxes as the default setting, and put conditions on returns and cancellations that are so strict it could be next to impossible to stop the deliveries and the billing.

Whiter Teeth? Flatter Stomach? Shiny Hair?

If you see a free trial offer online for a product you're interested in, stop – and read the details.

- **Find the terms and conditions of the offer.** If you can't find them or can't understand exactly what you're agreeing to, look for another merchant. You don't want to commit to recurring charges for products or services by mistake – or before you've tried them and made your decision.
- **Pay attention to pre-checked boxes.** That check may bind you to terms and conditions you're not comfortable with – or ready to accept.
- **Look for information how you can cancel** future shipments of merchandise or services if you don't want them. Do you have to pay? Do you have a limited time to respond? If you're not satisfied with the information in the offer, look for another one that meets your needs.
- **Read your credit and debit card statements** very shortly after you've responded to a free trial offer – and often afterward – looking for charges you don't recognize or didn't authorize. Contact the merchant first to try to resolve the issue; notify the card issuer promptly if you see any unusual or unauthorized charges.

If your business offers free trial memberships using negative option billing plans, the FTC suggests that you:

- Disclose the important terms of your offer in an understandable way.
- Make your disclosures clear and conspicuous to the reader.
- Disclose the key terms of the offer before the consumer pays or incurs a financial obligation.
- Get a consumer’s affirmative consent to the offer – for example, by asking them to click “I agree.”
- Make sure your cancellation procedures work efficiently, and as promised.

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or to get free information on consumer issues, visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

FEDERAL TRADE COMMISSION	ftc.gov
1-877-FTC-HELP	FOR THE CONSUMER

December 2009