



Center for Competition and Market Regulation

Limits to Regulation: Subscription Practices

Often called "click to cancel" subscription rules can be overly rigid, ambiguous, and impractical, potentially leading to increased compliance burdens for businesses and a diminished consumer experience.

1. Ambiguity and Subjectivity:

Any regulatory proposal premised on the requirement that a cancellation mechanism must be "at least as simple as initiation" is subjective, and therefore more difficult for businesses to implement. Such a standard lacks clarity and could lead to liability if the FTC deems a cancellation method insufficiently "simple."

2. Different Purposes for Sign-Up and Cancellation:

Sign-up and cancellation processes serve different purposes and are often located in different areas of a website or platform. Sign-ups provide information about the offer, while cancellations often involve details about what the consumer will lose and any obligations or consequences of cancellation. Treating these processes as equivalent creates unnecessary complexities.

3. Inflexibility:

A rule's one-size-fits-all approach would not account for the tailored cancellation methods businesses use for specific products and services. This could confuse customers and diminish their experience.

4. Challenges with Multiple Subscriptions:

Consumers often subscribe to multiple products or services that offer discounts when bundled. Canceling one service may require more time and assistance, which the rule does not adequately address.

5. Medium-Specific Issues:

The rule's requirement that cancellation be as simple as the sign-up process does not consider the limitations of certain mediums, such as mobile devices or voice purchases, where providing a "simple" cancellation mechanism may be more challenging.

6. Potential Consumer Confusion:

Demanding equivalency between sign-up and cancellation processes could confuse consumers and create unnecessary complexities without providing significant benefits.

7. Prohibiting Better Deals:

Some rules have attempted to go so far as to prohibit a company from offering better prices to retain customers instead of immediately canceling. A ban on these so-called "saves," would remove a tactic commonly deployed by customers who explore cancellation as a means to seek a lower price point.