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Federal Trade Commission
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Office of the Director
Bureau of Consumer Protection

PREPARED REMARKS FOR

MEETING OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION

CHRISTOPHER MUFARRIGE*
DIRECTOR OF THE BUREAU OF CONSUMER PROTECTION

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* The views expressed in these remarks are my own and do not necessarily reflect the views of the Federal Trade Commission or any individual Commissioner. I would like to thank Michael Dingman for his assistance in preparing these remarks.

Good afternoon, and thank you for the opportunity to speak with you today. The Federal Trade Commission plays a vital role in sustaining a strong economy and ensuring that the price system operates efficiently and that markets remain competitive and fair.[1] I know many of you are particularly interested in the Commission's work in the auto sector, and I'll turn to that shortly. But before we dive into specifics, I want to underscore why price transparency is a foundational priority for the Commission.

As I've emphasized in prior remarks,[2] price transparency is not just a technical requirement. It is a cornerstone of well-functioning markets. When prices are clear and upfront, consumers are empowered to make informed choices. That, in turn, drives legitimate competition, enhances market efficiency, and reduces deadweight loss by minimizing mistaken purchases. Price transparency also fosters social trust—a hallmark not just of healthy markets but also of healthy communities. And a benefit in its own right.

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[1] On the Economy and Fraud: Protecting Consumers During Downward Economic Times: Hearing Before the Subcomm. on Consumer Protection, Product Safety, and Insurance of the S. Comm. on Commerce, Science, and Transportation, 111-481 S. Hrg., 40 (2009) (statement of Timothy J. Muris) ("The FTC protects consumers through its responsibility to prevent 'unfair or deceptive acts or practices.' The FTC, and other public authorities, operate against a backdrop of other consumer protection institutions, most notably the market and private common law. In our economy, producers compete to offer the most appealing mix of price and quality. This competition spurs producers to meet consumer expectations because the market generally imposes strict discipline on sellers who disappoint consumers and thus lose sales to producers who better meet consumer needs. These same competitive pressures encourage producers to provide truthful information about their offerings. Market mechanisms cannot always effectively discipline deceptive sellers, however, especially when product attributes are difficult to evaluate or sellers are unconcerned about repeat business. When competition alone cannot punish or deter seller dishonesty, another institution can mitigate these problems. Private legal rights provide a set of basic rules for interactions between producers and consumers, such as do not lie to your customers and keep your contractual promises. Government also can serve a useful role by providing default rules, which apply when parties do not specify rules. These rights and default rules alleviate some of the weaknesses in the market system by reducing the consequences to the buyer from a problematic exchange. Notwithstanding the strengths of private legal rights, in some circumstances—as when court enforcement is impractical or economically infeasible—they may not be an effective deterrent. When consumers are vulnerable because market forces are insufficient and the common law is ineffective, a public agency, such as the Federal Trade Commission, can help preserve competition and protect consumers. The FTC's consumer protection and competition missions naturally complement each other by protecting consumers from fraud or deception without restricting their market choices or their ability to obtain truthful information about products or services. The Commission attacks conduct that undermines competition, impedes the exchange of accurate information, or otherwise violates the common law rules of exchange.").

[2] *E.g.*, Christopher Mufarrige, Director, Bureau of Consumer Protection, Prepared Remarks at Venable Advertising Law Symposium (available at https://www.ftc.gov/system/files/ftc_gov/pdf/2026-3-12-Mufarrige-Remarks-for-Venable-Ad-Law-Symposium.pdf) ("Lack of transparency becomes a consumer protection problem only when a misrepresentation or failure to disclose misleads consumers acting reasonably under the circumstances. It comes down to a question—in Section 5 terms—of materiality: what affects the choices or conduct of consumers. The total price of a good or service is plainly material to most consumers. So while consumers do not need to understand engine mechanics to drive, they do need to know the full price of a car when deciding whether to purchase it. When market participants obscure pricing information, they prevent consumers from comparing products based on the key characteristic of price. Moreover, they hurt competitors that provide transparent pricing, distorting the market and the price system more broadly.").

The flip side is equally important. Deceptive pricing practices mislead consumers, distort markets, and erode the trust that binds communities together. Most of our recent price transparency cases involve a familiar pattern: a company represents that a product costs X but consumers end up paying a price higher than X because the company hides or otherwise obscures mandatory fees or other costs. For markets to function properly, consumers must know what a product will cost them—so they can decide what to buy and from whom. When market participants obscure pricing information, they undermine that process.

And although the immediate harm from deceptive pricing falls on consumers, the consequences ripple through the entire market. Honest sellers worry about losing business to competitors willing to skirt the law. The market itself can acquire a reputation for deception, driving buyers away, even from those who play by the rules. Deceptive pricing, therefore, should concern everyone in this room.

Let me be clear: it is not the Commission's role to second-guess consumer preferences. Our charge is to confront unlawful conduct that undermines consumer choice, harms competition, and erodes market integrity. Deceptive pricing does all three.

Accordingly, the Commission has taken action across several industries, including the auto industry, to combat deceptive pricing. Last year, for example, we and a State partner obtained a settlement against Greystar, the largest multi-family residential rental property owner and manager in the United States, which requires Greystar to transparently advertise total rent including all mandatory fees.[3] We later obtained a settlement against Instacart, a grocery delivery company, which prohibits the company from misleading consumers about the true price of its delivery services.[4] In the healthcare space, we obtained a settlement against Express Scripts and affiliated pharmacy benefit managers, which requires fundamental changes to their business practices to prevent artificial inflation of drug prices, including prices for insulin.[5] Finally, we obtained a settlement against StubHub, the largest ticket reseller in the country, which requires StubHub to transparently disclose total prices.[6]

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[3] Press Release, Federal Trade Commission, Greystar Agrees to Pay $24 Million and Stop Deceptive Advertising Practices as a Result of FTC and Colorado Lawsuit Alleging the Firm Deceived Consumers About Rent Prices (Dec. 2, 2025), https://www.ftc.gov/news-events/news/press-releases/2025/12/greystar-agrees-pay-24-million-stop-deceptive-advertising-practices-result-ftc-colorado-lawsuit.
[4] Press Release, Federal Trade Commission, Instacart to Pay $60 Million in Consumer Refunds to Settle FTC Lawsuit Over Allegations it Engaged in Deceptive Tactics (Dec. 18, 2025), https://www.ftc.gov/news-events/news/press-releases/2025/12/instacart-pay-60-million-consumer-refunds-settle-ftc-lawsuit-over-allegations-it-engaged-deceptive.
[5] Press Release, Federal Trade Commission, FTC Secures Landmark Settlement with Express Scripts to Lower Drug Costs for American Patients (Feb. 4, 2026), https://www.ftc.gov/news-events/news/press-releases/2026/02/ftc-secures-landmark-settlement-express-scripts-lower-drug-costs-american-patients.
[6] Press Release, Federal Trade Commission, StubHub Refunding $10 Million in Fees to Consumers After Deceptive Ticket Pricing (Apr. 9, 2026), https://www.ftc.gov/news-events/news/press-releases/2026/04/stubhub-refunding-10-million-fees-consumers-after-deceptive-ticket-pricing.

As these examples make clear, price transparency is a Commission-wide enforcement priority, and the auto industry is no exception. After housing, purchasing a car is often one of the most significant financial decisions a consumer will make.

Yet a consumer may walk onto a car lot expecting one price, only to discover—after researching models, traveling to the dealership, and negotiating—that the actual cost is hundreds or even thousands of dollars higher than advertised. That sort of surprise does more than frustrate an individual buyer. It undermines the integrity of the market. Consumers cannot make informed decisions or meaningfully compare options when the prices they are evaluating do not reflect reality. And honest dealers, who strive to compete on transparent terms, are placed at a disadvantage by competitors willing to advertise artificially low prices that many consumers cannot obtain. The result is a marketplace that does not function efficiently.

Nor are dealers the only actors who may contribute to this problem. Software providers, advertising platforms, dealers, and OEMs all play a role in conveying accurate pricing information. Each must take that responsibility seriously.

The Commission's guiding enforcement principle here is straightforward and consistent across industries: any firm that makes a representation about what a consumer will pay for a good or service is responsible for ensuring that the representation is accurate.

The Commission and BCP have taken a number of steps to advance price transparency in the auto industry.

Warning letters

In March, the FTC sent letters to 97 auto groups nationwide, warning them that the prices they advertise must be the total price—including all mandatory fees—that consumers will be required to pay. The letters encouraged dealers to review their advertising and pricing practices to ensure compliance with this requirement.[7] In addition, the letters highlighted practices that violate the law. For example:

- advertising a price that does not reflect all required fees,
- advertising a price that reflects rebates or discounts not available to all consumers,
- advertising a price that fails to take into account the amount of an additional required down payment,
- conditioning the advertised price on consumers using dealer financing,
- requiring consumers to buy additional items not reflected in the advertised price, and

[7] Press Release, Federal Trade Commission, FTC Warns 97 Auto Dealership Groups About Deceptive Pricing (Mar. 13, 2026), https://www.ftc.gov/news-events/news/press-releases/2026/03/ftc-warns-97-auto-dealership-groups-about-deceptive-pricing (providing a link to the letter).

- advertising unavailable or nonexistent vehicles.[8]

The warning letters, although sent to specific dealers, show that the FTC treats price transparency as a priority in auto sales, as it does in other industries. We followed those warning letters with webinars—and we have, just yesterday, made additional resources available.

<u>FAQs</u>

To provide further guidance to the industry, FTC staff put together a set of frequently asked questions. The FAQs were published yesterday and are available on the FTC's website.

For example, the FAQs explain that the FTC Act requires that the most prominent advertised price be the *actual* price any consumer can walk in and pay to purchase a vehicle. In other words, if a dealer requires a consumer to pay a fee to purchase a car, that fee must be included in the advertised actual price.

Dealers may exclude government-required charges if a Federal, State, or local government agency requires *the consumer* to pay those charges directly. Everything else must be included in the advertised price. That includes dealer fees that governments authorize but do not mandate, and fees that the government requires the *dealer* to pay but that the dealer passes on to consumers.

The same principle applies to discounts. A dealer cannot advertise a price that includes a discount or rebate only available to a subset of buyers as the most prominent price. In other words, a dealer cannot advertise a price as the only or most prominent price unless it is available to everyone who walks in. For example, a buyer who sees a car advertised for $25,000 expects that figure to be the amount they can walk in and pay. If they arrive and are quoted $27,000, because the dealership only offered $25,000 to a handful of prior buyers, the dealer has broken the law.

That principle also governs optional items. Dealers can offer additional options—such as protection packages, accessories, or other goods and services—as long as they do not break the law by misleading consumers. To give a few examples: dealers cannot suggest that an add-on is required when it is in fact optional. They cannot imply that an already installed "option" is unremovable, and that the consumer must pay extra for it. They cannot misrepresent the cost of an option. Nor can they include charges for options that the consumer did not agree to. As I will discuss in a moment, the FTC has brought lawsuits challenging such conduct and will not hesitate to do so moving forward.

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[8] Letter from Christopher Mufarrige, Director of the Bureau of Consumer Protection (Mar. 13, 2026), https://www.ftc.gov/system/files/ftc_gov/pdf/AutoWarningLetter.pdf.

One overarching point that the FAQs make clear is that dealers remain free to negotiate with consumers, to offer discounts, and to otherwise provide consumers with the opportunity to pay *less* than the headline advertised price. But the most prominent advertised price must be the actual price that a consumer can walk into the dealership and pay to purchase a vehicle.

<u>Recent cases</u>

Price transparency is hardly a new obligation. The FTC Act and Section 5's prohibition on unfair or deceptive practices have been on the books for decades. Any company that misleads consumers about what they will pay risks FTC action. Two recent enforcement cases in the auto industry demonstrate the Commission's commitment to transparency in pricing.

MCN

Just last month, the FTC and its State partner obtained a $4 million settlement against a Nissan dealership charged with violating consumer protection laws by adding deceptive fees to vehicle sale prices. For example, the complaint alleged that one consumer wanted to buy a car advertised for $15,000,[9] but the dealer added a $5,000 "inspection fee," despite already having inspected that car. And the dealer allegedly charged consumers for add-ons that the consumers did not agree to, like service and maintenance contracts. These add-ons increased the price of a car by thousands of dollars in some cases. The complaint alleged that the dealer also misled consumers about government fees. For example, the State fees for one purchase totaled $200, but the dealership told the consumer that the fees were $345, taking the difference as profit.[10] The court order includes requirements that the dealer include all charges and fees in the advertised price for a vehicle, and to obtain express and informed consent for all charges.

Lindsay Automotive Group

A few months ago, the Commission and its state partner secured full redress for consumers who were deceived by Lindsay Automotive Group. The complaint alleged that for years, Lindsay deceived consumers by advertising deceptively low prices to bring consumers to the dealership, then overcharging consumers as well as adding mandatory fees and other add-ons

[9] The numbers provided in these examples are approximate. Detailed allegations may be found in the complaints, which are typically linked in the press releases. *E.g.*, Press Release, Federal Trade Commission, FTC, Connecticut Take Action Against Manchester City Nissan for Deceiving Consumers, Forcing Junk Fees (Jan. 4, 2024), https://www.ftc.gov/news-events/news/press-releases/2024/01/ftc-connecticut-take-action-against-manchester-city-nissan-deceiving-consumers-forcing-junk-fees (providing a link to the complaint).
[10] Press Release, Federal Trade Commission, FTC, Connecticut Secure $4 Million Settlement with Manchester City Nissan Over Deceptive Fees Allegations (Aug. 19, 2026), https://www.ftc.gov/news-events/news/press-releases/2026/08/ftc-connecticut-secure-4-million-settlement-manchester-city-nissan-over-deceptive-fees-allegations.

during the car buying process.[11] Many consumers did not want or agree to these add-ons yet were charged for them, which added hundreds or even thousands of dollars to the total price. These allegedly deceptive practices cost consumers more than $75 million over five years. The order includes provisions requiring Lindsay to advertise the total price of the car, including all mandatory fees.

What I hope you take away from my remarks today is simple: the FTC is committed to protecting consumers by enforcing the law—including the basic, common-sense commercial principle that when a seller advertises a product for a price, the consumer should be able to purchase the product at the advertised price. A dealer should not advertise a car for one price to draw in consumers, then attempt to extract hundreds or thousands of dollars more as they navigate one of the most significant financial decisions that Americans make.

Our affirmative enforcement efforts are one part of that commitment. Equally important, however, is that the Commission is no longer pursuing the misguided enforcement theories advanced in the last administration. In particular, the Commission has ended the use of disparate-impact theories.[12] That approach, which would hold defendants liable for discrimination "without *any* showing of discriminatory intent," was flawed for many reasons, but I will focus on only a few here.[13] First, it exceeded the FTC's statutory authority, as Section 5 is plainly not an anti-discrimination statute and no other statute that the FTC enforces allows the FTC to pursue disparate-impact theories.[14] Second, its premises were "contrary to fundamental constitutional values" of equality before the law, including by virtually requiring businesses "to engage in racial balancing."[15] Third, it lacked principled limits. That is because "almost any conceivable policy or practice affects different groups differently," so allowing disparate-impact theories grants the FTC enormous and unbounded power to find a violation essentially at will, particularly as statistical analyses that support disparate-impact theories are often rife with errors and prone to manipulation.[16]

Following the Commission's policy statement last month explaining why disparate-impact theories are both unlawful and unsound, we entered into agreements to

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[11] Press Release, Federal Trade Commission, FTC, Maryland Attorney General Secure Full Refunds and Additional Penalties Against Lindsay Auto Group for Deceptive Pricing Practices and Unwanted Add-ons (Apr. 2, 2026), https://www.ftc.gov/news-events/news/press-releases/2026/04/ftc-maryland-attorney-general-secure-full-refunds-additional-penalties-against-lindsay-auto-group.
[12] Press Release, Federal Trade Commission, FTC Ditches 'Disparate Impact' (Aug. 7, 2026), https://www.ftc.gov/news-events/news/press-releases/2026/08/ftc-ditches-disparate-impact.
[13] Federal Trade Commission, Federal Trade Commission Policy Statement Regarding Disparate-Impact Claims and "Unfair Discrimination" Claims (Aug. 7, 2026), https://www.ftc.gov/system/files/ftc_gov/pdf/disparate%20Impact-policy-statement.pdf at 2.
[14] *Id.* at 10–19.
[15] *Id.* at 20.
[16] *Id.* at 5.

eliminate certain compliance obligations that rested on, or enforced, disparate-impact principles. Some of those agreements affected participants in the auto sector.[17]

In closing, price transparency is a priority for consumers and honest sellers, both of whom thrive in a competitive and efficient marketplace—and that is why it is a priority for the FTC. I also want to thank the NADA for making it a priority as well. Its support these last few months has been critical to the changes the Commission has seen in the industry.

Thank you for your time. I look forward to your questions.

[17] Press Release, Federal Trade Commission, FTC Ditches 'Disparate Impact' (Aug. 7, 2026), https://www.ftc.gov/news-events/news/press-releases/2026/08/ftc-ditches-disparate-impact.