



Office of the Director
Bureau of Consumer Protection

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

**PREPARED REMARKS FOR GEORGE MASON UNIVERSITY
ANTONIN SCALIA LAW SCHOOL'S LAW & ECONOMICS CENTER
CONVERSATION WITH FTC BUREAU OF CONSUMER PROTECTION DIRECTOR**

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MARCH 5, 2026

* The views expressed in these remarks are my own and do not necessarily reflect the views of the Federal Trade Commission. I would like to thank Elisa Jillson Jarad Brown, Sana Chaudhry, Sung Kim, Connell McNulty, Josh Millard, Jonathan Ware, Dotan Weinman and Philip Koroshetz for their assistance with these remarks.

Good afternoon and thank you for having me here today. I am privileged to lead the Bureau of Consumer Protection at the Federal Trade Commission. Our work is critically important to a thriving economy: we ensure that consumers can benefit from competitive markets in which consumers make well-informed choices based on truthful, non-misleading information. We accomplish our goal by ferreting out the illegal conduct that distorts the market—the deceptive fee or misleading cancellation mechanism that prevents competitors from operating on an even playing field and hobbles the consumer’s ability to make an informed choice.¹ Critically, our work is market-reinforcing, *not* market-replacing.²

Today, I’d like to highlight three priority areas of our consumer protection work under Chairman Ferguson’s leadership:³

1. *First*, ensuring fair and transparent access to tickets for live concerts and shows, in compliance with the Better Online Ticketing Sales Act, sometimes called the BOTS Act;⁴
2. *Second*, taking our fraud-prevention work upstream to stop financial services firms that ignore red flags and enable bad actors’ misuse of the U.S. payment system; and
3. *Third*, combating deceptive negative option subscriptions by enforcing the Restore Online Shoppers’ Confidence Act or ROSCA.⁵

These are areas of priority for the Bureau of Consumer Protection because these are areas of priority for consumers, who feel the effects of market-distorting misconduct when they try to buy tickets to see a favorite performer only to face astronomical prices set by scalpers; when they are targeted by foreign scammers who game the U.S. payment system;

¹ See *Financial Services and Products: The Role of the FTC in Protecting Consumers, Part II Before the S. Subcomm. on Consumer Prot., Prod. Safety, & Ins. of the S. Comm. on Com., Sci., & Transp.*, 111th Cong. (2010) (statement of Timothy J. Muris, Foundation Professor, George Mason University School of Law at 2-3) (“The Federal Trade Commission has a special responsibility to protect and speak for the competitive process, to combat practices that harm the market, and to advocate against policies that reduce competition’s benefits to consumers.”), <https://www.commerce.senate.gov/services/files/283C285E-53C8-4BF2-AD48-EE772B93D8C4>.

² Todd J. Zywicki, *Market-Reinforcing Versus Market-Replacing Consumer Finance Regulation* (George Mason L. & Econ. Rsch. Paper No. 17-07, 2016), <https://ssrn.com/abstract=2916204>.

³ I have previously written about how when there is a change in leadership at a law enforcement agency, a central question for that law enforcement agency is where to focus resources to achieve the agency’s mission. Given the Commission’s status as the nation’s consumer protection agency—and the range of industries and business practices in the American economy—it was important at the outset of the most recent change in administration to determine what set of issues and conduct to focus on to achieve the Commission’s goals. Under Chairman Ferguson’s leadership, that is precisely what we have done. See, e.g., Christopher Mufarrige, Dir., Bureau of Consumer Protection, Prepared Remarks for the National Advertising Division Annual Conference 2025 (Sept. 17, 2025), https://www.ftc.gov/system/files/ftc_gov/pdf/mufarrige-nad-speech.pdf.

⁴ 15 U.S.C. § 45c (BOTS Act).

⁵ 15 U.S.C. §§ 8401-8405 (ROSCA).

and when they are misled about the terms of recurring charges that quietly drain their wallets.

ATTACKING UNLAWFUL CONDUCT IN THE TICKET INDUSTRY

One of our primary enforcement tools related to ticketing is the BOTS Act,⁶ which prohibits circumventing a ticket issuer's security measures or purchasing rules.⁷ To understand how the BOTS Act protects consumers' access to tickets, it's important to understand the ticketing market, which is broken into primary and secondary markets.⁸ The primary market is where tickets are sold for the first time. The secondary market is where such tickets are resold, often at a considerable mark-up and often by ticket brokers.⁹

Promoters, like Live Nation, organize and finance concert tours, and work with artists and venues to determine the prices, ticket limits, and rules for the primary ticket market. And ticket issuers, such as Ticketmaster—a Live Nation subsidiary—work to sell tickets on behalf of the venues to consumers. Artists hire ticket issuers, like Ticketmaster and AXS, to manage the sale of primary-market tickets to their shows, including enforcement of posted ticket limits.

In many cases, artists set the primary market ticket prices below the market clearing price and set ticket limits to their shows at somewhere between four and eight tickets per purchaser. Taylor Swift, for example, set a six-ticket limit to her Eras Tour shows in 2023.

⁶ The Commission has also promulgated and enforces the Trade Regulation Rule on Unfair or Deceptive Fees, 16 C.F.R. pt. 464, which generally requires price transparency in live-event ticketing and short-term lodging. The Rule went into effect on May 12, 2025, and on May 14, the FTC issued a warning letter to StubHub Holdings, Inc. regarding potential violations. Press Release, Fed. Trade Comm'n, With NFL's 2025 Schedule Set to be Announced, FTC Warns Ticket Reseller StubHub it Must Comply with Agency's New Rule on Unfair or Deceptive Fees (May 14, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/05/nfls-2025-schedule-set-be-announced-ftc-warns-ticket-reseller-stubhub-it-must-comply-agencys-new>.

⁷ Business Alert, Fed. Trade Comm'n BCP Staff, BOTS Act Compliance: Time for a Refresher? (Apr. 11, 2025), <https://www.ftc.gov/business-guidance/blog/2025/04/bots-act-compliance-time-refresher>.

⁸ Evaluating the rules and institutional details that facilitate exchange, *i.e.*, the market process, is critical to good public policy and it is critical to any meaningful understanding of how the ticketing markets work. For a comprehensive overview of this methodological approach, see Oliver E. Williamson, *Transaction Cost Economics: The Natural Progression*, 100 AM. ECON. REV. 673 (2010).

⁹ Secondary markets are not always undesirable and can often improve market efficiency by reallocating goods to consumers who value them the most. Secondary markets are particularly useful for markets where individual consumer's valuation of goods changes over time. For example, in the market for event tickets, this can occur when a consumer buys a ticket before knowing if they can attend, or when an unforeseen event changes their preferences. However, secondary markets can also introduce inefficiencies, such as unnecessary transaction costs. As ticket prices often decline as the event approaches, consumers may incur significant search costs by repeatedly monitoring the price of tickets. Furthermore, in a secondary market dominated by brokers, market surplus that would go to consumers in the primary market may instead be captured by brokers, thus reducing consumer welfare. See Andrew Sweeting, *Secondary Markets*, in NEW PALGRAVE DICTIONARY OF ECONOMICS (2019).

Artists price tickets below the market-clearing price and impose ticket limits so that more of their fans can afford to attend shows and obtain tickets to a finite number of shows. They sacrifice some immediate profit to make it more economical for fans to attend their shows—taking the long view on fan loyalty and downstream profitability.¹⁰

Yet by setting prices below the market-clearing price, artists, perhaps inadvertently, create a set of incentives in the primary market, which facilitates the creation of a lucrative secondary or resale market.¹¹ Brokers seek to profit from the arbitrage opportunity presented by below-market, primary-market ticket prices by investing significant resources on being the first to buy the relatively inexpensive tickets to high-demand events and then reselling those tickets at a mark-up. But to obtain these below-market tickets, brokers must beat ordinary consumers to the checkout page in the online primary market.¹²

An immediate inefficiency should be apparent: it is neither beneficial to markets nor competition for brokers to be investing significant resources simply to be first in line. Brokers use various means—from sophisticated software to labor-intensive practices, such as creating hundreds or thousands of purchasing accounts based on false or misleading information—to circumvent ticket issuers’ security measures and rules. Consequently, ordinary consumers are often boxed out of the primary market for high demand events.

This brings us to the BOTS Act.¹³ The plain text of the Act makes it illegal, among other things, to sell any ticket in interstate commerce that was obtained by circumventing measures used to enforce ticket limits, provided that the ticket seller either (a) participated directly in or could have controlled the illegal conduct used to acquire the ticket or (b) knew or should have known that the ticket was illegally acquired.¹⁴

In an Executive Order issued last March, President Trump made enforcement of the BOTS Act a priority.¹⁵ Since then, the Commission, under Chairman Ferguson’s leadership,

¹⁰ See Eric Budish, Professor of Economics, University of Chicago, Booth School of Business, How to Fix the Market for Event Tickets at 5, Keynote Address at That’s the Ticket: An FTC Workshop About Online Ticket (June 11, 2019) (explaining how artists have economically legitimate, long-term interests in setting prices below the market-clearing rate in order to build an enduring fanbase).

¹¹ See Eric Budish & Aditya Bhawe, *Primary-Market Auctions for Event Tickets: Eliminating the Rents of “Bob the Broker”?*, 15 AM. ECON. J. 142, 144 (2023) (arguing that the only feasible solutions to prevent the secondary broker market are either for tickets in the primary market to be set at the market-clearing price or to ban ticket resales).

¹² See Philip Leslie & Alan Sorensen, *Resale and Rent-Seeking: An Application to Ticket Markets*, 81 REV. ECON. STUD. 266, 269 (2014) (describing how brokers’ investment in technologies and strategies to preempt consumer purchases is a form of “costly rent-seeking activity” that, along with higher transaction costs imposed by brokers, offset much of the welfare gains from ticket resales).

¹³ The Act’s preamble identifies its purpose: “To prohibit the circumvention of control measures used by Internet ticket sellers to ensure equitable consumer access to tickets for any given event” Better Online Ticketing Sales Act, Pub. L. No. 114-274, pmb., 130 Stat. 1401 (2016).

¹⁴ 15 U.S.C. § 45c(a)(1).

¹⁵ Exec. Order No. 14254, 90 Fed. Reg. 14699 (Mar. 31, 2025) (“America’s live concert and entertainment industry is the envy of the world. But it has become blighted by unscrupulous middlemen who sit at the

has brought two actions to enforce the BOTS Act. These actions stand to improve dramatically consumers' ability to access affordable tickets to live events.

First, in August 2025, the Commission filed a complaint in federal district court against ticket broker Key Investment Group ("KIG").¹⁶ The Commission's complaint alleges that KIG has systematically violated the BOTS Act by using various methods to circumvent Ticketmaster's security measures and technology controls to purchase tickets, including: (1) using IP proxy services; (2) hiding its actual IP addresses from Ticketmaster when buying tickets; and (3) using thousands of purchase accounts based on sham identities or other false information.¹⁷ These methods allegedly allow KIG to purchase significantly more tickets than allowed by the ticket purchase limits.¹⁸

Second, in September 2025, the Commission sued Ticketmaster and its parent company, Live Nation Entertainment, for violating the BOTS Act and Section 5 of the FTC Act.¹⁹ In addition to being a primary market ticket issuer, Ticketmaster also runs a resale or secondary market platform on which tickets purchased on the primary market can be resold.

With operations in both the primary and secondary markets, Ticketmaster has publicly called for stronger enforcement of the BOTS Act, routinely blaming brokers for increasing ticket prices on the secondary markets.²⁰ Yet Ticketmaster's public-facing commentary stands in stark contrast with its private conduct. Indeed, the Commission alleges that Ticketmaster has turned a blind eye to the circumvention practices of large-scale brokers, like those of KIG that I just discussed, because those practices have been very profitable for Ticketmaster.²¹ According to our complaint, Ticketmaster tacitly allows brokers like KIG to harvest a large volume of primary tickets because it allows Ticketmaster to triple

intersection between artists and fans and impose egregious fees while providing minimal value. Ticket scalpers use bots and other unfair means to acquire large quantities of face-value tickets and then re-sell them at an enormous markup on the secondary market, price-gouging consumers and depriving fans of the opportunity to see their favorite artists without incurring extraordinary expenses.").

¹⁶ Press Release, Fed. Trade Comm'n, *FTC Takes Action Against Ticket Resellers for Using Illegal Tactics to Bypass Ticket Limit Protections in Violation of Better Online Ticket Sales Act* (Aug. 18, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/08/ftc-takes-action-against-ticket-resellers-using-illegal-tactics-bypass-ticket-limit-protections>.

¹⁷ Compl. at 11-12, *FTC v. Key Inv. Grp. LLC*, No. 1:25-cv-02716-CJC (D. Md. Aug. 18, 2025).

¹⁸ *Id.*

¹⁹ Press Release, Fed. Trade Comm'n, *FTC Sues Live Nation and Ticketmaster for Engaging in Illegal Ticket Resale Tactics and Deceiving Artists and Consumers about Price and Ticket Limits* (Sept. 18, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-sues-live-nation-ticketmaster-engaging-illegal-ticket-resale-tactics-deceiving-artists-consumers>.

²⁰ See *Examining the Impact of Ticket Sales Practices and Bot Resales on Concert Fans: Hearing Before the Subcomm. on Consumer Prot., Tech., & Data Priv. of the S. Comm. on Com., Sci., & Transp.*, 119th Cong. (2026) (testimony of Daniel M. Wall, Executive Vice President, Corporate and Regulatory Affairs, Live Nation Entertainment, Inc. at 5-6) ("StubHub, SeatGeek and Vivid Seats . . . get[] 80 to 100 percent of their inventory from brokers."), <https://www.commerce.senate.gov/services/files/7A43E490-2E65-4455-B98A-85D70C9836FE>.

²¹ Compl. at 46, *FTC v. Live Nation Ent., Inc.*, No. 2:25-cv-08884 (C.D. Cal. Sept. 18, 2025).

dip off the fees—*i.e.*, Ticketmaster shares in the profits that flow from the circumvention of its technological controls. Our complaint alleges, among other things, that Ticketmaster has systematically violated the BOTS Act by selling tickets on the secondary market that, at a minimum, it knew or should have known were illegally acquired by brokers on the primary market through circumvention.²² Our action against Ticketmaster is historic and attacks the exact conduct that contributes to astronomical secondary-market prices.

Preventing Fraud in the Payments Space

Another top priority is reinvigorating our fraud program. Under Chairman Ferguson, the Commission has been targeting fraud not only by the malefactors themselves, but also by going upstream—targeting firms that enable fraudsters’ use (or misuse) of the U.S. payment system to obtain payments from consumers. Challenging these upstream entities that ignore red flags is an efficient way to tackle fraud because a processor that engages in such misconduct is likely to have more than one dishonest merchant in its portfolio.

Before I describe these enforcement actions, I’d like to provide some background on the payment system—an area of particular interest to me.

Many fraudsters collect consumer payments via debit and credit cards. To accept card payments, a merchant typically needs an account in good standing with an acquiring bank (also known as a “merchant bank” or “acquirer”) or a payment facilitator (“payfac”) such as PayPal or Stripe, registered with the card networks.

Acquirers have a contractual relationship with the networks and are required to follow card network rules designed to protect the integrity and security of the network, including protecting consumers and merchants from illegal conduct.²³ Payfacs often don’t have a direct contractual relationship with the networks; instead, they contract with an acquirer, which is responsible for the payfac’s adherence to network rules.²⁴

²² *Id.*

²³ See, e.g., *Visa Core Rules and Visa Product and Service Rules*, VISA (Oct. 18, 2025), <https://usa.visa.com/content/dam/VCOM/download/about-visa/visa-rules-public.pdf>; see also *Mastercard Rules and Compliance Programs*, MASTERCARD, <https://www.mastercard.com/us/en/business/support/rules.html> (last visited Mar. 4, 2026).

²⁴ The payfac model, recognized and authorized by Visa and Mastercard in the early 2010s, was initially designed to allow low-volume merchants an alternative access to the card networks. Think of the vendor at a food truck, for example. The networks approved this model after observing that, for low-volume merchants, obtaining a direct merchant account could often be too slow, costly, or cumbersome. Over the last 15 years, the payfac model has become a dominant force in the payment processing world, with big payfacs such as PayPal and Stripe routinely processing for large merchants with annual volumes in the many millions of dollars. See MasterCard & Cardstream, *The Future of Payment Facilitation: The Rise of PayFac as a Service*, MASTERCARD (2025), https://mastercardcontentexchange.com/news/media/oqhnzn1s/payfac_as_a_service_white_paper_mastercard_cardstream_february2025.pdf; *Demystifying Payfacs*, STRIPE, <https://stripe.com/guides/payfacs> (last visited Mar. 4, 2026). The card networks may require merchant-clients of payfacs with very large volume to enter into a direct agreement with the payfac’s acquirer. See, e.g., *Visa’s Payment Facilitator Model*, VISA,

Additionally, acquirers often contract with third-party intermediaries called Independent Sales Organizations (“ISOs”) to solicit and sign up merchant clients. The card networks deem ISOs to be agents of the acquirers, and acquirers’ contracts with ISOs (as with payfacs) typically spell out due diligence and monitoring responsibilities the ISOs must perform.

In recent years, we have seen the emergence of what is known in the industry as the “Merchant of Record” or “MOR” model. Like payfacs, MORs obtain merchant accounts under their own name and use their merchant accounts to process payments, in aggregate, for numerous unaffiliated merchants. Unlike the payfac model, the card networks have not recognized (at least formally) the MOR model. Thus, while the network rules require payfacs and ISOs to register in order to be compliant, there is no such requirements for MORs, and payment processors that call themselves MORs often do not register with the card networks.²⁵

Scholarship on payment systems has traditionally emphasized the two-sided nature of the market and the mechanisms by which fees—such as interchange—are determined.²⁶ However, an often-overlooked dimension of the payments system is the critical role of information integrity and transparency within these networks. Accurate identification of merchants and reliable transaction data enable acquirers and payment facilitators to detect and mitigate problematic activity, including unauthorized or fraud-induced transactions. For this reason, network rules mandate that acquirers underwrite prospective merchants and continuously monitor existing ones to identify and address misconduct. Conversely, fraudsters actively seek to disrupt the flow of accurate information across the network; by obscuring or falsifying data, they create conditions that allow fraudulent behavior to persist.

The Commission protects and reinforces the integrity of the payments system by reinforcing compliance with consumer protection and competition standards, while aggressively pursuing unlawful conduct that threatens the transparency and trust of the payments system.

<https://usa.visa.com/content/dam/VCOM/global/support-legal/documents/visa-payment-facilitator-model.pdf> (last visited Mar. 4, 2026). Like an Independent Sales Organization (“ISO”), a payfac is considered an agent of the acquirer by the card networks. However, unlike an ISO, a payfac establishes a master merchant account with the acquirer and uses it to process cardholder payments in aggregate for multiple unaffiliated merchants. These merchants, onboarded by the payfac, are commonly referred to as “submerchants.”

²⁵ See, e.g., 1.5.1.10 *Payment Facilitator Identifier Assignment*, in *Visa Core Rules and Visa Product and Service Rules* 104, VISA (Oct. 18, 2025), <https://usa.visa.com/content/dam/VCOM/download/about-visa/visa-rules-public.pdf> (“An Acquirer that contracts with a Payment Facilitator must ensure registration of its Payment Facilitator with Visa and . . . [among other things] [o]btain from Visa a unique Payment Facilitator identifier . . . to use in Transaction processing”). There is no corresponding registration requirement for MORs because an MOR is not a recognized entity under the Visa rules.

²⁶ See, e.g., Andres V. Lerner et al., *Competition in Two-Sided Markets: The Antitrust Economics of Payment Card Interchange Fees*, 73 ANTITRUST L.J. 571 (2006), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1657630.

ENSURING TRANSPARENCY AND INFORMATION INTEGRITY IN THE U.S. PAYMENTS SYSTEM

With that background in mind, I'd like to highlight the Commission's enforcement actions to stop fraud and promote the integrity of the U.S. payment system.

Last year, the Trump-Vance Commission sued an MOR called Paddle, which we alleged assisted and facilitated foreign tech support fraudsters targeting consumers in the U.S.²⁷ The complaint charged Paddle with engaging in unfair payment processing practices under the FTC Act and assisting and facilitating deceptive telemarketers in violation of the Telemarketing Sales Rule (TSR).²⁸ It also charged Paddle with violating the Restore Online Shoppers' Confidence Act (ROSCA) for enrolling consumers in auto-renewing software subscription plans without clear and conspicuous material disclosures, express informed consent, or simple mechanisms to prevent recurring charges.²⁹

Our complaint alleged that because Paddle was the "merchant of record" that charged consumers and sent them purchase receipts, consumers often contacted Paddle to report unauthorized charges and deceptive practices.³⁰ Paddle typically responded by claiming to merely be the payment service provider and disclaiming responsibility for its merchant's deceptive marketing.³¹

Our settlement with Paddle provided \$5 million in consumer redress, enjoined Paddle from onboarding certain high-risk merchants, and required enhanced screening and monitoring of clients.³² To promote transparency in the payment system, the settlement order requires Paddle to provide periodic reporting about merchant clients' transactions to its upstream payment processors. As Chairman Ferguson said in his statement on the Paddle settlement, "by vigorously enforcing our laws in our payment systems, the Commission ensures that private industry takes the steps the law requires to protect Americans from foreigners who would use the payment system to prey on them."³³

The Commission brought another action against a payment processor this year. In January, the FTC brought contempt proceedings against an ISO called Cliq, previously known

²⁷ Press Release, Fed. Trade Comm'n, Paddle Will Pay \$5 Million to Settle FTC Allegations of Unfair Payment-Processing Practices and Facilitation of Deceptive Tech-Support Schemes (June 16, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/06/paddle-will-pay-5-million-settle-ftc-allegations-unfair-payment-processing-practices-facilitation>.

²⁸ Compl. at 52-54, *FTC v. Paddle.com Mkt. Ltd.*, No. 1:25-cv-01886 (D.D.C. June 16, 2025).

²⁹ *Id.* at 56.

³⁰ *Id.* at 41.

³¹ *Id.* at 30.

³² See *supra* note 27.

³³ *Statement of Chairman Andrew N. Ferguson, Joined by Commissioners Melissa Holyoak and Mark R. Meador, In re Paddle*, Matter No. 2223154 (June 16, 2025), https://www.ftc.gov/system/files/ftc_gov/pdf/paddle-anf-statement.pdf.

as CardFlex, and its two principals, for violating a settlement order.³⁴ The FTC had sued CardFlex in 2014 for processing for a massive money-making and federal grants scam known as iWorks, which defrauded consumers of more than \$275 million.³⁵

Our January order to show cause—essentially, a complaint in a contempt proceeding—alleges that Cliq violated the order by failing to conduct enhanced screening and monitoring for high-risk merchants, and by onboarding and processing hundreds of millions of dollars for merchants placed on Visa & Mastercard’s high-risk merchant list (known as MATCH³⁶) since at least 2020.³⁷ Our complaint alleges that one of the merchants Cliq processed for was a criminal enterprise called Target Fulfillment, which engaged in unauthorized billing for nutraceutical, CBD, and dietary supplement products.³⁸ We further alleged that Cliq and its principals turned a blind eye to glaring signs of Target Fulfillment’s fraud, including deceptive marketing materials, hundreds of consumer complaints, numerous excessive chargeback warning letters from card networks, and evidence showing that Target Fulfillment was load balancing—a tactic used by merchants to obscure the fraudulent activity by artificially lowering chargeback rates to avoid detection by its upstream payments partners.³⁹

POLICING UNLAWFUL CONDUCT IN DIGITAL MARKETS

The last area of our consumer protection work I’d like to highlight is law enforcement related to online subscriptions. Some sellers fail to make adequate disclosures about their subscriptions during enrollment. Others charge for subscriptions without obtaining adequate consent. And some make it difficult or impossible to cancel subscriptions.

Under Chairman Ferguson’s leadership, we have been vigorously using Section 5 of the FTC Act and ROSCA to protect Americans from such practices. Section 5 prohibits unfair or deceptive practices,⁴⁰ and ROSCA requires sellers to make clear and conspicuous

³⁴ Press Release, Fed. Trade Comm’n, FTC Asks Court to Hold Payment Processors in Contempt for Systematically Violating 2015 Order (Jan. 13, 2026), <https://www.ftc.gov/news-events/news/press-releases/2026/01/ftc-asks-court-hold-payment-processors-contempt-systematically-violating-2015-order>.

³⁵ Press Release, Fed. Trade Comm’n, FTC Charges Payment Processors Involved in I Works Scheme (Aug. 1, 2014), <https://www.ftc.gov/news-events/news/press-releases/2014/08/ftc-charges-payment-processors-involved-i-works-scheme>.

³⁶ MATCH stands for Mastercard Alert to Control High Risk Merchants, formerly known as the Terminated Merchant File. *E.g.*, Amy Slack, *What is the MATCH List and Terminated Merchant File (TMF)?*, KOUNT.COM: BLOG (Feb. 1, 2024), <https://kount.com/blog/what-is-match-list-terminated-merchant-file-tmf>.

³⁷ Press Release, Fed. Trade Comm’n, FTC Asks Court to Hold Payment Processors in Contempt for Systematically Violating 2015 Order (Jan. 13, 2026), <https://www.ftc.gov/news-events/news/press-releases/2026/01/ftc-asks-court-hold-payment-processors-contempt-systematically-violating-2015-order>.

³⁸ Pl.’s Mot. to Modify Stipulated Order at 25, *FTC v. Cardflex, Inc.*, No. 3:14-cv-397-MMD-CLB (D. Nev. Dec. 15, 2025); see Indictment, *United States v. Bawden*, No. 2:22-cr-00481-CW (D. Utah Dec. 7, 2022).

³⁹ Pl.’s Mot. to Modify Stipulated Order at 28-30, *FTC v. Cardflex, Inc.*, No. 3:14-cv-397-MMD-CLB (D. Nev. Dec. 15, 2025).

⁴⁰ 15 U.S.C. § 45.

disclosure of material terms, obtain express informed consent before any charges, and offer simple cancellation mechanisms to consumers.⁴¹

The FTC's enforcement objectives in this area are straightforward: to ensure that consumers can make informed choices about whether to enroll in a subscription and can easily cancel subscriptions they no longer want. Advancing these goals not only protects consumers but also promotes competition by preventing firms from gaining an unfair advantage through practices that unlawfully lock in customers or impede switching. When consumers face barriers to cancellation or are misled into subscriptions, rivals lose the opportunity to compete for those customers on the merits of price, quality, or innovation. To safeguard both consumer autonomy and market integrity, and to faithfully execute the law, the FTC has taken action against companies that employ deceptive tactics—such as misleading free trials, hidden terms, and obstructive cancellation processes—to entrench their position at the expense of competition.

Over the past year, we have obtained historic relief for consumers and brought impactful cases to stop unlawful subscription and cancellation practices. Here are notable examples:

In September 2025, we obtained a historic settlement in the enforcement action against Amazon related to its Amazon Prime subscription practices.⁴² We alleged that Amazon enrolled millions of consumers in Prime without consumers' express informed consent and made the cancellation process deliberately difficult. After two-plus years of hard-fought litigation, we reached a settlement with Amazon that includes a \$1 billion civil penalty for Amazon's alleged ROSCA violations. We also obtained historic relief for consumers. Amazon agreed to pay \$1.5 *billion* in redress to an estimated 35 million consumers.

The settlement also includes injunctive relief designed to prohibit deceptive subscription practices, requiring Amazon to include a clear button for consumers to decline Prime during checkout, disclose pricing upfront, and provide simple mechanisms to cancel Prime.

Over the past year, we also sued grocery delivery provider Instacart for failing to clearly disclose the terms of its membership program and engaging in other deceptive

⁴¹ 15 U.S.C. § 8403. In addition, the Commission recently submitted a draft Advance Notice of Proposed Rulemaking to the Office of Information and Regulatory Affairs concerning the FTC's Rule Concerning the Use of Prenotification Negative Options Plans. Press Release, Fed. Trade Comm'n, FTC Submits Draft ANPRM Related to Negative Option Plans to OMB for Review (Jan. 30, 2026), <https://www.ftc.gov/news-events/news/press-releases/2026/01/ftc-submits-draft-anprm-related-negative-option-plans-omb-review>.

⁴² Press Release, Fed. Trade Comm'n, FTC Secures Historic \$2.5 Billion Settlement Against Amazon (Sept. 25, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-secures-historic-25-billion-settlement-against-amazon>.

practices that harmed consumers.⁴³ To resolve these allegations, Instacart agreed to pay \$60 million in consumer refunds. The settlement requires Instacart to provide clear disclosures to consumers about its subscriptions, including informing consumers that they will be charged on a recurring basis when their free trial ends unless they opt out by a certain date.

Some of our other ROSCA enforcement actions include settlements with: (1) cash advance company Cleo AI, providing \$17 million in consumer redress;⁴⁴ (2) digital dating company Match Group, providing \$14 million in consumer redress;⁴⁵ and educational technology company Chegg, providing \$7.5 million in consumer redress.⁴⁶ We alleged that these companies engaged in a variety of unlawful subscription practices, including failing to disclose material terms clearly and conspicuously, failing to obtain express informed consent at enrollment, and making it unreasonably difficult for consumers to cancel. As these matters show, the Commission is working to put real money back in the pockets of tens of millions of Americans deceived by unlawful subscription practices.

Where we cannot reach a settlement that benefits consumers, we are aggressively pursuing companies in court, including: Uber;⁴⁷ LA Fitness;⁴⁸ Iconic Hearts (maker of the

⁴³ Press Release, Fed. Trade Comm'n, 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>.

⁴⁴ Press Release, Fed. Trade Comm'n, Cash Advance Company Cleo AI Agrees to Pay \$17 Million As Result of FTC Lawsuit Charging It Deceives Consumers (Mar. 27, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/03/cash-advance-company-cleo-ai-agrees-pay-17-million-result-ftc-lawsuit-charging-it-deceives-consumers>.

⁴⁵ Press Release, Fed. Trade Comm'n, Match Group Agrees to Pay \$14 Million, Permanently Stop Deceptive Advertising, Cancellation, and Billing Practices to Resolve FTC Charges (Aug. 12, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/08/match-group-agrees-pay-14-million-permanently-stop-deceptive-advertising-cancellation-billing>.

⁴⁶ Press Release, Fed. Trade Comm'n, Ed Tech Provider Chegg to Pay \$7.5 Million to Settle FTC Allegations Concerning Unlawful Cancellation Practices (Sept. 15, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ed-tech-provider-chegg-pay-75-million-settle-ftc-allegations-concerning-unlawful-cancellation>.

⁴⁷ Press Release, Fed. Trade Comm'n, FTC Takes Action Against Uber for Deceptive Billing and Cancellation Practices (Apr. 21, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/04/ftc-takes-action-against-uber-deceptive-billing-cancellation-practices>.

⁴⁸ Press Release, Fed. Trade Comm'n, FTC Sues LA Fitness for Making it Difficult for Consumers to Cancel Gym Memberships (Aug. 20, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/08/ftc-sues-la-fitness-making-it-difficult-consumers-cancel-gym-memberships>.

Sendit messaging app);⁴⁹ JustAnswer;⁵⁰ and IML/IYOVIA.⁵¹ Our complaint against Uber, for example, alleges the company enrolled consumers in its Uber One plan without their consent, misrepresented promised savings, and buried key details in fine print.⁵² We further allege that Uber made cancellation unreasonably difficult, requiring consumers to navigate up to 23 screens and take as many as 32 actions.

Our cases reflect a straightforward principle: consumers, not companies, should control where and how consumers' money and time are spent.

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Thank you for the opportunity to speak today. I look forward to discussing these issues and more with Professor Cooper.

⁴⁹ Press Release, Fed. Trade Comm'n, FTC Alleges Sendit App and Its CEO Unlawfully Collected Personal Data from Children, Deceived Users About Messages, Subscription Memberships (Sept. 29, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-alleges-sendit-app-its-ceo-unlawfully-collected-personal-data-children-deceived-users-about>.

⁵⁰ Press Release, Fed. Trade Comm'n, FTC Sues JustAnswer for Deceiving Consumers into Enrolling in a Costly Recurring Monthly Subscription (Jan. 13, 2026), <https://www.ftc.gov/news-events/news/press-releases/2026/01/ftc-sues-justanswer-deceiving-consumers-enrolling-costly-recurring-monthly-subscription>. The FTC likewise sued JustAnswer's CEO for allegedly unlawful conduct. *Id.*

⁵¹ Press Release, Fed. Trade Comm'n, FTC, State of Nevada Take Action Against IM Mastery Academy for Deceiving Consumers (May 1, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/05/ftc-state-nevada-take-action-against-im-mastery-academy-deceiving-consumers>.

⁵² Press Release, Fed. Trade Comm'n, FTC and States File Amended Complaint Against Uber for Deceptive Billing and Cancellation Practices (Dec. 15, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-states-file-amended-complaint-against-uber-deceptive-billing-cancellation-practices>.