CFS Bites of the Month – 2025 Annual Review – Automatic Renewals, Click-to-Cancel, and Subscriptions

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In this article, we share a timeline of monthly "bites" for 2025 applicable to automatic renewal, click to cancel, lease to own, and subscription transactions. The CFPB spent 2025 walking back much of the guidance and actions taken involving automatic renewals. However, while the FTC's "Click to Cancel" Rule never fully came to fruition, the FTC doubled-down, continuing to take several actions against those offering unlawful automatic renewal products.

CFPB Dismisses Numerous Lawsuits

Since the change in administration, the CFPB has dismissed numerous lawsuits that were filed under the Biden administration. From February into early March, the CFPB quickly filed dismissals in seven lawsuits, including a lawsuit against a large national bank, a student loan servicer, two mortgage lenders, a peer-to-peer lender, and an installment lender. Throughout the year, the CFPB continued to withdraw from several other lawsuits, including litigation against a lease-to-own company, a money transfer company, and an indirect auto company. It is estimated that the CFPB has dropped at least twenty-two cases throughout the year. Some of the litigation that the CFPB has dropped has been revived by state attorneys general.

FTC Takes Action Against Online Cash Advance Company

On March 27, the FTC filed a complaint and a proposed settlement order in the U.S. District Court for the Southern District of New York alleging that an online cash advance company misled consumers over how quickly they would receive funds and the amount of money available to consumers. The FTC alleges that the company's advertisements promised consumers hundreds of dollars in cash advances, but that almost no one received close to the advertised amount. The complaint also alleges that the company advertised same-day or instant advances, but consumers had to pay an additional fee to access the service. The complaint further alleges that the company made it challenging for consumers to cancel their arrangement with the Company and were told they couldn't cancel until they paid for outstanding cash advances. The order requires the company to pay $17 million in refunds to consumers. The order also prohibits the company from misleading consumers about any material terms of its advances; requires the company to clearly and conspicuously disclose the terms of any subscription; obtain express, informed consent before charging consumers for a subscription; and provide a simple way for consumer to cancel. The Commission voted 2-0 to authorize the staff to file the complaint and stipulated order.

CFPB Withdraws Sixty-Seven Guidance Documents

On April 11, 2025, CFPB Acting Director Vought wrote a memo that directed CFPB staff to cease issuing guidance documents and to review past guidance documents and flag only those that conform to his principles set forth in the memo. He instructed that any guidance that hadn't been flagged for retention would be reviewed and rescinded. On May 9, 2025, the CFPB published its withdrawal of sixty-seven guidance documents in the Federal Register, including Consumer Financial Protection Circular 2023-01: Unlawful negative option marketing practices, originally issued January 30, 2023. The CFPB statement withdrawing the sixty-seven guidance documents indicated that the CFPB was withdrawing all guidance documents to afford staff an opportunity to review and consider (1) "whether the guidance is statutorily prescribed," (2) whether the interpretation "is consistent with the relevant statute or regulation," and (3) whether it "imposes or decreases compliance burdens."

FTC Delays Implementation of Click to Cancel Rule for 60 Days

On May 9, 2025, the FTC announced that it was delaying implementation of its "click-to-cancel" rule that would have required sellers to make it as easy for consumers to cancel their enrollment as it was to sign up for their programs. The FTC finalized the rule in October of 2024, and scheduled an effective date of May 14, 2025. The rule prohibited sellers from: (1) misrepresenting any material fact made while marketing goods or services with a negative option feature; (2) failing to clearly and conspicuously disclose material terms before obtaining a consumer's billing information in connection with a negative option feature; (3) failing to obtain a consumer's express informed consent to the negative option feature before charging the consumer; and (4) failing to provide a simple mechanism to cancel the negative option feature and immediately halt charges. An industry group representing cable and internet providers filed a lawsuit in October 2024 to block the rule.

CFPB Terminates Consent Order with Auto Indirect Company

On May 12, 2025, the CFPB terminated a consent order that it entered into in 2023 with an auto indirect company. Under the order, the company was required to pay $12 million penalty, provide $48 million in consumer redress, stop its alleged unlawful practices, and stop incentive-based employee compensation or performance measurements in relation to add-on products. The CFPB alleged that the company made it unreasonably difficult for consumers to cancel unwanted add-on products, failed to provide refunds for unearned GAP and Credit Life and Accidental Health premiums when consumers paid off their transactions early, and failed to provide accurate refunds to consumers who canceled their vehicle service agreements. The consent order was supposed to remain in place for at least five years for compliance monitoring. The termination of the consent order waived any alleged non-compliance with the order. The CFPB did not say how much the company has paid in consumer redress. The termination did not give a reason and was signed by Acting Director Russell Vought.

FTC Takes Action Against UK-Based Payment Processor

On June 16, 2025, the FTC settled its lawsuit with a UK-based payment processor and its subsidiary over allegations that the company processed payments for deceptive tech-support telemarketers that targeted American consumers. The FTC had alleged that the company and its subsidiary violated the FTC Act, the Telemarketing Sales Rule, and the Restore Online Shoppers' Confidence Act ("ROSCA"). In 2024, the same company's client paid the FTC $26 million to settle allegations that it violated the FTC Act and the Telemarketing Sales Rule. The FTC alleged that the company facilitated schemes that allegedly used fake virus alerts and pop-up messages to impersonate familiar brands like Microsoft or McAfee. The FTC also alleged that the company charged consumers for automatically renewing subscriptions without disclosing that consumers would incur recurring charges. The settlement permanently bans the company from engaging in telemarketing or using pop-up messages about computer security and requires the company to pay $5 million. The settlement also prohibits the company from assisting merchants or engaging in tactics to avoid fraud or risk-monitoring programs established by banks or the card networks.

FTC Takes Action Against Popular Online Dating Company Regarding Subscriptions

On August 12, 2025, the FTC settled a case against an online dating company over alleged unlawful practices related to advertising, cancellation, and billing. The FTC filed a complaint against the company in September 2019, alleging that it deceptively misrepresented free six-month subscriptions to consumers by failing to adequately disclose the conditions to qualify for the free subscription. The FTC alleged that the company induced approximately 2.5 million consumers to sign up for subscriptions and provided approximately 30,000 free subscriptions to those consumers. The FTC also claimed that the company suspended accounts of paying users who filed billing disputes against the company and did not refund the consumers. The company agreed to settle the allegations and pay $14 million in redress, to provide simple mechanisms for consumers to cancel, and no longer take adverse actions against consumers for billing disputes, among other terms.

FTC Takes Action Against Fitness Company over Cancellation Policy

On August 20, 2025, the FTC announced an action against a fitness company over its cancellation policy, alleging violations of the FTC Act and ROSCA. The FTC claimed the company's cancellation process created challenges for consumers seeking to cancel their arrangement with the fitness company. According to the complaint, consumers seeking to cancel were required to either go to the gym and cancel through specific employees with restricted hours or by mailing a cancellation form via certified or registered mail. The complaint alleged that the cancellation practices violated the FTC Act's prohibition on unfair acts or practices. The complaint also alleged that the gym failed to notify consumers that they could cancel add-on amenities and services (like towel services and cryotherapy) individually, in violation of ROSCA. The complaint seeks a permanent injunction to prevent the gyms from future violations of the FTC Act and ROSCA, monetary relief, and any additional relief as the court deems just and proper.

FTC Takes Action Against Education Technology Provider

On September 15, 2025, the FTC settled a case with an education technology provider over allegations that the company made it difficult (and in some cases, nearly impossible) for customers to cancel their arrangement and continued charging consumers after they submitted cancellation requests. The FTC alleged that the company continued to charge nearly 200,000 consumers after they submitted cancellation requests. The FTC also alleged that the cancellation processes for services were buried on the company's website, requiring consumers to navigate through several pages to find and initiate the self-cancellation process. The complaint alleged that despite overwhelming consumer feedback and internal recognition that consumers had difficulties with their cancellation process, the company didn't improve the visibility of the cancellation of the cancellation link. The FTC alleged that the company violated the FTC Act and ROSCA. The order requires the company to pay $7.5 million, which will be used to provide refunds to consumers, and also requires the company to maintain simple cancellation mechanisms for negative option features.

FTC Takes Action Against Large Online Retailer

On September 25, 2025, the FTC announced a large action against an online retailer, imposing its largest ever civil penalty and second-highest restitution amount. The settlement resolved allegations that the company enrolled consumers in the retailer's program without obtaining express informed consent and that the retailer failed to provide a simple cancellation mechanism. The consent order requires the company to pay a $1 billion civil penalty and provide $1.5 billion in consumer restitution. The FTC and the company came to a resolution mid-trial. The FTC alleged violations of the FTC Act and ROSCA claiming the retailer engaged in deceptive enrollment and cancellation practices. Under the consent order, the retailer is prohibited from making misrepresentations about material terms in a transaction involving a negative option feature. The consent order will remain in effect for ten years against the company, and for three years with respect to two individual executives who joined the settlement. The company is required to submit a compliance report one year following the settlement, among other things, detailing the activities of each negative option feature related to its service and whether and how it is in compliance with the settlement order.

View all of the 2025 CFS Bites of the Month year-end recaps by topic on the 2025 Year-End Recap page.

Still hungry? Please join us for our next CFS Bites of the Month. Here is our lineup for 2026. If you missed any of our prior Bites, request a replay on our website.