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Hudson Cook Enforcement Alert: FTC Settles with Auto Dealership Group Over Allegedly Deceptive Vehicle Pricing and Prize Promotions

October 9th, 2026 | Erik Kosa and Pearl D. Mansu

HIGHLIGHTS:

- FTC announced a proposed settlement with an auto dealership group over allegations that it advertised vehicles at prices thousands of dollars below the prices consumers were ultimately charged. The FTC alleged that consumers paid, on average, more than $3,350 above the advertised price in over 92% of transactions.
- The proposed, stipulated order requires the dealership group to, whenever it advertises any amount a consumer may pay to purchase, finance, or lease a vehicle, disclose the vehicle's "Total Price" as the most prominently displayed item.
- The dealership group neither admits nor denies the FTC's allegations, except that, solely for purposes of the action, it admits the facts necessary to establish jurisdiction.

CASE SUMMARY:

On October 8, 2026, the FTC simultaneously filed a complaint and proposed stipulated order in the federal district court for the Middle District of Florida against an auto dealership group and several affiliated dealerships. The FTC alleged that the companies violated Section 5 of the FTC Act by engaging in deceptive practices in connection with the advertising, sale, lease, and financing of motor vehicles.

According to the complaint, the dealerships advertised vehicles online at artificially low prices and then failed to honor those prices when consumers attempted to purchase the vehicles. The FTC alleged that the dealerships increased advertised prices through dealer-imposed fees, conditional rebates and discounts available only to some consumers, mandatory add-on packages, inflated government charges, and unexplained price increases. According to the FTC, these practices resulted in consumers paying more than $3,350 above the advertised price, on average, in over 92% of transactions.

The FTC also alleged that the dealerships sometimes withheld transaction paperwork from consumers and, when consumers attempted to leave without completing a transaction, retained trade-in keys, failed to complete necessary paperwork, or refused to return deposits or downpayments. In addition, the FTC alleged that the dealerships sent promotional mailers falsely representing that consumers had won cash prizes that could be collected at a dealership.

The FTC had previously warned the dealership group about its advertising practices in March 2026 and advised it to ensure that the price consumers saw in advertising was the price they would actually pay. The FTC alleged that the practices nevertheless continued.

Without admitting or denying the allegations, the dealership group agreed to a proposed permanent injunction requiring that, whenever it advertises an amount a consumer may pay to purchase, finance, or lease a vehicle, it clearly and conspicuously disclose the "Total Price" as the most prominently displayed item. The order defines "Total Price" as the maximum total price, including all mandatory fees or charges, except charges that a federal, state, or local government requires the consumer to pay. When using third party advertisers, it will be a safe harbor from advertising violations if the dealership group has (i) provided the third party the "Total Price" and requested that the third party disclose it as the most prominent item; (ii) the group does nothing to contradict any requirement in the order; and (iii) taken all steps within their control to ensure the third party discloses the "Total Price" in accordance with the order.

The proposed order also prohibits misrepresentations regarding the costs or terms of purchasing, financing, or leasing a vehicle; the availability of vehicles at advertised prices; whether fees, taxes, products, or services are optional or required; whether a particular type or source of financing is required; whether consumers authorized particular charges, products, or services; and the amount of any fee, charge, or tax. It further prohibits misrepresentations regarding prizes, sweepstakes, giveaways, or similar incentives.

Of note, the proposed order makes no mention of any monetary relief. The FTC sought relief under Section 13(b) of the FTC Act, which following the Supreme Court's decision in *AMG Capital Management v. FTC*, does not authorize monetary relief. With the CARS Rule vacated, the FTC had no trade regulation rule violation to support civil penalties or redress.

The action reflects the FTC's continued emphasis on price transparency. In announcing the settlement, the FTC stated that price transparency remains a priority across several markets, including auto sales and leasing.

RESOURCES:

You can review the relevant materials on the **FTC's Press Release page.**

- **Complaint for Permanent Injunction and Other Relief**
- **Stipulated Order for Permanent Injunction and Other Relief**
- **FTC Press Release**

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