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Hudson Cook Enforcement Alert: FTC and Connecticut Reach $4 Million Auto Dealer Settlement Over Alleged Deceptive Fees and Unauthorized Add-Ons

August 24, 2026 | Harris A. Senturia and Mark D. Metrey

HIGHLIGHTS:

- The Federal Trade Commission ("FTC") and Connecticut Attorney General secured a $4 million settlement with a Connecticut auto dealership and several of its owners and managers, resolving allegations that consumers were charged deceptive or unauthorized fees in connection with vehicle purchases and financing.
- The FTC continues focusing on price transparency as an enforcement priority.
- The FTC and state regulators frequently align on key consumer protection priorities, regardless of broader policy differences.

CASE SUMMARY:

On August 19, 2026, the FTC and Connecticut Attorney General announced a $4 million proposed settlement with a Connecticut auto dealership and several of its owners and managers (collectively, the "dealership"), resolving a lawsuit filed in January 2024, alleging deceptive and unfair practices in the advertising, sale, and financing of motor vehicles. The agencies alleged that consumers were frequently charged thousands of dollars in improper fees, including charges to "certify" used vehicles that had already been advertised as certified pre-owned and charges for products such as total loss protection that allegedly were added to financing agreements without consumers' knowledge or consent. The dealership neither admitted nor denied the allegations.

The proposed order permanently prohibits the dealership from misrepresenting the costs or terms of purchasing, financing, or leasing vehicles, the availability of vehicles at advertised prices, whether vehicles are certified or include manufacturer warranties, whether fees and add-on products are optional or required, and whether consumers authorized particular charges.

The settlement also imposes specific pricing and consent requirements. Whenever the dealership represents an amount that a consumer may pay to purchase, finance, or lease a vehicle, they must clearly and conspicuously disclose the vehicle's "total price" as the most prominently displayed item. The order defines total price as the maximum total amount the consumer must pay, including all mandatory fees and charges except government-mandated charges. Where applicable, document processing fees must be included in the total price and separately disclosed adjacent to it.

The dealership also may not charge consumers for any product or service without first obtaining "express, informed consent." Under the order, that requires an affirmative act demonstrating unambiguous assent after the consumer receives clear and conspicuous oral and written disclosures identifying the product or service, all associated fees and costs, and whether the product or service is optional.

The proposed order imposes a $4 million monetary judgment against all defendants jointly and severally. The entire monetary judgment is payable to the state, a reminder that there may be circumstances where the FTC is not in a position to obtain monetary relief but a state co-plaintiff has the requisite authority. Moreover, the coordinated enforcement effort illustrates that certain consumer protection issues continue to command attention across the regulatory landscape, notwithstanding broader differences in policy priorities. The order also imposes compliance reporting, recordkeeping, and monitoring requirements, including retention of consumer complaints, advertisements, and worksheets used to negotiate or structure vehicle transactions.

RESOURCES:

You can review all of the relevant administrative filings and press releases at the FTC's Enforcement page.

- Press Release
- Stipulated Order

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