



Hudson Cook Enforcement Alert: State Attorneys General Join FTC Suit Against Major Rideshare Company for "Cancel Anytime" Subscription Practices

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HIGHLIGHTS:

- The Federal Trade Commission ("FTC"), joined by multiple state attorneys general, filed a First Amended Complaint against a major rideshare company and its subscription program, alleging deceptive subscription marketing, nonconsensual enrollment, and cancellation obstacles.
- The amended complaint alleges violations of Section 5 of the FTC Act, the Restore Online Shoppers' Confidence Act (ROSCA), and multiple state consumer protection statutes.
- The FTC and states seek injunctive relief, restitution, damages, and civil penalties, including penalties for each alleged ROSCA violation.

CASE SUMMARY:

Twenty-one states and the District of Columbia have joined an FTC enforcement lawsuit against a major rideshare and food delivery company over its subscription and cancellation practices. The allegations center on the company's paid subscription program, which renews automatically and is marketed as offering recurring savings and the ability to "cancel anytime." The initial complaint was filed against the company in April of this year and has now been amended to include the 22 new attorneys general and corresponding state law claims.

According to the amended complaint, the defendants marketed the subscription program with claims promising specific monthly savings and ease of cancellation, but consumers allegedly did not consistently realize the advertised benefits and encountered substantial barriers when attempting to cancel. The FTC and states allege that subscription enrollment occurred through in-app prompts, checkout flows, and promotional screens that did not always require a clear affirmative act to enroll, particularly where consumers already had payment credentials stored in the app. The amended complaint further alleges that some consumers were charged recurring fees despite not knowingly signing up for the subscription.

The amended complaint also focuses on alleged violations tied to free trials. Consumers were allegedly told they would not be charged until the end of a stated trial period, but some were billed earlier than disclosed. Additionally, the consumers who allegedly canceled a free trial before its expiration immediately lost access to subscription benefits, which allegedly discouraged early cancellation and increased the likelihood that consumers would be charged.

With respect to cancellation, the amended complaint alleges that defendants failed to provide a "simple mechanism" to stop recurring charges as required by ROSCA. Consumers were allegedly required to navigate multiple screens and steps to cancel, with cancellation options either unavailable close to billing dates or redirecting consumers to customer service rather than permitting cancellation directly through the app.

In addition to federal claims under the FTC Act and ROSCA, the amended complaint asserts claims under multiple state unfair and deceptive acts and practices statutes. The FTC and states seek injunctive relief, restitution, damages, disgorgement, attorneys' fees where authorized, and civil penalties, including penalties for each alleged ROSCA violation. The amended complaint reflects a coordinated federal-state enforcement posture and a heightened penalty focus for alleged negative-option and subscription-management practices.

RESOURCES:

You can review all of the relevant administrative filings and press releases at the [FTC's Enforcement Page](#).

- [Press Release](#)
- [Amended Complaint](#)

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