






Getting to the bottom line: The FTC's bipartisan Junk Fees Rule and your business

By: Julia Solomon Ensor | December 17, 2024 |   

We've heard it loud and clear from tens of thousands of people: hidden and misleading fees, also known as junk fees, hurt consumers and businesses. Today the FTC [announced](#) it is sending to the Federal Register a bipartisan final rule that will target bait-and-switch pricing and other tactics used to hide and misrepresent total prices and fees for live-event tickets and short-term lodging. What's the bottom line for covered businesses? Be upfront about total prices people will pay and tell the truth about fees and charges. Here's what else your business needs to know.

- **Businesses selling live-event tickets and short-term lodging are covered.** The final rule will apply to all businesses – including corporations, partnerships, associations, or any other entity or individual – offering, displaying, or advertising live-event tickets and short-term lodging. If you operate such a business, including a franchised business, you're on the hook whether you advertise online, through a mobile application, in physical locations, or through some other means. Tickets to concerts, sporting events, musicals, or other performing arts shows are all covered. And when it comes to short-term lodging, many kinds of temporary stays are covered. Think stays offered through platforms like Airbnb or VRBO, a few nights at a hotel, motel, or inn, or a week at a beach vacation rental. Although the rule doesn't limit the definition of short-term lodging to a particular length of stay, the Commission has clarified that it does not cover long-term rental housing.
- **Hidden fees are prohibited.** People don't want to waste time with tickets and short-term lodging that end up being outside of their budget. The rule will require covered businesses to disclose the total prices upfront. That means ads must include the maximum total of all mandatory fees or charges people will have to pay, with limited exceptions (check out the [rule language](#) for more details).

- **Misleading fees are prohibited.** You can't lie about the fees you charge. Tell the truth when it comes to fee-related information that matters, like what's being charged and why, how much people will pay, and whether fees are refundable.

- **Certain fees can be disclosed later in the transaction.** Unless you say prices displayed are the final amount people will pay, you can omit certain charges you may not know upfront. Examples of charges that you can disclose later include taxes, shipping, and fees for optional goods or services selected by the consumer as part of the same transaction. But, if you exclude

these fees from your display prices, you still have to tell people about the fees, and be truthful about information like their nature, purpose, and amount, before you ask people to make a final payment.

- **Business-to-business transactions are covered too.** The final rule will protect all transactions for live-event tickets and short-term lodging, including where businesses are the consumers. Booking lodging for a business trip or hotel rooms for a corporate retreat? Getting your employees tickets to a live TED Talk? All are covered transactions.

FACT SHEET

The FTC's Bipartisan Junk Fees Rule

This rule will help the FTC get money back to people misled by bait-and-switch pricing and hidden fees for live-event tickets and short-term lodging.



- Under the FTC's Junk Fees Rule:**
- ✓ You'll know the costs of live-event tickets and short-term lodging upfront.
 - ✓ Advertised prices will include all mandatory fees, with few exceptions.
 - ✓ Businesses must tell the truth about:
 - The total price of live-event tickets and short-term lodging.
 - Fees: How much? What for? Are they refundable?
 - ✓ Violators can be held liable for consumer redress and civil penalties.



- **Effective in 120 days.** The rule will be in full effect 120 days after it's published in the Federal Register. If you advertise or sell live-event tickets or short-term lodging, take this time to do a full review of your advertisements and pricing policies.

Want more information? Check out the [Federal Register Notice](#) for additional information, including details of the Commission's rulemaking process and analysis of the public comments received.

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