

States and Feds Continue Crackdown on Hidden Fees

Massachusetts Attorney General Andrea Campbell has announced new consumer protection regulations targeting so-called “junk fees.” Effective September 2, 2025, the regulations require businesses to clearly and prominently disclose the total price of products or services upfront, including all mandatory fees, before consumers complete a purchase. Businesses cannot require consumers to provide personal information, including billing details, before disclosing the full price, except when such information is specifically necessary for underwriting, determining product availability or legality, or calculating regulated pricing. The regulations also make it illegal to misrepresent fees or suggest that optional charges are required by law. Additionally, businesses must separate government-imposed fees from their own charges and provide clear, straightforward cancellation processes for trial offers and subscriptions. Massachusetts follows California, where Senate Bill 478 — effective July 1, 2024 — prohibits advertising prices that exclude mandatory fees. Our colleague Keturah Taylor analyzed California’s law and its impact on businesses in [this article](#) in Thomson Reuters/Westlaw Today.

Regulatory Focus On “Deceptive” Business Practices

At the federal level, the FTC initially proposed a broader rule in 2023 that would have prohibited businesses from omitting mandatory fees from advertised prices. However, in December 2024, the FTC finalized the more narrowly focused “Rule on Unfair or Deceptive Fees,” which applies only to live-event ticketing and short-term lodging. While the FTC’s final rule is limited in scope, it signals heightened regulatory scrutiny over hidden fees, with potential future expansions into other industries. This fits within the broader regulatory focus on business practices that, while not facially deceptive, are alleged to nonetheless deceive consumers, such as so-called “dark pattern” manipulative design techniques that obscure costs, mislead consumers, or pressure them into unintended decisions, as well as hidden fees and deceptive pricing structures as recently explored by our colleagues Andrew Baer and Chris Dodson.

State AGs Active in Enforcing Against Misleading Fee Disclosures

State AGs have also aggressively pursued enforcement actions against misleading fee disclosures, even in states without specific laws targeting hidden fees. For example, last year, the Connecticut AG sued CSC Holdings, LLC, alleging that the company violated consumer protection laws by failing to disclose a “network enhancement fee” upfront. The case remains pending in Connecticut Superior Court. Additionally, Grubhub reached a \$25 million settlement with the Illinois AG and FTC to resolve allegations that, among other things, it misrepresented service fees and hid costs from consumers until later in the transaction process. As part of the settlement, Grubhub is prohibited from misrepresenting fees, among other injunctive terms.

Business Beware

These actions highlight a broader regulatory crackdown on so-called “junk fees.” Businesses should proactively review their pricing and disclosure practices to stay ahead of evolving consumer protection laws, and also monitor state AGs’ rulemaking activity to see if they follow California’s and now Massachusetts’ lead.



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