

Wiley Consumer Protection Download (August 26, 2025)

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Welcome to Wiley's update on recent developments and what's next in consumer protection at the Federal Trade Commission (FTC), Consumer Financial Protection Bureau (CFPB), and the state level. Check out our new FTC Consumer Protection and Enforcement Series where we provide practical insights into emerging FTC priority areas for consumer protection and data privacy enforcement. Recent posts include The Fair Credit Reporting Act—Who Is Covered and How to Comply, PADFA Enforcement—What Companies Need to Know, and Practical Tips for When Your Company Gets an FTC CID.

Wiley has also launched a Trump Administration Resource Center and Resource Guide to track Executive branch priorities during the second Administration of President Trump. With Wiley's deep-rooted understanding of Washington and today's evolving regulatory landscape, the Resource Center and Resource Guide provide critical insights, actionable intelligence, practical solutions, and guidance across key industries to help businesses stay ahead of the curve and manage challenges in 2025 and beyond. Please reach out to any of our authors with any questions about recent Trump Administration actions and the potential impact on regulations or enforcement activity.

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Federal and State Regulatory Announcements

FTC Chairman Sends Warning Letters to Technology Companies Regarding Data Security and Censorship.

On **August 21**, FTC Chairman Andrew Ferguson sent warning letters to thirteen technology companies that provide cloud computing, data security, social media, messaging apps and other services, cautioning the companies against weakening data security protections or restricting content in the U.S. in response to foreign laws. Specifically, the letter states that some foreign laws may encourage companies to weaken their encryption measures to enable law enforcement to access user data, or “impose censorship.” The letters caution, among other things, that “if a company promises consumers that it encrypts or secures online communications but then adopts weaker security in response to demands from a foreign government, such an action could be considered a deceptive practice under the FTC Act.”

CFPB Seeks Comments on Personal Financial Data Rights Rule. On **August 22**, the CFPB issued an Advance Notice of Proposed Rulemaking (ANPR) seeking comments on four issues related the agency’s implementation of Section 1033 of the Consumer Financial Protection Act (CFPA) through the Personal Financial Data Rights Rule: (1) the scope of who can serve as a “representative” making a data access request on behalf of the consumer; (2) how to approach the assessment of fees by a “covered person” under Section 1033 in responding to an access request; (3) analysis of risks, costs, and benefits related to data security associated with rule implementation; and (4) analysis of data privacy concerns associated with financial data access.

Comments must be received on or before **October 21, 2025**.

Colorado AG Issues Consumer Alert Regarding Jury Duty Scams. On **August 21**, the Colorado Attorney General (AG) issued a consumer alert regarding common scams involving fake notices of missed jury duty. Jury duty scams typically involve scammers using fear of legal or financial consequences to trick individuals into handing over money, personal information, or both. The consumer alert also provides resources for detecting and preventing scams.

Select Federal Enforcement Actions

FTC Settles with Online Dating Platform for Allegedly Deceptive Practices. On **August 12**, the FTC filed a stipulated order in the U.S. District Court for the Northern District of Texas settling alleged violations of the FTC Act and Restore Online Shoppers’ Confidence Act (ROSCA) with an online dating platform. In September 2019, the FTC filed a complaint alleging that the platform misled consumers by promising free six-month subscriptions if they did not meet someone without fully disclosing the terms of the subscription and how to cancel the subscription. The platform agreed to pay \$14 million in addition to injunctive relief.

FTC Sues Ticket Broker and its Executives for Allegedly Deceptive Practices. On **August 18**, the FTC filed a complaint in the U.S. District Court for the District of Maryland against a ticket broker, its affiliate companies, and three of its executives for alleged violations of the FTC Act and Better Online Ticket Sales Act, also known

as the BOTS Act. The FTC alleges that the defendants created numerous different accounts to avoid limitations on the number of tickets purchased for concerts and resold the hundreds of thousands of tickets acquired for a significant markup. The FTC seeks monetary and injunctive relief.

FTC Obtains Preliminary Injunction Against Investment Training Company and Its Owners and Settles with Company's Salespeople for Allegedly Deceptive Business Practices. On **August 18**, the U.S. District Court for the District of Nevada issued a preliminary injunction against an investment training company and its owners for alleged violations of the FTC Act, Telemarketing Sales Rule, ROSCA, and Nevada's deceptive trade practices statute. Previously, on August 7, the FTC and Nevada AG filed a stipulated order settling the allegations against the company's top salespeople who agreed to pay \$36 million in addition to injunctive relief. The FTC's and Nevada AG's May 2025 complaint alleged that the defendants deceived consumers in claiming to provide training on investing and other financial topics for monthly fees and marketing their products as easy ways to make money, but purportedly had salespeople serve as the educators for these trainings and did not have records of customers successfully using these trainings to make money. The FTC and Nevada AG still seek monetary and permanent injunctive relief.

FTC Sues National Gym Operators for Allegedly Misleading Practices. On **August 20**, the FTC filed a complaint in the U.S. District Court for the Central District of California against a national gym operator for alleged violations of the FTC Act and ROSCA. The FTC alleges that the company failed to fully explain to customers how to cancel their gym memberships and that customers could cancel add-on amenities and services individually without cancelling their base level membership, and that it failed to provide a "simple" mechanism to cancel under ROSCA. The FTC seeks monetary and injunctive relief.

FTC Settles with Company and its Owners for Alleged Business Opportunity Schemes. On **August 25**, the FTC filed three stipulated orders in the U.S. District Court for the Southern District of Florida settling alleged violations of the FTC Act, the Business Opportunity Rule, the Consumer Review Fairness Act, and the Impersonation Rule. In March 2025, the FTC filed a complaint alleging that the company and its owners misled consumers by making false promises about a business opportunity's potential earnings, making false claims about use of advanced artificial intelligence and brand partnerships, and suppressing negative reviews. The stipulated orders include monetary judgements totaling more than \$20 million in addition to injunctive relief.

FTC Sues Technology Company for Allegedly Deceptive AI Claims and Business Opportunity Schemes. On **August 25**, the FTC filed a complaint in the U.S. District Court for the District of Arizona against a technology company for alleged violations of the FTC Act, TSR, and Business Opportunity Rule. The FTC alleges that the defendants made false claims about potential earnings, misrepresented the performance of their "conversational AI" products, and failed to provide refunds to consumers who met the refund policy requirements, among other things. The FTC seeks monetary and injunctive relief.

Select State Enforcement Actions

NY AG Sues Electronic Payment Platform Operator for Allegedly Failing to Protect Consumers from Fraud.

On **August 13**, the New York AG filed a complaint against an electronic payment platform operator for allegedly violating New York consumer protection laws by “creating an atmosphere conducive to fraud” by establishing a payment platform “knowing that its design and features, and glaring flaws in its antifraud measures, render it highly susceptible to fraudulent activity. . . .” Moreover, the New York AG’s complaint alleges that the payment platform operator “promot[ed] and market[ed], as well as advis[ed] and assist[ed] participating banks in promoting and marketing, the safety and security of the” payment platform when the platform “was and is not safe and secure from fraudsters. . . .”

California DFPI Settles with Mortgage Lender for Allegedly Overcharging Thousands of Borrowers. On **August 18**, the California Department of Financial Protection & Innovation (DFPI) reached a \$2.3 million settlement with a mortgage lender and servicer for allegedly overcharging thousands of consumers in violation of state consumer financial protection regulations. As part of the settlement, the mortgage lender will pay over \$1.8 million in civil penalties and has refunded over \$550,000 to impacted consumers. The company has also agreed to surrender its California Financing Law and California Residential Mortgage Lender licenses.

Texas AG Settles with Hotel Reservation Company for Allegedly Deceptive Practices. On **August 19**, the Texas Attorney General announced a settlement with an online hotel booking company that runs multiple hotel booking website for alleged violations of the Texas Deceptive Trade Practices Act. The 2023 complaint alleged that the company misrepresented the cost of the hotel rooms and added extra fees to account for the hotel room prices that were listed as lower than the actual cost. The company agreed to pay \$9.5 million in addition to injunctive relief.

Massachusetts AG Settles with Property Management Company for Allegedly Misleading Practices. On **August 19**, the Massachusetts AG announced a settlement with a property management company for alleged violations of Massachusetts Data Security Law. The Massachusetts AG alleged that the company failed to notify consumers in a timely manner after experiencing five separate cybersecurity breaches that impacted customers’ sensitive personal information. The company agreed to pay \$795,000 in addition to developing a cybersecurity program and conducting an annual assessment for three years.

Upcoming Events and Comment Deadlines

CFPB Seeks Comment on New Thresholds for Larger Participants in the Automobile Financing, Consumer Reporting, International Money Transfer, and Debt Collection Markets. Comments are due **September 22** on four CFPB advance notices of proposed rulemaking (ANPR) that seek comment on raising the thresholds for defining larger participants in the markets for automobile financing, consumer reporting, international money transfer, and debt collection. The Consumer Financial Protection Act authorizes the CFPB to define larger participants in markets for consumer financial products or services, and to supervise larger nonbank entities subject to the law to assess compliance with federal consumer financial laws, obtain information about such entities’ activities and compliance systems and procedures, and detect and assess risks to consumers and consumer financial markets. If adopted, the heightened thresholds would greatly reduce the

number of nonbank entities subject to supervision in each of the markets discussed above.

FTC Seeks Comments Regarding Gender Affirming Care for Minors. On **July 28**, the FTC issued a request for information regarding potential unfair or deceptive trade practices in gender-affirming care for minors. Comments are due by **September 26, 2025**.

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Open Banking, Financial Data Rights, and What it Means for Crypto

FTC Consumer Protection and Privacy Enforcement Series: The Fair Credit Reporting Act—Who Is Covered and How to Comply

FTC Consumer Protection and Privacy Enforcement Series: PADFA Enforcement—What Companies Need to Know

FTC Consumer Protection and Privacy Enforcement Series: Practical Tips for When Your Company Gets an FTC CID

Colorado Proposes New Privacy Rules Focused on Minors' Online Data

Cyber Regulatory Harmonization: The Prospects and Potential Impacts of Current Efforts

White House Launches AI Action Plan and Executive Orders to Promote Innovation, Infrastructure, and International Diplomacy and Security

With "Click-to-Cancel" Rule Now Vacated by 8th Circuit, What's Next for FTC?

Update: Enforcement of DOJ Data Security Program Set to Begin July 9

Building a Digital Asset Regulatory Framework: The GENIUS Act and Next Steps

Texas Responsible AI Governance Act Enacted

FTC Reviews Its Approach to Kids' Online Activity – What Comes Next?

Privacy, AI, and Consumer Protection Takeaways from FTC Chairman's House Testimony

Webinar: Navigating FTC Health Care Advertising and Privacy Compliance in the Trump Administration: Key Insights for Health Service Providers

State Privacy Enforcement Ramp-Up Continues with New Actions in California and Texas

Executive Order on Ticket Resale Market Calls for Greater FTC Enforcement

What to Expect from New FTC Leadership on Digital Health Care

FTC Adopts Amended Children's Online Protection Act Rule

FTC Announces Rule on "Junk Fees" and Pricing Disclosures in Certain Industries

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