

# Wiley Consumer Protection Download (January 7, 2025)

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Welcome to Wiley's update on recent developments and what's next in consumer protection at the Consumer Financial Protection Bureau (CFPB) and Federal Trade Commission (FTC). In this newsletter, we analyze recent regulatory announcements, recap select enforcement actions, and preview upcoming deadlines and events. We also include links to our articles, blogs, and webinars with more analysis in these areas. We understand that keeping on top of the rapidly evolving regulatory landscape is more important than ever for businesses seeking to offer new and groundbreaking technologies. Please reach out if there are other topics you'd like to see us cover or for any additional information.

Wiley has launched a new Trump Administration Resource Center and Resource Guide ahead of President-Elect Trump's second Administration beginning in January 2025. 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.

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## Practice Areas

Advertising and Marketing

Cyber and Privacy Investigations, Incidents  
& Enforcement

FTC and Consumer Protection

Privacy, Cyber & Data Governance

Telecom, Media & Technology

## Regulatory Announcements

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**FTC Releases Final Rule on “Junk Fees.”** On **December 17**, the FTC announced its final Trade Regulation Rule on Unfair or Deceptive Fees, or “Junk Fees Rule” (we summarize the final rule here). The final rule applies to prices, fees, and charges on live event tickets and short-term lodging (Covered Good or Service). The Junk Fees Rule makes it an unfair or deceptive practice to offer, display, or advertise the price of a Covered Good or Service without disclosing the total price, which is the maximum amount of all fees and charges a consumer must pay for a good or service. The rule also requires disclosure of any additional fees, and the purpose of those fees, before payment. Further, the rule prohibits covered entities from misrepresenting any fees or charges in any offer, display, or advertisement for a Covered Good or Service. The Final Rule was approved 4-1, with Commissioner (and incoming FTC Chair) Andrew Ferguson dissenting. Commissioner Ferguson dissented based on the timing of the final rule’s issuance; he did not take a position on the merits of the final rule.

**CFPB Issues Circular and Issue Spotlight Regarding Credit Card Rewards Programs.** On **December 18**, the CFPB announced the release of a Circular, new research, and an *Explore Credit Cards* tool in its efforts to address credit card rewards program practices. The Circular states that some credit card companies operating reward programs may be violating federal law when they deflate the value of earned rewards; revoke, cancel, or prevent the redemption of rewards based on purportedly “buried” or “vague” conditions; or fail to deliver rewards due to any system failures. The CFPB also released research on The High Cost of Retail Credit Cards, which states that, along with annual percentage rates (APR) exceeding 30%, consumers have also complained of allegedly aggressive sales tactics at point of sale and inability to redeem promotions. Lastly, the CFPB launched its *Explore Credit Cards* tool which allows consumers to explore more than 500 credit cards based on credit score range, interest rates, fees, and rewards offerings.

**FTC to Hold Informal Hearing on Proposed Changes to Impersonation Rule.** The FTC will hold an informal hearing on **January 17, 2025**, on its proposed amendment to its Trade Regulation Rule on Impersonation of Government and Businesses. On April 1, 2024, the FTC published a supplemental notice of proposed rulemaking (SNPRM) proposing to expand the Rule to prohibit the impersonation of individuals, and to include a “means and instrumentalities” theory of liability. On December 19, the FTC announced that it decided not to move forward with the “means and instrumentalities” proposal, but it will hold a hearing focused on the whether to adopt the agency’s proposal to prohibit the impersonation of individuals. Nine commenters may present oral statements during the informal hearing, which will be available to the public via webcast.

## Select Enforcement Actions

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**FTC Settles with a Software Company for Deceptive Marketing.** On **January 3**, the FTC voted 5-0 to issue a complaint and proposed order against a website accessibility software company for alleged violations of the FTC Act. The complaint alleges that the company overstated its software’s abilities to use artificial intelligence (AI) to make a website compliant with the Web Content Accessibility Guidelines (WCAG) for people with disabilities without evidence that the software could do so in every instance and formatted its claims to look

like reviews. The company agreed to pay \$1 million in civil penalties in addition to injunctive relief.

**FTC Finalizes Order Against Consumer Review Platform for Allegedly Deceptive Business Practices.** On **January 3**, the FTC voted 5-0 to approve a final order against an AI-enabled consumer review platform after a 30-day notice and comment period. In its November 2024 complaint, the FTC alleged that the company failed to disclose that reviews generated by its platform could be AI-generated and not from a consumer who purchased and used the product or service. The FTC also alleged that the company's services could be used to mislead consumers. The company agreed to injunctive relief.

**FTC Refers Lawsuit Against Online Cash Advance App to DOJ.** On **December 30**, after the FTC voted 4-1 (with Commissioner Holyoak voting no) to refer the case to the U.S. Department of Justice (DOJ), the DOJ filed an amended complaint in the U.S. District Court for the Central District of California against an online cash advance app, adding the app's CEO as a defendant. The FTC first filed this case against the company in November 2024, alleging that the company misrepresented the amount of cash customers are likely to receive, failed to accurately disclose the fees associated with the service, and made it difficult for customers to cancel their membership in violation of the FTC Act and Restore Online Shoppers' Confidence Act. The amended complaint seeks monetary and injunctive relief.

**FTC and Maryland AG Sue Automotive Group and Its Officers for Allegedly Deceptive Business Practices.** On **December 27**, the FTC (voting 5-0) and Maryland Attorney General filed a complaint in the U.S. District Court for the Eastern District of Virginia against an automotive group and its officers for alleged violations of the FTC Act and Maryland's Consumer Protection Act. The complaint alleges that the company misled consumers by advertising prices that did not include mandatory fees, charging for add-ons without consumer consent, and indicating that financing must be done through the dealership's financing companies. The FTC and Maryland AG seek monetary and injunctive relief.

**FTC Finalizes Settlement with AI Writing Generator for Allegedly Deceptive Business Practices.** On **December 18**, the FTC voted 3-2 to approve a final order against a company that provides a variety of AI writing tools after a 30-day notice and comment period. In its complaint, the FTC alleged that the company's tools to draft online reviews and testimonials with AI could be used to mislead consumers. The company agreed to injunctive relief. Commissioners Ferguson and Holyoak both dissented from the final order, arguing that the company did not violate Section 5 of the FTC Act.

**FTC and Illinois AG Settle with Food Delivery App for Allegedly Deceptive Business Practices.** On **December 17**, the FTC (voting 5-0) and Illinois Attorney General filed a complaint and stipulated order in the U.S. District Court for the Northern District of Illinois against a food delivery app for alleged violations of the FTC Act, Restore Online Shoppers' Confidence Act, Impersonation Rule, and Illinois Consumer Fraud and Deceptive Business Practices Act. The FTC and Illinois AG allege that the company misled consumers by offering access to restaurants that were not affiliated with the app, failing to accurately disclose all fees and subscription services, and misrepresenting earning potential when recruiting delivery drivers. The company agreed to a \$140 million monetary judgment in addition to injunctive relief. The court entered the stipulated order on December 31.

**FTC and Illinois AG Settle with Automotive Group and Car Dealerships for Allegedly Deceptive Business Practices.**

On **December 19**, the FTC (voting 5-0) and Illinois Attorney General filed a complaint and stipulated order in the U.S. District Court for the Northern District of Illinois against an automotive group, its car dealerships, and its vice president for alleged violations of the FTC Act, Used Motor Vehicle Trade Regulation Rule, and Illinois Consumer Fraud and Deceptive Business Practices Act. The complaint alleges that the defendants misled consumers by adding on services and fees that were not included in the advertised price and would include these additional charges without informing consumers that they were optional. The automotive group and car dealerships agreed to pay \$20 million in addition to injunctive relief. The case against the vice president is ongoing.

**CFPB Sues Real Estate Brokerage Firms for Allegedly Deceptive Practices.**

On **December 23**, the CFPB filed a complaint in the U.S. District Court for the Eastern District of Michigan against two real estate brokerage firms, one of the firm's owners, and 45 subsidiaries for alleged violations of the Consumer Financial Protection Act and the Real Estate Settlement Procedures Act. The CFPB alleges that the defendants gave incentives to real estate brokers and agents for referring consumers to its affiliated mortgage lender and for failing to share beneficial or competing information about home loans offered by competitors. The CFPB seeks monetary and injunctive relief.

**CFPB Sues Three Banks and a Fintech Company for Allegedly Failing to Prevent Fraud.**

On **December 20**, the CFPB filed a complaint in the U.S. District Court for the District of Arizona against three banks and a fintech company for alleged violations of Consumer Financial Protection Act and Electronic Fund Transfer Act. The CFPB alleges that the banks failed to employ adequate measures to prevent, detect, and address fraud through the payment platform deployed by the banks. The CFPB seeks monetary and injunctive relief.

## Upcoming Comment Deadlines and Events

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**FTC to Hold Virtual Workshop to Examine Impact of Digital Platform Design Features on Kids and Teens.**

The FTC will hold a virtual workshop on **February 25, 2025**, to "examine the use of design features on digital platforms aimed at keeping kids, including teens, online longer and coming back more frequently." The workshop, titled "Attention Economy: Monopolizing Kids' Time Online," will feature researchers, technologists, child development and legal experts, consumer advocates, and industry professionals. According to the FTC, topics discussed will include: (1) how certain website design features may result in more engagement or time spent on digital platforms, and what relevant scientific research exists on the topic; (2) the physical and psychological impacts of the design features on children and teens; and (3) potentially beneficial measures or design considerations that might be effective, feasible, and consistent with current legal practice.

## More Analysis from Wiley

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Federal Cybersecurity Policy in 2025: What to Watch in Changing Times

74 Wiley Attorneys Recognized in 2025 Edition of The Best Lawyers in America

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

10 Noteworthy CFPB Developments From 2024

CFPB Proposes to Expand Reach of Fair Credit Reporting Act to “Data Brokers” and Beyond

FTC Adopts Final “Click-to-Cancel” Rule with Requirements for Recurring Subscriptions

FCC Announces Administrators for IoT Cybersecurity Labeling Program

FCC to Scrutinize Customer Service Practices Across Communications Industry

Updates on Cybersecurity Requirements for Government Contractors

Dissenting Commissioners Criticize SEC’s Latest Cybersecurity Disclosure Cases

DOJ and CISA Propose New National Security Program to Regulate Foreign Access to Sensitive Data

Texas AG Brings SCOPE Act Enforcement Action Against TikTok – Just One Month After Law Took Effect

FCC Proposes New Rules for AI-Generated Calls and Texts

Key Takeaways from Our Conversation with Oregon and Texas Regulators About Privacy Enforcement

Podcast: Navigating State Privacy Laws: A Conversation with Oregon and Texas Regulators about Privacy Enforcement

Litigation Grows Around Website Technologies, With Focus on Sensitive Data

Athletes, Arenas, and Cyberattacks: The Evolving Landscape of Cybersecurity in Sports

State “Right to Repair” Patchwork Grows as Electronic Device Manufacturers Face New Compliance Deadlines

Colorado Enacts Landmark AI Legislation

Darned if You Do, Darned if You Don’t: Recent Lessons from the SEC On Cyber Reporting

White Paper on Telephone Consumer Protection Act Litigation Abuse

Federal Government Acts on Connected Vehicle Privacy and National Security Concerns

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