

Wiley Consumer Protection Download (June 17, 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 at the state level.

Wiley also has 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 Issues Guidance on Safeguards Rule. On **June 16**, the FTC released guidance in the form of frequently asked questions intended to assist automobile dealers in complying with the agency's Gramm-Leach-Bliley Act Safeguards Rule. The Safeguards Rule, which we

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Advertising and Marketing
Cyber and Privacy Investigations, Incidents & Enforcement
FTC and Consumer Protection
Privacy, Cyber & Data Governance
Telecom, Media & Technology

discuss here, requires financial institutions, including motor vehicle dealers, to develop, implement, and maintain comprehensive security programs to protect customer information. In 2023, the FTC updated the Safeguards Rule to require financial institutions to report to the FTC certain data breaches and security incidents involving customer information. That requirement took effect in May 2024.

Minnesota Enacts Legislation Requiring Social Media Platforms to Provide Mental Health Warning Labels.

On **June 14**, Minnesota Governor Tim Walz signed House Bill 2, which requires social media platforms to display a “conspicuous mental health warning label” every time a user logs into their profile on the platform. Minnesota law defines a “social media platform” as “an electronic medium, including a browser-based or application-based interactive computer service, Internet website, telephone network, or data network, that allows an account holder to create, share, and view user-generated content for a substantial purpose of social interaction, sharing user-generated content, or personal networking.” That definition does not include internet service providers; internet search engines; email services; streaming services, online video games, e-commerce, or other internet websites where the content is not user-generated; advertising networks; telecommunications providers; or teleconferencing or videoconferencing services.

House Bill 2 delegates authority to the Minnesota Commissioner of Health, in consultation with the Minnesota Commissioner of Commerce, to “develop guidelines for social media platforms that contain appropriate requirements for the warning labels” by March 1, 2026. Social media platforms are required to comply with this first-of-its-kind warning label requirement beginning July 1, 2026.

Select Federal Enforcement Actions

FTC Settles with Treatment Clinic for Allegedly Deceptive Practices. On **June 10**, the FTC filed a stipulated order in the U.S. District Court for the Southern District of Florida against a substance abuse disorder treatment clinic and its operators for alleged violations of the FTC Act and Opioid Addiction Recovery Fraud Prevention Act. In January, the FTC alleged that the defendants engaged in deceptive conduct by including their telephone number with the names and online reviews of other substance abuse treatment clinics and claimed affiliation with other clinics when talking to potential customers. The defendants agreed to a \$7 million civil penalty in addition to injunctive relief.

FTC Settles with Debt Collection Company and Its Affiliates and Officers for Allegedly Deceptive Business Practices. On **June 16**, the FTC filed a stipulated order in the U.S. District Court for the Central District of California against a debt collection company, its affiliate companies, and two of its officers for alleged violations of the FTC Act, the Fair Debt Collection Practices Act, the Gramm-Leach-Bliley Act, and the Impersonation Rule. In March 2025, the FTC filed a complaint alleging that the defendants sent consumers letters stating they owed money to a payday lender and threatening legal action and credit harm despite the debts never existing. The defendants agreed to pay an \$8.25 million monetary penalty in addition to injunctive relief.

FTC Settles with Payment Processor and Its Subsidiary for Allegedly Deceptive Practices. On **June 16**, the FTC filed a complaint and stipulated order against a payment processor and its subsidiary for alleged violations of the FTC Act, the Telemarketing Sales Rule, and the Restore Online Shoppers' Confidence Act. The FTC alleges that the companies claimed to be affiliated with certain third-party merchants and software providers that the company had no connection to, failed to disclose to consumers that they were purchasing automatically renewing subscriptions, and misled consumers by selling them software and computer repair services for computer viruses that did not exist. The companies agreed to pay \$5 million in civil penalties in addition to injunctive relief.

Select State Enforcement Actions

New York AG Announces Lawsuit Against Gym for Allegedly Making Memberships Difficult to Cancel. On **June 13**, the New York Attorney General (AG) filed a petition against a New York gym for allegedly violating New York law by failing to register with the state, failing to provide customers with written membership contracts, and instituting policies that prevented customers from canceling their memberships. The petition seeks an injunction, to void the gym's current membership agreements, and to collect restitution, disgorgement, and penalties.

California AG Announces Settlement with Magazine Billing Company for Allegedly Misleading California Consumers. On **June 10**, the California AG announced a settlement with a magazine billing company for allegedly displaying magazine subscription solicitation mailers as bills in violation of California consumer protection law. As part of the settlement, the company agreed to pay \$275,000 and is barred from participating in the mail order magazine solicitation industry.

New York AG and 27 Other State AGs Sue Genetic Genealogy Company to Prevent Sale of Customer Data. On **June 9**, the Attorneys General of New York and 27 other states filed a complaint against a genetic genealogy company in the U.S. Bankruptcy Court for the Eastern District of Missouri. The company filed for bankruptcy in March 2025 and announced plans to sell its assets, which include the genetic personal information of 15 million customers. In the complaint, the AGs object to the sale of customers' genetic personal information, arguing that the data is at risk of being misused, exposed in future data breaches, or used in ways customers did not contemplate when they signed up for the service.

New York AG Sends Cease-and-Desist Letters to Online Sweepstakes Casinos Allegedly Engaged in Unlawful Gambling Activities. On **June 6**, the New York AG announced that her office stopped 26 online sweepstakes casinos from operating allegedly unlawfully in New York. In cease-and-desist letters sent to the 26 casinos in March 2025, the New York AG explained that New York law prohibits online platforms from offering gambling that involves betting something of value, including virtual coins that can be redeemed for cash or prizes.

Maryland AG Issues Final Order Against Athletic Equipment Manufacturer for Allegedly Not Providing Equipment After Payment. On **June 6**, the Maryland AG announced a final order against the owner of an athletic equipment manufacturer for alleged violations of the Consumer Protection Act. The company allegedly

sold equipment to consumers, nonprofits, and schools without providing the promised equipment or refunds. The final order requires the owner to pay a \$174,000 penalty and return over \$139 million to consumers for equipment that was not provided. The company must also post a surety bond of \$300,000 prior to taking any future payments from Maryland consumers.

Maryland AG Issues Final Order Against Operators of Doula Services Company for Allegedly Not Providing Services After Payment. On **June 2**, the Maryland AG announced a final order against two owners of a doula services company for allegedly violating the Consumer Protection Act by selling doula services to consumers without providing the promised services or refunds. The final order requires the owners to pay a \$606,500 penalty and return \$60,877.61 to consumers for services that were not provided. The company must also post a surety bond of \$250,000 prior to taking any future payments from Maryland consumers.

Illinois AG Announces Disbursement of Relief Payments from 2023 CFPB Settlement with Student Lender. On **June 2**, the Illinois AG announced that the CFPB is disbursing \$4.2 million in restitution to consumers who made payments on allegedly illegal income share loans for an online tech sales program. In 2023, the Illinois AG, the CFPB, and 11 state AGs announced a settlement with a Delaware-based company for alleged deceptive marketing, illegal income share loans, and abusive debt collection practices related to its online sales training program. The 2023 settlement required the student lender to cease all operations, pay \$4.2 million in redress, and void all outstanding income share loans, valued at nearly \$27 million.

Upcoming Events and Comment Deadlines

FTC Announces Workshop on Exploring “Unfair or Deceptive Trade Practices” in Gender-Affirming Care for Minors. The FTC will hold a virtual workshop titled “The Dangers of ‘Gender-Affirming Care’ for Minors,” on **July 9** “to understand whether consumers are being or have been exposed to false or unsupported claims about ‘gender-affirming care’ and to gauge the harms consumers may be experiencing.”

More Analysis from Wiley

Chambers USA 2025 Recognizes Wiley Partners and Practices

FTC Sends Warning Letters to 37 Eyeglass and Contact Lens Prescribers Over Possible Rule Violations

President Trump’s Cyber Mandate: Analysis of Executive Order on Strengthening U.S. Cybersecurity

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

'Click to Cancel' Rule Kicking In, and All Signs Point to Stiff Enforcement

Trump Directs FTC to Lead Government-Wide Rescission and Modification of Anticompetitive Federal Regulations

5 Key Privacy Enforcement Insights Shared by State Regulators at IAPP's #GPS25

FTC Commissioner Holyoak Highlights Privacy Priorities in IAPP Keynote

Crypto Advocacy in Action: A Conversation with Coinbase's Nick Carden

Virginia Enacts Amendments to Consumer Protection Act

Executive Order on Ticket Resale Market Calls for Greater FTC Enforcement

Trump Administration Revamps Guidance on Federal Use and Procurement of AI

Key Takeaways from the California Privacy Agency's First CCPA Enforcement Action

What Comes Next at the FTC, After Removal of Two Commissioners

What to Expect from New FTC Leadership on Digital Health Care

March Privacy Forecast: A Weekly Series

New DOJ Restrictions on Cross-Border Data Transactions Take Effect April 8: Ten Questions as Your Business Prepares to Comply

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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