



NEW YORK STATE SENATOR

Brad Hoylman-Sigal

## Senate Passes Senator Brad Hoylman’s Legislation To Help New Yorkers Easily Cancel Gym Memberships, Deceptive “Free” Trials And Other Subscription-Based Services

BRAD HOYLMAN-SIGAL February 27, 2020

| ISSUE: **SD 27, CONSUMER PROTECTION, AUTOMATIC RENEWAL**

NEW YORK—Today, the New York State Senate voted to pass consumer protection legislation sponsored by Senator Brad Hoylman ([S.1475-A \(Hoylman\)](#)/[A.3173-A \(Dinowitz\)](#)). The legislation would crack down on businesses that mislead consumers through convoluted automatic renewal or continuous service schemes, and allow any New Yorker to conveniently cancel subscriptions and recurring charges.

Senator Hoylman said: “Exercising regularly is tiring enough – New Yorkers shouldn’t have to jump through hoops simply to quit their gym and join another. Too many gyms, subscription boxes and other companies use misleading offers and promotions to lock unwitting customers into long-term contracts that are ridiculously difficult to get out of. I’m grateful to Leader Andrea-Stewart Cousins for passing this strong consumer protection legislation that will help save New Yorkers money through the Senate, and I look forward to working with Assembly Member Dinowitz to pass it through the Assembly as well.”

New Yorkers have long struggled with onerous automatic renewal charges. In August 2019, as New Yorkers rushed to cancel their Equinox memberships after learning of the gym’s ties to President Donald Trump, many were shocked to discover the gym’s uncompromising

cancellation policies made it extremely difficult to cancel.

Misleading online offers of free trials or promotional prices hook unaware customers into consenting to automatically renewing contracts that will cost them more than they bargained for. In fact, a recent study of U.S. credit or debit card holders commissioned by Bankrate.com found that a shocking 59% of respondents who signed up for a free trial were later charged against their will. The Better Business Bureau found this sort of automatic renewal scheme has cost consumers \$1.3 billion in the last decade

Senator Hoylman's bill with Assembly Member Jeffrey Dinowitz, [S.1475-A/A.3173-A](#), was first introduced in 2013. The legislation requires businesses making an offer to New York consumers involving an automatic renewal or continuous service to clearly present the terms of the offer and obtain a consumer's affirmative consent before charging them. It would also require businesses to provide a convenient method of canceling these services, through a toll-free number, email address, postal address or other easy, cost-effective mechanism. Customers who accepted one of these offers online would be able to terminate the service exclusively online.

New York consumers should not be lured by false and deceptive practices, nor should they be held responsible to comb through the fine print of a sales offer or contract to determine if they will be trapped in an automatic renewal offer. This legislation will ensure consumers are fully aware of the terms and conditions of an offer before they provide credit card information – and that they can easily cancel the service if it falls short.

Other states, including California, Oregon and Virginia, have similarly comprehensive automatic renewal/continuous service laws. At least 25 states in total have some regulation of this misleading corporate behavior.

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RELATED LEGISLATION

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## 2019-S1475A

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- Introduced
- - In Committee Assembly
  - In Committee Senate
- - On Floor Calendar Assembly
  - On Floor Calendar Senate
- - Passed Assembly
  - Passed Senate
- Delivered to Governor
- Signed By Governor
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Prohibits certain practices by businesses making an automatic renewal or continuous service offer to consumers in the state

January 15, 2019

Signed by Governor

Sponsored by **Brad Hoylman-Sigal**

Do you support this bill?

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