



NEW YORK STATE SENATOR

Brad Hoylman-Sigal

Unsubscribed At Last: Governor Cuomo Signs Senator Hoylman's Legislation to Help New Yorkers Easily Cancel Gym Memberships, Deceptive "Free" Trials and Other Subscription-Based Services

BRAD HOYLMAN-SIGAL November 11, 2020

| ISSUE: **CORONAVIRUS PANDEMIC; COVID-19, SENATOR BRAD HOYLMAN, SD 27, CORONAVIRUS PANDEMIC; GYMS & FITNESS CENTERS; SMALL BUSINESSES**

NEW YORK -- Today, Governor Cuomo signed into law 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. The bill initially passed the Senate in February.

Convoluted renewals have created a public health hazard for New Yorkers during the pandemic, including some who were told they had to visit their gyms in person to cancel memberships. Among those New Yorkers were Penny and Steve August, 80 and 92 years-old, who sent doctors' notes to their gym explaining why they had to cancel their gym membership during the pandemic.

Senator Brad Hoylman said: "Exercising during this pandemic is hard enough – New Yorkers shouldn't have to jump through hoops or visit a gym in person simply to quit their membership. 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. This has been an issue for years, but during the pandemic, it poses a unique and severe risk to immunocompromised and elderly New Yorkers who should not have to risk their health to cancel memberships they no longer can use. I'm grateful to Governor Cuomo for signing this bill, Leader Andrea-Stewart Cousins for supporting our legislation in the Senate, and Assembly Member Dinowitz and Speaker Carl Heastie for passing it through the Assembly as well."

Steve August said: "I've been athletic all my life and always enjoyed working out at the gym. When I married, I infected my wife with the same enthusiasm to stay in shape by going to the gym with me. As long time gym goers, we appreciate Senator Hoylman's effort to cancel our memberships, when Covid-19 made it unhealthy to go to the gym."

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. 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.

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.