

From: Andra Robertson <cbr10@case.edu>
Sent: Monday, June 22, 2020 7:20 PM
To: Katie Robinson <krobinson@uniformlaws.org>
Subject: Re: ULC Committee on Scope and Program

Hi Katie,

I understand that I may be too late to propose something for this round, but I just came across an issue that I think would be a great fit for a study committee, and I wanted to send it in even if it has to wait for January. The issue is one of recurring service charges--a consumer signs up for something, often online, but then finds that it is not easy to cancel the recurring subscription. For example, satellite radio providers will allow people to sign up online for service, but if you want to cancel, you have to call and talk to someone in person, and there can be a very long wait to actually get a hold of someone. Other companies allow online signups but require meeting with a sales representative in person to cancel the service, which can be very difficult to do.

It came up today because a prominent academic raised the issue on Twitter, and got an immediate large and favorable response from over three thousand people in just a few hours, with individuals sharing stories of difficulties. The thread is available here:

<https://twitter.com/tressiemcphd/status/1275173183595962373>. One commenter, for example, stated that she is still paying for a satellite TV service she no longer needs because "I am hearing impaired but don't have a TTY and have been paying [the company] 45\$/mo because I can't call and they don't do text support." Another tried to cancel a recurring service and after experiencing a two-hour wait on the phone call decided to just cancel the credit card instead. Another tried to cancel a major video game subscription service after losing the password to it, and there wasn't even a phone option to cancel--the person's only option was to cancel the credit card instead, since they couldn't get back into their game account and couldn't cancel any other way. There are many other such stories in the thread, which got thousands of reactions in just a few hours (and many, many iterations of "there oughta be a law!").

The issue clearly is one that is troubling consumers, and it's also an area where the states are starting to act. Two years ago, California passed a law regulating recurring charges for subscription services, and one of the things it does is require that if a company allows consumers to sign up for a recurring service online, that company must also let consumers cancel their subscription online. ("In addition to the requirements of subdivision (b), a consumer who accepts an automatic renewal or continuous service offer online shall be allowed to terminate the automatic renewal or continuous service exclusively online, which may include a termination email formatted and provided by the business that a consumer can send to the business without additional information."). The bill text is available here:

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB313, and the bill analysis (available here:

https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201720180SB313) also includes a list of groups that supported the legislation. An article about the California act is available here:

<https://www.cnet.com/news/companies-must-let-customers-cancel-subscriptions-online-california-law-says/>

I believe that a study committee could talk to consumer protection groups and state attorneys general about whether there is a broader perceived need, talk to credit card companies about whether they are also experiencing problems from consumers disputing these recurring charges (or cancelling credit cards

when there is no easy way to cancel the service), and consider whether there is a likelihood of federal action or whether this an issue where the states should take the lead.

Best regards,

Andra

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