



## FACT SHEET

# Buyer Beware: Deceptive Online Marketing

Deceptive marketing practices associated with free trial memberships with a negative option feature can trick consumers into a cycle of recurring payments for products or services they don't want. According to a Visa survey, 29 percent of U.S. consumers said they have had unauthorized recurring charges on their credit or debit card each month as a result of an offer they accepted online.<sup>1</sup>

### How it works

Consumers accept an offer online, often for a “free trial” or “sample” and don't realize that by supplying their payment card number, they are agreeing to be charged monthly for future shipments. To avoid being charged at the end of the trial period, they are required to un-click or opt-out of a pre-checked terms and condition or payment authorization box – or call the company to cancel before the trial period ends. With a negative option feature, a company takes a consumer's failure to cancel before the end of the trial period as permission to continue charging. In some cases, the 'opt out' disclosure message to the consumer is buried in fine print available only through a poorly labeled hyperlink. Cancelling also can be complicated by merchants with poor customer service, slow response times and untimely refunds.

### How can consumers spot deceptive online marketing practices?

Visa Inc., the Federal Trade Commission (FTC), the nation's consumer protection agency, and the Better Business Bureau (BBB) have tips

*Pre-checked box*

Card Type

Card Number

CVV  [What is CVV?](#)

Card Expiration  /

Name On Card

I accept the terms and privacy policy.

**RUSH MY ORDER!**

*After 30 days, the company will charge your credit card \$74.94 per month until you cancel the monthly shipments.*

**30 DAY MONEY BACK GUARANTEE**

We offer a 12-day free trial of the Utopian Acai with enrollment in our home delivery program which begins 2 days after you place your order to allow for shipping. You can try a 30-day supply risk-free to determine for yourself if this product is right for you. When you submit your order, you agree to pay the non-refundable, shipping & handling charge of \$1.99 for your free trial bottle. If you find that the product is right for you, we will automatically charge the credit card you used to order your free trial \$69.99 on the 16th day. Further, we will ship you an additional 30-day supply of Utopian Acai on the 31st day after you place your order and every thirty (30) days thereafter until you choose to cancel these continuing shipments. No further notice will be sent to you. Upon shipment each thirty (30) days, we will automatically charge the credit card you used to order your free trial bottle the price of \$69.99 per bottle plus \$4.95 shipping & handling for a total monthly charge of \$74.94 per month, plus any taxes that apply. You may cancel at any time by notifying Utopian Acai at 1-800-555-1212, or email us at info@utopianacai.com. If you are at all unsatisfied with our program, product or service, we offer a 30-day money back guarantee.

<sup>1</sup> This national survey of 1,000 U.S. adults was conducted online via a web survey host portal between September 8-14, 2009. Respondents were randomly solicited using a permission-based national web panel of tens of millions of American adults with e-mail addresses. Participants were screened to meet quotas that are reflective of U.S. adult population according to the U.S. Census Bureau. This survey has a margin of error of +/-3.1% at the 95% confidence interval.

for online shoppers on how to spot deceptive free trial offers and deceptive negative option billing, and how to deal with unauthorized charges:

1. *Take time to read and understand all terms and conditions*, so a free trial doesn't turn into a costly purchase you didn't intend to make.
2. *Pay particular attention to any pre-checked boxes before you submit your payment card information for an order*. Failing to un-check the boxes may bind you to terms and conditions you're not interested in.
3. *Review card statements when you get them for any unauthorized charges*, and notify the card issuer promptly of any unusual activity or unauthorized charges.
4. *Try to resolve the situation with the merchant*. If you're unsuccessful, contact the card issuer immediately to dispute the charge.
5. *Report your experience* to the FTC at [www.ftc.gov/complaint](http://www.ftc.gov/complaint) or BBB at [www.bbb.org](http://www.bbb.org).

Federal law protects cardholders against unauthorized purchases when they use their credit or debit cards. Visa also provides "zero liability" protection against fraud. For more information on how to recognize deceptive offers and negative option features, please visit: [www.visa.com/negativeoption](http://www.visa.com/negativeoption). Visa, the FTC and BBB have partnered to bring these practices to light; for more information, please visit Visa's media center at [www.visa.com/dmp](http://www.visa.com/dmp).