

Better Business Bureau Study Shows How Free Trial Offers Mislead Consumers with Fake Endorsements, Surprise Charges

Indianapolis – December 12, 2018 – The internet is rife with ads and links leading to pictures of celebrities and “miracle” products that promise easy weight loss, whiter teeth or disappearing wrinkles. You may be enticed to try these products through a “risk-free” trial: Just enter your name, address and credit card number, and the product will be on its way for only a nominal shipping and handling charge. An in-depth investigative study by Better Business Bureau (BBB), however, finds that many of these free trial offers are not free. BBB receives complaints from free trial offer victims nearly every day and warns consumers to use extreme caution before agreeing to the offer and entering their credit card number.

The investigative study – **“Subscription Traps and Deceptive Free Trials Scam Millions with Misleading Ads and Fake Celebrity Endorsements”** -- looks at how free trial offers ensnare consumers in so-called “subscription traps” that hook them for expensive shipments of products they did not explicitly agree to buy. It digs into the scope of the problem, who is behind it, and the need for law enforcement and consumer education to address the issue. Read the complete report [here](#).

Many free trial offers come with fine print, buried on the order page or by a link, that gives consumers only a short period of time to receive, evaluate and return the product to avoid being charged oftentimes \$100 or more. In addition, the same hidden information may state that by accepting the offer, you’ve signed up for monthly shipments of the products and such fees will be charged to your credit card. Many people find it difficult to contact the seller to stop recurring charges, halt shipments and get refunds. Such obscure terms in these offers often violate Federal Trade Commission (FTC) and BBB guidelines on advertising, as do the satisfaction guarantees that are ubiquitous in free trial offers.

The study found that many of the celebrity endorsements in these ads are fake. Dozens of celebrity names are used by these frauds without their knowledge or permission, ranging from Oprah Winfrey and Ellen DeGeneres to Mike Rowe, Tim Allen and Sally Field. Sometimes the fine print even admits these endorsements are not real.

“Deceptive free trial offers permeate the internet, often using big claims and celebrities to lure consumers,” said Tim Mansicalo, BBB Central Indiana President and CEO. “Before accepting any offer, it’s crucial that consumers understand all terms and conditions by carefully reading the fine print.”



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“BBB is your source for objective, unbiased information that you can trust when making decisions about businesses and charities.”

Timothy Maniscalco

President & CEO

Free trial offers can be a legitimate way for credible companies to introduce new products, provided that the company is transparent about the offer and its terms. However, fraudsters have turned such offers into a global multi-billion-dollar industry, one that grows every year.

Available FTC data shows that complaints about “free trials” more than doubled from 2015 to 2017, and BBB has received nearly 37,000 complaints and Scam Tracker reports over the last three years, though not all of these complaints involve monetary loss. In addition, victims in 14 resolved FTC cases collectively lost \$1.3 billion, and consumers making reports to BBB lost an average of \$186.

“The Federal Trade Commission is proud to partner with the Indiana Attorney General and the Better Business Bureau to help get the word out about free trial offer schemes and the steps consumers should take to avoid them,” said Todd Kossow, director of FTC’s Midwest Region. “The FTC will continue, through aggressive enforcement, to stamp out schemes that can cost consumers hundreds of dollars a month under the guise of a ‘risk-free trial.’”

An examination of the BBB complaints and reports found that victims span all income and education levels, while a review of complaints to the Internet Crime Complaint Center (IC3) from 2015 to 2017 shows a fairly even spread of age ranges. However, the BBB reports show that 72 percent of victims were female, likely because many free trial offers involve skin care products geared toward women.

One Central Indiana woman signed up for a weight loss product that purported to have been endorsed by the TV show Shark Tank. While she agreed to total charges of about \$5 for shipping and handling of the 30 day free trial product, in reality she was charged nearly \$100. The website did not disclose the actual cost of the product or that cancellation must occur 14 days from when it was ordered. In the end, she was unable to obtain a refund and became sick after using only two days worth of the product.

“Consumer protection is an important focus of my office,” said Attorney General Curtis Hill. “We must use every available tool to safeguard Hoosiers from scammers trying to take people’s money or steal their identities. One way we make progress on this front is through collaboration with partners such as the Better Business Bureau and the Federal Trade Commission. I’m pleased to be working with both of them in this effort to combat deceptive free trial offers.”

FTC data on free trial offers strongly suggests that most such enterprises operate in the U.S. and Canada, though the companies do sell extensively outside the U.S. and frequently employ overseas credit card processing. A 2017 study by the Canadian Anti-Fraud Centre (CAFC) found that the credit card transactions at the center of the scam were processed through banks in 14 countries.

The report recommends:

- BBB urges credit card companies to do more to ensure victims receive chargebacks where key conditions are not adequately disclosed. Because this fraud is dependent on the use of credit cards, more effort is needed to identify and combat deceptive free trial offers employing credit card systems. Also, it would be helpful if they could do more to educate their customers.
- Additional criminal prosecutions of this conduct are needed. The FTC and BBB have done much to address the issue, but do not have the ability to bring criminal charges. Only criminal prosecutions are likely to deter this type of fraud.
- Social media sites should do more to curtail such deceptive advertising.
- International cooperation is needed to combat this fraud. U.S. and Canadian law authorities need more information about victims from other countries. In addition, evidence and other key information may be located in a variety of countries around the world.
- More consumer education is needed from news media and consumer groups like BBB.

What to do if you believe you have been a victim of a free trial offer fraud:

- Complain to the company directly. If that is not successful, call the customer service number on the back of your credit card to complain to the bank.
- Notify:
 - [Better Business Bureau](#), or call (317) 488-2222
 - [Indiana Attorney General's Office](#), or call (317) 232-6330
 - [Federal Trade Commission](#), 877-FTC-Help
 - [Internet Crime Complaint Center](#)
- Report suspicious, confusing or misleading ads to [BBB Ad Truth](#).

[Avoid becoming a scam victim with these tips.](#)

ABOUT BBB SERVING CENTRAL INDIANA: For more than 100 years, Better Business Bureau has been helping people find businesses, brands and charities they can trust. In 2017, people turned to BBB more than 160 million times for BBB Business Profiles on more than 5.2 million businesses and Charity Reports on 11,000 charities, all available for free at bbb.org. There are local, independent BBBs across the United States, Canada and Mexico, including BBB Serving Central Indiana, which was founded in 1916 and serves 46 counties.