

Even More Hotel Fee Litigation: Latest Class Action Keeps Fees at the Forefront

Article By:

Ann H. MacDonald

Matthew R. Mills

Constance Zhou

On August 18, 2023, Travelers United, a traveler advocacy organization, filed a class-action lawsuit against Hyatt Hotels Corporation and its affiliates, accusing Hyatt of falsely advertising hotel room rates and cheating customers out of millions of dollars through hidden fees.

This lawsuit is the latest in a long string of private plaintiff and government enforcement actions relating to advertised rates in the hotel industry.

Background

In November 2012, the Federal Trade Commission (FTC) [warned](#) 22 hotel operators that their online reservation sites may violate the law “by providing a deceptively low estimate of what consumers can expect to pay for their hotel rooms.” Although the FTC later determined that hotels would not be required to include all fees in their advertised rates, unlike airlines and travel agents, many consumer groups and state attorneys general took a different view. They began investigating and filed lawsuits against many major hotel companies, alleging that customers were misled when hotels did not clearly disclose resort fees in their advertised rates.

Recent Enforcement Activities

More recently, the Texas Attorney General has been particularly active. On May 16, 2023, the Texas Attorney General entered into a settlement with Marriott relating to the disclosure of its fees. Later that month, the Texas Attorney General sued Hilton, making similar allegations regarding disclosure of hotel room costs and an alleged pattern of forcing mandatory fees onto customers. The recent Travelers United suit against Hyatt was preceded by a similar suit, again by the Texas Attorney General, accusing Hyatt of violating the Texas Deceptive Trade Practices Act (TDTPA) by charging customers mandatory fees without initial disclosure with the advertised room rates.

The Travelers United Class Action

The latest [class action](#) against Hyatt, filed in the District of Columbia, alleges that even though the company recently changed its fee disclosure practices, it previously hid certain fees that would only appear during the checkout process under the category of “taxes and fees.” These fees allegedly include last-minute charges such as “destination fees” and “resort fees,” which the lawsuit argues should be disclosed upfront as part of the daily room rate. Travelers United claims that these alleged “junk fee” practices account for more than \$2 billion per year in the hotel business.

Takeaways

Travelers United has long been an outspoken advocate on fee issues, and industry press has recently reported that the advocacy group plans to file similar lawsuits against other hotel groups in the near term. In addition to this latest wave of private party litigation, the current Administration has reaffirmed the federal government’s commitment to tackling hidden fees. For all these reasons, hotel companies should understand how fees are reflected throughout their distribution channels so they can mitigate risk as necessary. If a company is sued in a putative class action, it should carefully assess the extent to which class treatment is appropriate in light of any prior legal proceedings, website changes, and other nuances, among other defenses.

© 2025 ArentFox Schiff LLP

National Law Review, Volume XIII, Number 243

Source URL: <https://natlawreview.com/article/even-more-hotel-fee-litigation-latest-class-action-keeps-fees-forefront>