

FTC Announces Final “Click-to-Cancel” Rule to Streamline Subscription Cancellation for Consumers

Article By:

Hunton Andrews Kurth’s Privacy and Cybersecurity

On October 16, 2024, the Federal Trade Commission issued a final “Click-to-Cancel” Rule, also known as the [“Negative Option Rule”](#) (“Rule”), updating its existing regulatory scheme that requires sellers to make it as easy for consumers to cancel their subscriptions and memberships as it is to sign up in the first place.

The Rule applies to negative option features, which the FTC’s Telemarketing Sales Rule [defines](#) as “provision[s] in an offer or agreement to sell or provide any goods or services under which the customer’s silence or failure to take an affirmative action to reject goods or services or to cancel the agreement is interpreted by the seller as acceptance of the offer.” The newly adopted Rule is [part of the FTC’s ongoing review](#) of its 1973 Negative Option Rule, which the agency is revising to target unfair and deceptive practices related to subscriptions, memberships and other recurring payment programs.

The Rule prohibits sellers from:

- misrepresenting any material fact while marketing goods or services with a feature;
- failing to clearly and conspicuously disclose material terms prior to obtaining a consumer’s billing information in connection with a negative option feature;
- failing to obtain a consumer’s express informed consent to the negative option feature before charging the consumer; and
- failing to provide a simple mechanism to cancel the negative option feature and immediately halt charges.

The Rule will apply to almost all negative option marketing, including prenotification and continuity plans, automatic renewals, free trials ([i.e.](#), free-to-pay or nominal-fee-to-pay) and conversion offers, whether the offer appears online, on the phone, or in person. The Rule covers business-to-business (“B2B”) and business-to-consumer (“B2C”) transactions, and businesses that enroll in a negative option program will receive the same protections as an individual consumer.

The FTC issued a [one-page fact sheet](#) that outlines the Rule’s requirements. The update is in response to the FTC’s receipt of tens of thousands of complaints about negative options each year, and hundreds of consumer comments detailing the prevalence of unfair or deceptive negative option

practices.

The Rule passed on a vote of 3-2 with Commissioners Melissa Holyoak and Andrew N. Ferguson voting against its adoption. Some provisions of the Rule will go into effect in 60 days with most parts taking full effect 180 days after publication in the Federal Register.

Hunton also reported on this on our [Retail Law Resource Blog](#), providing in-depth coverage for retailers.

Copyright © 2025, Hunton Andrews Kurth LLP. All Rights Reserved.

National Law Review, Volume XIV, Number 296

Source URL: <https://natlawreview.com/article/ftc-announces-final-click-cancel-rule-streamline-subscription-cancellation>