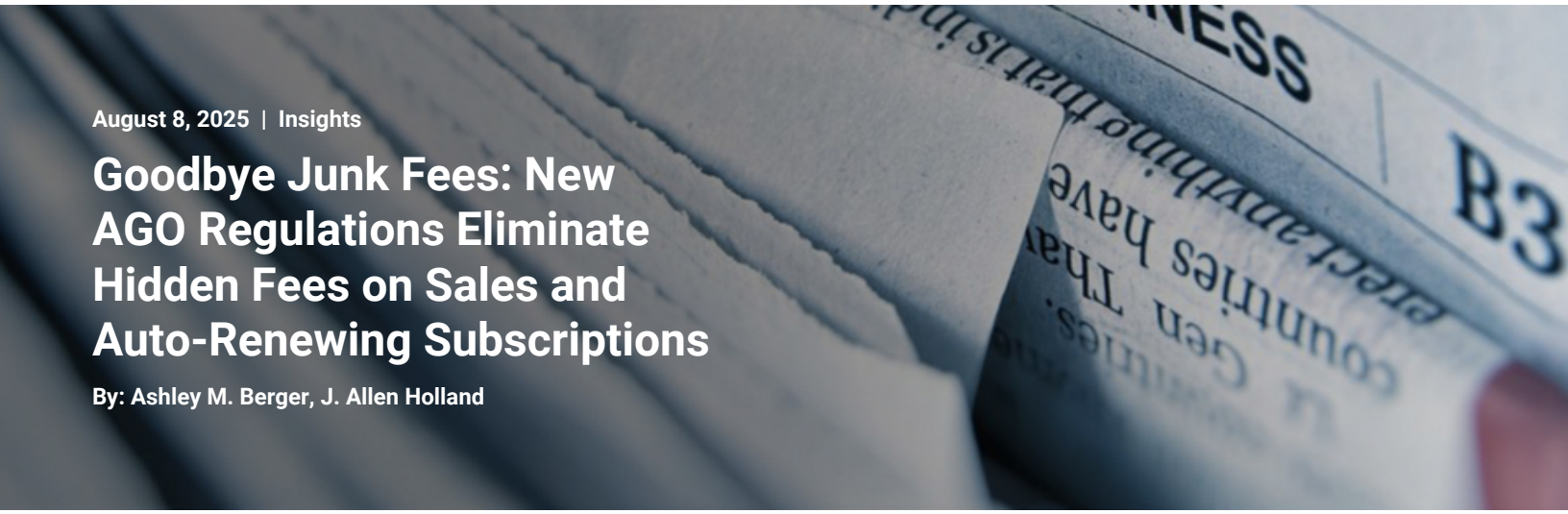

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# Goodbye Junk Fees: New AGO Regulations Eliminate Hidden Fees on Sales and Auto-Renewing Subscriptions

By: Ashley M. Berger, J. Allen Holland

The Massachusetts Attorney General's Office ("AGO") has promulgated new regulations (the "Regulations") imposing obligations on businesses to disclose all fees on a sale upfront, to eliminate misleading or hidden fees (referred to by the AGO as "junk fees") and to disclose all fees and charges on auto-renewing subscriptions. The Regulations take effect on September 2, 2025. As described in the AGO's press release, the Regulations make clear that hidden junk fees and related billing practices violate the Massachusetts Consumer Protection Act (M.G.L. ch. 93A).

The purpose of the Regulations is to increase price transparency for consumers. The Regulations are targeted at combatting hidden or surprise charges during (1) marketing and sales of products and (2) trial offers, automatic renewals, recurring charges and subscriptions.

The Regulations require businesses avoid hidden or surprise charges during the sale of a product by clearly and conspicuously disclosing:

1. The total price of the product, at the initial time of the presentation of the price or at any subsequent presentation after (including the final transaction amount and including the total price of the product prior to requiring the consumer to input their personal and billing information);
2. The nature, purpose, and amount of any fees, charges, or other expenses that would be imposed on the transaction; and
3. Any fees or charges that are optional to the consumer or waivable by the seller.

For trial offers, automatic renewals, recurring charges and subscriptions, the Regulations also require businesses to clearly and conspicuously disclose:

1. Any charges a consumer may incur as a result of accepting a trial offer;

### Related Services

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2. Any products for which charges may be incurred as a result of accepting a trial offer;
3. Instructions for consumers to reject or cancel a trial offer before being charged;
4. The calendar date by which a consumer must reject or cancel a trial offer to avoid being charged;
5. The calendar date on which a consumer will be charged if the consumer fails to reject or cancel a trial offer;
6. What the charge is for and if charges will increase after a certain period;
7. If charges will occur on a set basis unless cancelled by the subscriber; and
8. Instructions on how to cancel a recurring charge or subscription.

The Regulations also require that businesses:

1. Implement simple processes for consumers to cancel subscriptions and recurring charges; and
2. Provide advance written notices regarding subscriptions, including when the subscription will renew, how much the consumer will be charged and how to cancel the recurring charge.

Businesses that violate the Regulations will be subject to penalties of up to $5,000 per violation. Companies should ensure that their marketing and pricing practices comply with the Regulations prior to the September 2, 2025 effective date. The AGO has released guidance for businesses to assist in the compliance with the Regulations.

If you have specific questions about how the Regulations may impact your company, please contact J. Allen Holland or Ashley Berger.

*Disclaimer: This summary is provided for educational and informational purposes only and is not legal advice. Any specific questions about these topics should be directed to attorney(s) J. Allen Holland and/or Ashley Berger.*

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