

Proposed Rules on Cancellation of Subscriptions

Comments on Proposed Rule

Tech:NYC respectfully submits these comments regarding the Department of Consumer and Worker Protection's (DCWP) proposed rule concerning subscription cancellation requirements. We appreciate the Department's objective of ensuring that consumers are able to terminate recurring subscriptions through transparent, straightforward, and accessible processes. Businesses likewise benefit from consumer trust and support reasonable standards that prohibit deceptive or obstructive cancellation practices.

At the same time, several aspects of the proposed rule warrant reconsideration or clarification to avoid unnecessary regulatory duplication, unintended operational burdens, and restrictions on legitimate consumer-focused business practices. As drafted, the proposal risks creating inconsistencies with existing state law and established industry practices without producing corresponding consumer benefits.

Existing State Law Already Provides a Comprehensive Framework

New York State has already enacted detailed statutory requirements governing automatic renewals and subscription cancellations in the SFY 25-26 enacted budget. These provisions establish extensive obligations related to disclosures, consumer consent, renewal notices, and cancellation procedures. State law also already requires businesses to provide cancellation mechanisms that are easy to use and substantially comparable to the enrollment process.

Because these statutory protections are already in place, the proposed DCWP rule risks imposing overlapping or potentially inconsistent requirements on businesses operating in New York City. Even modest differences in terminology, interpretation, or implementation expectations can create significant compliance challenges for companies that operate across jurisdictions and rely on standardized systems and interfaces.

The proposed rule may therefore increase complexity and compliance costs without materially enhancing consumer protections beyond those already guaranteed under state law. Maintaining consistency between state and local frameworks is particularly important in the context of subscription services and online commerce, where businesses often maintain unified national systems.

Accordingly, the Department should consider aligning any final rule closely with the existing state statutory scheme or limiting the rule to areas not already comprehensively addressed by state law.

Retention Offers Should Remain Permissible

The proposed rule also raises substantial concerns regarding the treatment of retention or “save” offers during the cancellation process. Consumers frequently value opportunities to receive alternative pricing, modified service tiers, temporary billing pauses, or other accommodations before finalizing cancellation decisions. In many cases, consumers initiate cancellation specifically to explore whether more suitable or affordable options are available.

Retention offers are a common and legitimate aspect of subscription-based commerce and can provide meaningful consumer benefits. Restricting or discouraging such interactions could reduce consumer choice and eliminate opportunities for consumers to retain services at lower cost or under modified terms that better reflect their needs. Although the proposed rule does not expressly prohibit save offers, the current language could reasonably be interpreted as discouraging any intervening communication or offer during the cancellation flow.

A balanced approach is both possible and appropriate. Businesses should remain free to present retention offers so long as consumers are simultaneously provided with a clear, conspicuous, and readily accessible mechanism to complete cancellation immediately if they choose. Existing state law already prohibits practices that obstruct, delay, or unreasonably interfere with cancellation requests, making additional restrictions unnecessary.

Clarifying that retention offers remain permissible would preserve consumer flexibility while continuing to ensure efficient and transparent cancellation procedures.

Certain Industries and Business Relationships Present Unique Considerations

The proposed rule also does not sufficiently account for industries and service arrangements that differ substantially from typical subscription models. Telecommunications and related services, for example, involve operational, contractual, and regulatory considerations that may make overly simplified cancellation requirements impractical or potentially harmful to consumers.

Consumers often rely on wireless, broadband, and related communications services continuously throughout the day, unlike many subscription products that may be less visible or actively used. Customers also already receive regular billing statements and service notices that provide ongoing awareness of their subscriptions and associated costs.

In addition, cancellation of telecommunications services can produce significant downstream consequences, including the loss of a telephone number, disruption of bundled services, acceleration of device payment obligations, or complications associated with porting services to another provider. Consumers frequently seek to modify or transfer services rather than terminate them outright, and additional customer engagement is often necessary to avoid unintended outcomes.

Federal privacy and authentication obligations may also require additional verification steps before account changes or service termination can occur. A rigid interpretation of “one-click” cancellation may therefore conflict with existing regulatory obligations applicable to certain providers.

For these reasons, the Department should consider appropriate exemptions or tailored treatment for heavily regulated industries or services subject to separate federal and state oversight frameworks.

Penalties and Enforcement Should Remain Proportionate

Finally, the proposed rule’s enforcement structure appears substantially more punitive than the framework established under existing state law. Businesses are already subject to enforcement and penalties under the “Click to Cancel” law at the state level; layering additional city level penalties on top of the state framework for similar conduct could create a fragmented and unpredictable enforcement environment. This may disproportionately impact smaller businesses and entities attempting to comply in good faith with overlapping regulatory obligations.

Any final rule should therefore align penalty provisions with existing state law and incorporate reasonable safe harbor protections that recognize good-faith compliance efforts.

Conclusion

The goals of transparency and ease of cancellation are important and broadly shared by both regulators and industry participants. However, the proposed rule, as currently drafted, risks duplicating existing requirements in state law, discouraging legitimate and beneficial consumer interactions, and imposing unnecessary compliance burdens without clear additional consumer benefit.

Therefore Tech:NYC respectfully urges the Department to revise the proposal to better align with existing state law, preserve lawful consumer retention practices, account for industry-specific operational realities, and ensure that enforcement and penalty mechanisms remain fair and proportionate.