

New York City Department of Consumer and Worker Protection

Notice of Adoption

Notice of Adoption to add rules to ensure that consumers can easily cancel subscriptions and are not subject to deceptive and unconscionable trade practices relating to the cancellation of subscriptions.

NOTICE IS HEREBY GIVEN PURSUANT TO THE AUTHORITY VESTED IN the Commissioner of the Department of Consumer and Worker Protection by sections 1043 and 2203(d) of the New York City Charter, and section 20-702 of the New York City Administrative Code, and in accordance with the requirements of section 1043 of the New York City Charter, that the Department amends Title 6 of the Rules of the City of New York.

This rule was proposed and published on April 8, 2026. A public hearing was held on May 8, 2026. The Department received substantial comments from the public, industry representatives, and consumer advocates.

Statement of Basis and Purpose of Rule

The Department of Consumer and Worker Protection (“DCWP” or “Department”) is adding rules to ensure that consumers can easily cancel subscriptions and to protect consumers from deceptive and unconscionable trade practices relating to subscription offers. The right of a consumer to easily cancel subscriptions is often referred to as “Click to Cancel.”

Specifically, the Department is adding a new rule to outline required disclosures and rights when purchasing, enrolling, subscribing, or when cancelling, an automatic renewal or continuous service offer (commonly referred to as a subscription). This rule applies to a subscription for any type of goods or services that meets the definitions of automatic renewal or continuous service offer. This rule also makes violators liable for restitution, as well as civil penalties.

Section 20-700 of Title 20 of the New York City Administrative Code prohibits deceptive or unconscionable trade practices in the sale of consumer goods or services. Failing to offer clear, conspicuous, and streamlined methods for the cancellation of an automatic renewal or continuous service offer constitutes a deceptive and unconscionable trade practice. Failing to clearly offer an easy method of cancellation deceives consumers by omitting a material fact relating to the service, and by failing to disclose all conditions of the subscription.¹ Failing to provide an easy way to cancel a subscription is also an unconscionable trade practice because it forces consumers to purchase services they no longer want, requiring consumers to jeopardize more money than was immediately at issue in the transaction.² A business failing to provide Click to Cancel options is aware, at the time of subscription, that a consumer may stay in an

¹ See 20-701 (definition of deceptive trade practice).

² See 20-701 (defining unconscionable trade practice and directing the Department to consider the following as a factor of unconscionability: “the degree to which terms of the transaction require consumers to jeopardize money or property beyond the money or property immediately at issue in the transaction”).

unwanted subscription longer than was intended, thereby not receiving benefits the consumer had anticipated.³

The Department received more than 100 complaints from consumers related to the difficulty of cancelling subscriptions in 2025 alone. On January 5, 2026, The Mayor issued Executive Order No. 10 (“EO 10”), which requires the Department to “prioritize monitoring, investigating, and taking enforcement action against . . . subscription-related practices . . . that deceive or mislead consumers.” EO 10 also directs DCWP to “take appropriate actions to combat subscription tricks and traps, including the promulgation of rules pursuant to its authority under Chapters 2, 4 and 5 of Title 20 of the Administrative Code”⁴

The importance of regulating subscription offers has also been recognized by the federal and state governments. For example, the Federal Trade Commission (“FTC”) has succeeded in securing agreements from companies to offer Click to Cancel through enforcement actions.⁵ Similarly, on May 30, 2025, the New York Attorney General’s office announced a settlement with Equinox Group LLC for \$600,000 relating to the difficulty consumers faced canceling their memberships with the health club.⁶

New York State has at least two laws directly related to Click to Cancel:

1. First, New York State law requires that health clubs accept notice of cancellation of a membership through a website if the health club allows for a contract to be entered through a website.⁷
2. Second, New York State law requires that any business making an automatic renewal or continuous service offer:
 - clearly and conspicuously present terms and conditions of the offer,
 - receive affirmative consent to the offer, and
 - provide the consumer with a mechanism to cancel that is as easy to use as the mechanism offered for consent to the offer.⁸

³ See 20-701 (defining unconscionable trade practice and directing the Department to consider the following as a factor of unconscionability: “knowledge by merchants engaging in the act or practice of the inability of consumers to receive properly anticipated benefits from the goods or services involved”).

⁴ Mayor Mamdani, Executive Order No. 10 (Jan. 5, 2026), <https://www.nyc.gov/mayors-office/news/2026/01/executive-order-10>.

⁵ See *FTC v. AdoreMe, Inc.*, No. 1:17-cv-09083 (S.D.N.Y. 2017) (claims brought under the FTC Act resolved under a stipulated order requiring defendants to provide consumers with a “simple mechanism to cancel” goods and services), <https://www.ftc.gov/legal-library/browse/cases-proceedings/162-3153-adoreme-inc>; *FTC v. Bridge It, Inc.*, No. 1:23-cv-09651 (S.D.N.Y. 2023) (claims brought under the FTC Act resolved under a stipulated order requiring defendants to provide consumers with a simple mechanism to cancel recurring charges), <https://www.ftc.gov/legal-library/browse/cases-proceedings/2223051-bridge-it-inc-ftc-v-brigit>.

⁶ <https://ag.ny.gov/press-release/2025/attorney-general-james-secures-600000-fitness-company-equinox-its-hard-cancel>.

⁷ See General Business Law (“GBL”) § 624(4)(d).

⁸ GBL § 527-a(1)(d).

Apart from New York, several states, including Utah, Idaho, California, Massachusetts, Georgia, Minnesota, Colorado, Illinois, and Arkansas have passed laws requiring that consumers have the right to Click to Cancel subscriptions.⁹

This rule is consistent with the approach codified in New York State law applicable to automatic renewal or continuous service offers.¹⁰

A public hearing was held on May 8, 2026, and the Department received substantial comments from the public, industry representatives, and consumer advocates.

Specifically, the department received a large number of comments from the public expressing support for the rule. Many commentors based their support on past experiences with cancelling subscriptions. Several commentors reported immense difficulty canceling subscriptions. One consumer described being forced to go in person to cancel a subscription and recounted that, to avoid future problems, the consumer had to cancel a credit card to avoid paying any further installments.

Consumer advocacy groups expressed support for the rule as well, emphasizing the pervasiveness of deceptive subscription tactics and the harm it puts on both the consumer and the local economy. The Roosevelt Institute estimated that this rule would save New York City adult consumers up to \$162.5 million per year and at least 600,000 hours per year. Similarly, the American Economic Liberties Project explained that the FTC, as a part of its proposed rulemaking on Click to Cancel in 2025, received over 16,000 comments, with a vast majority in support of the FTC’s proposed rule.

Academics in consumer law also expressed support for the rule. Shelmun Dashan and Ted Mermin of the Center for Consumer Law and Economic Justice at the UC Berkeley School of Law highlighted how deceptive practices in subscription products reduce competition amongst companies and exacerbate affordability concerns. Other academics from several educational institutions also support the rule.

By contrast, representatives of various industries and advocacy groups—including groups representing the motion picture, television, streaming, telecommunications, broadband internet, health and fitness, newspaper, and magazine industries—expressed concerns with the proposed rule. These comments argued that a rule was not necessary, suggesting that current provisions of the New York General Business Law (“GBL”) are sufficient and adding a local rule may cause confusion. The Department notes that the rule is fully consistent with the existing approach in the GBL, except that includes expanded or amended provisions relating to penalty amounts (in section 6-47), restitution (in section 5-110.2), and available mediums for cancelation (in section

⁹ See Utah Code Title 13, Chapter 70, Part 1, Sections 101-103; Idaho Code Chapter 6, Title 48, Section 48-603G; California Business and Professions Code Section 17602; Massachusetts 940 CMR 38.00; Georgia Code Title 10, Chapter 1, Article 15, Part 8, Section 10-1-439.8; Minnesota Statutes Trade Regulations, Consumer Protection, Chapter 324-341, Section 325G.59; Colorado revised statutes 6-1-732; 815 ILCS 505/2B, Chapter 121 1/2, Part 262B; Arkansas Code Title 4, Chapter 86, Subchapter 1, Section 4-86-112.

¹⁰ See GBL § 527-a *et seq.*

5-110.1(d)). The Department also notes that the volume of comments from consumers recalling experiences with deceptive subscription practices highlights the necessity for this rule.

Furthermore, industry and advocacy groups also expressed confusion and concern about the “savings” clause within section 5-110.1(e)(2) of the rule and how it compares to the approach within the GBL. The savings clause refers to allowable conduct when offering a discount, retention benefit, or information regarding the effect of cancellation in response to a consumer’s initiating cancelation. Comments expressed concern that this rule differed from the language in GBL section 527-a(1)(e)(ii) and discouraged or prohibited save offers. The language in section 5-110.1(e)(2) is intended to be fully consistent with the provision of GBL section 527-a(1)(e)(ii). To make this clear, the final rule includes minor changes to section 5-110.1(e)(2).

The Department also received comments from the wireless and telecommunications industries arguing for an exemption because federal law and the Federal Communications Commission (“FCC”) already impose robust consumer protections for those industries. The comments, however, do not identify any federal law or regulation that imposes a Click to Cancel requirement. Accordingly, the comments do not justify exempting industries regulated by the FCC from this rule.

To give all stakeholders sufficient time to implement and comply with the rule, the rule will take effect on October 1, 2026.

Sections 1043, 2203(f), and (h)(1) of the New York City Charter, and sections 20-702 and 20-703 of the New York City Administrative Code authorize The Department of Consumer and Worker Protection to make these rules.

New material is underlined.

[Deleted material is in brackets.]

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

Section 1. Subchapter A of chapter 5 of Title 6 of the Rules of the City of New York is amended to add a new part 8 to read as follows:

Part 8: Click to Cancel

§ 5-110 Definitions

As used in this part, the following terms have the following meanings:

Automatic Renewal. The term “Automatic renewal” means a plan or arrangement in which a paid subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term.

Continuous Service. The term “Continuous service” means a plan or arrangement in which a subscription or purchasing agreement continues until the consumer cancels the service.

Person. “Person” has the same meaning as set forth in § 20-102 of the Administrative Code.

§ 5-110.1 Unconscionable and Deceptive Trade Practices Relating to Automatic Renewal and Continuous Service Offers.

a. It is a deceptive and unconscionable trade practice for any person to offer or provide an automatic renewal or continuous service to a consumer except in accordance with the requirements of this section.

b. A person making an automatic renewal or continuous service offer to a consumer must present to the consumer, in a clear and conspicuous manner, the material terms of any automatic renewal offer or continuous service offer, including but not limited to, a description of the product or service subject to renewal, the amount of the costs that will be charged, the frequency of charges, the deadline by date or frequency by which the consumer must act to prevent or stop further charges, and cancellation mechanisms described in this subchapter, before consent to the offer or billing information has been requested and in visual proximity, or in the case of an offer conveyed by voice, in temporal proximity, to the request for consent to the offer. If the offer also includes a free gift or trial, or the price is temporary, the offer must include a clear and conspicuous explanation of how and when the price will change and the price or prices that will subsequently be charged to the consumer.

c. A person making an automatic renewal or continuous service offer to a consumer must provide the consumer with the option to cancel at any time using a simple cancellation mechanism that is as easy to use as the mechanism that the consumer used to provide consent and that is through the same medium that the consumer used to provide consent.

d. A person making an automatic renewal or continuous service offer to a consumer must provide the consumer with the option to cancel, at any time through all mediums by which the business allows a consumer to provide affirmative consent to, the automatic renewal, continuous service offer, or any price increase. Provided further that, where consent was obtained in-person, in addition to offering cancellation, where practical via an in-person method similar to that the consumer used to consent, the person must offer cancellation through an online mechanism, such as a website or email.

e. A person making an automatic renewal or continuous service offer to a consumer must not impose unreasonable or unlawful conditions upon, refuse to acknowledge, obstruct or unreasonably delay cancellation requests or attempts to request cancellation by a consumer. Unreasonable or unlawful conditions include, but are not limited to:

(1) hanging up on consumers who call to cancel, obscuring or providing false information about how to cancel, misrepresenting the consequences or costs of cancellation, or misrepresenting the reasons for delays in processing consumers’ cancellation requests; and

(2) upon receiving a request to cancel, presenting the consumer with a discounted offer, retention benefit or information regarding the effect of cancellation if such offer, benefit, or presentation imposes unreasonable or unlawful conditions upon the consumer's ability to cancel, refusing to acknowledge, obstructing or unreasonably delaying the cancellation requested.

f. In any case in which a person sends any goods, wares, merchandise, or products to a consumer, under a continuous service agreement or automatic renewal of a purchase, without first obtaining the consumer's affirmative consent, the goods, wares, merchandise, or products shall for all purposes be deemed an unconditional gift to the consumer, who may use or dispose of the same in any manner such consumer sees fit without any obligation whatsoever on the consumer's part to the person, including, but not limited to, bearing the cost of, or responsibility for, shipping any goods, wares, merchandise, or products to the person.

g. A person must notify a consumer of an automatic renewal or continuous service charge for an automatic renewal or continuous service offer with an initial paid term of one year or longer, provided that such automatic renewal or continuous service renews for a paid term of six months or longer, at least fifteen days before, but not more than forty-five days before, the cancellation deadline for such automatic renewal in the manner selected by the consumer, including text, email, app notification or any other notification channel offered by the business. Such notice must include instructions on how to cancel such renewal charge.

h. A person must provide a consumer who has accepted an automatic renewal or continuous service offer with a clear and conspicuous notice of any material change to the terms of the automatic renewal or continuous service offer, including any price increases, at least five business days prior, but no more than thirty days prior, to the date of the change, in the same manner as required by subdivision g of this section; or

i. A person shall not fail to notify a consumer of an automatic renewal or continuous service charge for an automatic renewal or continuous service offer if the automatic renewal or continuous service offer includes a free gift or trial for a period of more than a month, followed by an upcoming automatic renewal or continuous service charge, at least three days before but not more than twenty-one days before the cancellation deadline for the first chargeable period in the manner selected by the consumer, including text, email, app notification or any other notification channel offered by the business. Such notice must include instructions on how to cancel such renewal charge.

§ 5-110.2 Restitution.

If a person is found to have violated any provision of this part, such person is liable for the monetary amount charged for the automatic renewal or continuous service offer after the consumer's first attempt at cancellation.

§ 5-110.3 Exemptions.

The following are exempt from the requirements of this part:

a. Any service provided by a business or its affiliate where either the business or its affiliate is doing business pursuant to a franchise issued by a political subdivision of New York State;

b. Any entity, or subsidiary or affiliate thereof, regulated by the Department of Financial Services;

c. Security system alarm operators licensed by New York State Department of State;

d. Banks, bank holding companies, and their subsidiaries and affiliates; credit unions; and other financial institutions licensed under state or federal law; and

e. Sellers and administrators of a service contract, as defined pursuant to section seven thousand nine hundred two of the Insurance Law.

Section 2. The chart in section 6-47 of chapter 6 of Title 6 of the Rules of the City of New York is amended to add the following row in alphanumerical order as follows:

Citation	Violation Description	First Violation	First Default	Second Violation	Second Default	Third and Subsequent Violation	Third and Subsequent Default
<u>6 RCNY § 5-110.1</u>	<u>Unconscionable and Deceptive Trade Practices Relating to Automatic Renewal and Continuous Service Offers</u>	<u>\$525</u>	<u>\$525</u>	<u>\$1,050</u>	<u>\$1,050</u>	<u>\$3,500</u>	<u>\$3,500</u>

Section 3. This rule takes effect October 1, 2026.