

Free Trials and Subscriptions

What To Know

Offers That Cost You

You have likely come across ads online, on TV, or on social media for subscription offers. These subscription offers are available for a variety of products including beauty supplies, supplements, streaming platforms, and magazines. A free trial period can be tempting, before committing to a subscription, but it is important to stay aware because there could be a catch.

Here are three things to know about free trial offers:

- 1. If you do not cancel on time, you will be charged.** Often when signing up for a free trial you have to provide your credit card number. This allows the company to charge you if you do not cancel before the trial ends. Understand the trial period terms and set a calendar reminder to cancel. Some companies intentionally make cancellations difficult so they can keep charging you.
- 2. If you have to pay for shipping or fees to get your “free” trial, it is not truly free.** While the offer might suggest that you can try the product at no cost, you might still be on the hook for shipping and other fees. These small costs can lead to unexpected charges on your credit card after the trial ends. Genuine free offers should have no hidden costs. Be wary of companies that claim something is free but require payment to receive it, as this might be a scam.
- 3. The online ad you saw may not be from the company selling the product.** Companies often hire affiliate marketers to promote their products, and these marketers create many of the ads you see for free trials. Affiliate marketers get paid each time you click on their ad. Some dishonest affiliates use exaggerated or misleading information to entice you to click. Be cautious and think twice before clicking on an online free trial offer.



Before You Sign Up

The offer's terms and conditions should clearly explain what you are agreeing to. Look for information on the length of the trial period, and how and when to cancel if you do not want to continue with a full subscription after the trial period ends. If you cannot find this information or do not understand do not sign up.

Research the company online to see what other people are saying about the free trial offer. Search for the company's name along with terms like “scam” or “complaint” to uncover potential issues. Complaints from other customers can alert you to hidden terms in the trial offer.

Check how you can cancel future shipments or services. Is the cancellation process clear? Can you skip shipments if you do not want to cancel entirely, but do not need the service as frequently?

Be cautious of pre-checked boxes when signing up for a free trial online. These preselected options might allow the company to keep charging you after the trial ends, sign you up for additional products, or share your information with others.

After You Sign Up

Set a reminder for the free trial's cancellation deadline. Once the deadline passes, you might be required to pay for more products and services.

Regularly check your credit and debit card statements to catch any unauthorized charges. Immediately dispute any charges you did not approve.

Advice on Auto-Renewals

Auto-renewals can be convenient if you are satisfied with a subscription and want to keep it. When the subscription expires, your credit or debit card gets charged and the subscription is automatically extended for another term.

Here are a few things to keep in mind about subscription auto-renewals:

Before you auto-renew a subscription, the company has to send you a renewal notice. This notice is not a bill or an invoice and should not ask for your credit or debit card information. It is a reminder stating the date that your subscription ends and when you will be charged.

Ensure the cost matches your expectations. Occasionally, the renewal charge might be higher than before, especially if you initially had a promotional rate. If the rate is not what you expect or the notice does not specify the amount, contact the company immediately. Ask if they can lower the rate or cancel the subscription. You may be able to cancel and re-subscribe at a better promotional rate.

Scammers often send fake renewal notices to try to steal your financial information. If you get a renewal notice for a subscription you do not have, it is likely from a scammer or a dishonest company attempting to obtain your credit card number or other personal information.

Avoid calling the number on the notice or clicking any links in emails or text messages. Instead, search online for the company name along with the words "scam" or "complaint" to see if others have reported similar fake notices. If you do business with the company, contact them using a verified number to check the notice's authority. If you do not, simply disregard the notice.

Subscriptions with Negative Options

A negative option is when you are automatically billed for something unless you explicitly opt out. This is a common practice used by businesses that offer free trials and subscriptions.

The issue with negative options arises when businesses fail to clearly inform you that they will continue billing you unless you take action, or they make it difficult for you to cancel.

Before you enter your credit card information for a free trial offer or subscription make sure to:

- Read and understand all the fine print. Check if the business will continue to charge you unless you opt out. If it is not clear, assume they will.
- Watch out for pre-checked boxes. Some businesses use them with the hopes that you will not notice that you are agreeing to future charges.
- Understand the cancellation process. Look for instructions for how to cancel on the business's website.

How To Stop a Subscription

If you want to stop a subscription, start by contacting the company. Follow their cancellation instructions if they provide any. Keep a copy of your cancellation request and document any related communications, including details about how and when you cancelled.

Monitor your financial institution statements for any charges to your debit or credit card after you canceled a subscription. If the company continues to charge you despite your cancellation, file a dispute with your debit or credit card issuer.

When disputing a charge you have two options:

- **Online:** Access your credit or debit card account online and go through the dispute process. If you have not registered for an online account, visit the card issuer's website for instructions on how to file a dispute.
- **By phone:** Call the phone number on the back of your card and provide details about why you are disputing the charge.

Save all records related to the scam, including letters, notes, or emails. These documents can support your claim for a refund if the credit or debit card company needs additional information.