

FTC accuses Intuit's TurboTax of deceptive advertising

Article

The news: The **Federal Trade Commission** is accusing **TurboTax** manufacturer **Intuit** of misleading consumers by promising free tax filing, after many wound up paying for services they believed would be no charge.

More on this: The FTC requested a temporary restraining order and a preliminary injunction against Intuit this week. Its complaint describes a situation that many Americans have

encountered: After spending time entering their information into TurboTax, they are told that they must upgrade to the premium program to complete their returns accurately.

- Many low- and middle-income consumers who were eventually pressured to upgrade to the commercial version of TurboTax would have qualified to file their taxes at no charge via **IRS Free File**, which Intuit participated in through last year.
- Citing an example of difficult-to-read language, the FTC pointed to the print at the bottom of one advertisement. “Free Edition product only. For simple U.S. returns,” reads print so small you’d need superhuman eyesight to easily catch it.

Zoom out: Deceptive advertising is part and parcel of the industry, but every now and then there are reminders that going too far just isn’t worth it.

- Just last week, the District of Columbia **sued Grubhub** for using deceptive marketing during the pandemic to boost profits.
- Also last week: Texas’ attorney general formally demanded documents from pharma companies, alleging deceptive advertising practices.
- Earlier in March, the Australian Competition and Consumer Commission (ACCC) accused **Meta** of allowing “false, misleading, or deceptive conduct by publishing scam [crypto] advertisements” on **Facebook**.

US Social Media Users Who Feel that a Social Media Platform Showing Deceptive Content* Affects Their Decision to Interact with Ads/Sponsored Content, by Generation, June 2021**
% of respondents

Gen Z (18-24)	63%
Millennials (25-40)	65%
Gen X (41-56)	61%
Baby boomers (57-75)	65%
Total	64%

Note: n=1,730; net “extremely impactful” and “very impactful”; *disinformation, fake news, scams, or clickbait; **view, watch, click, share, comment
Source: Insider Intelligence, “The US Digital Trust Survey,” Q2 2021

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