

SiriusXM's cancellation process violates federal consumer protection law, judge rules

Article

The news: A New York Supreme Court judge ruled that **SiriusXM's [subscription cancellation practices](#)** are overly complicated and violate a federal consumer protection law.

- Judge **Lyle Frank** stated that SiriusXM makes it harder to cancel a subscription than it is to make one, which goes against the **Federal Trade Commission’s (FTC) Restore Online Shoppers’ Confidence Act (ROSCA)**.
- The company “unreasonably delays” user attempts to cancel paid subscriptions, according to the judge, which include requiring them to speak with a live agent to cancel even if they sign up online.

The judge rejected a claim that SiriusXM’s cancellation processes are fraudulent and deceptive.

The case: The lawsuit’s outcome was based on ROSCA rather than the FTC’s [click-to-cancel policy](#), which was affirmed in October and is set to go into effect in 2025.

- That rule specifically prohibits companies from **requiring users to speak with an agent or a chatbot to cancel their subscriptions** if they signed up for the service online, while ROSCA says consumers need to have a “simple mechanism” to stop recurring charges.
- **TV and internet providers** are pushing back against the policy, saying the FTC is overstepping its authority and hasn’t clearly proven that deceptive subscription practices are widespread.

A Market Letters study of 40 popular online services platforms found that, on average, it takes 18 clicks to sign up for an account and 27 clicks to delete it.

What’s next? We may see FTC priorities and policies shift next year if the incoming [Trump administration](#) alters regulations.

- A lawsuit against click to cancel filed by the **NCTA–Internet and Television Association** estimated the policy could cost some companies up to \$25 million and two to three years of system rebuilds.
- Basing the SiriusXM decision on 13-year-old ROSCA rules rather than click to cancel could help set a precedent on subscription practices, even if the latter is later overturned.

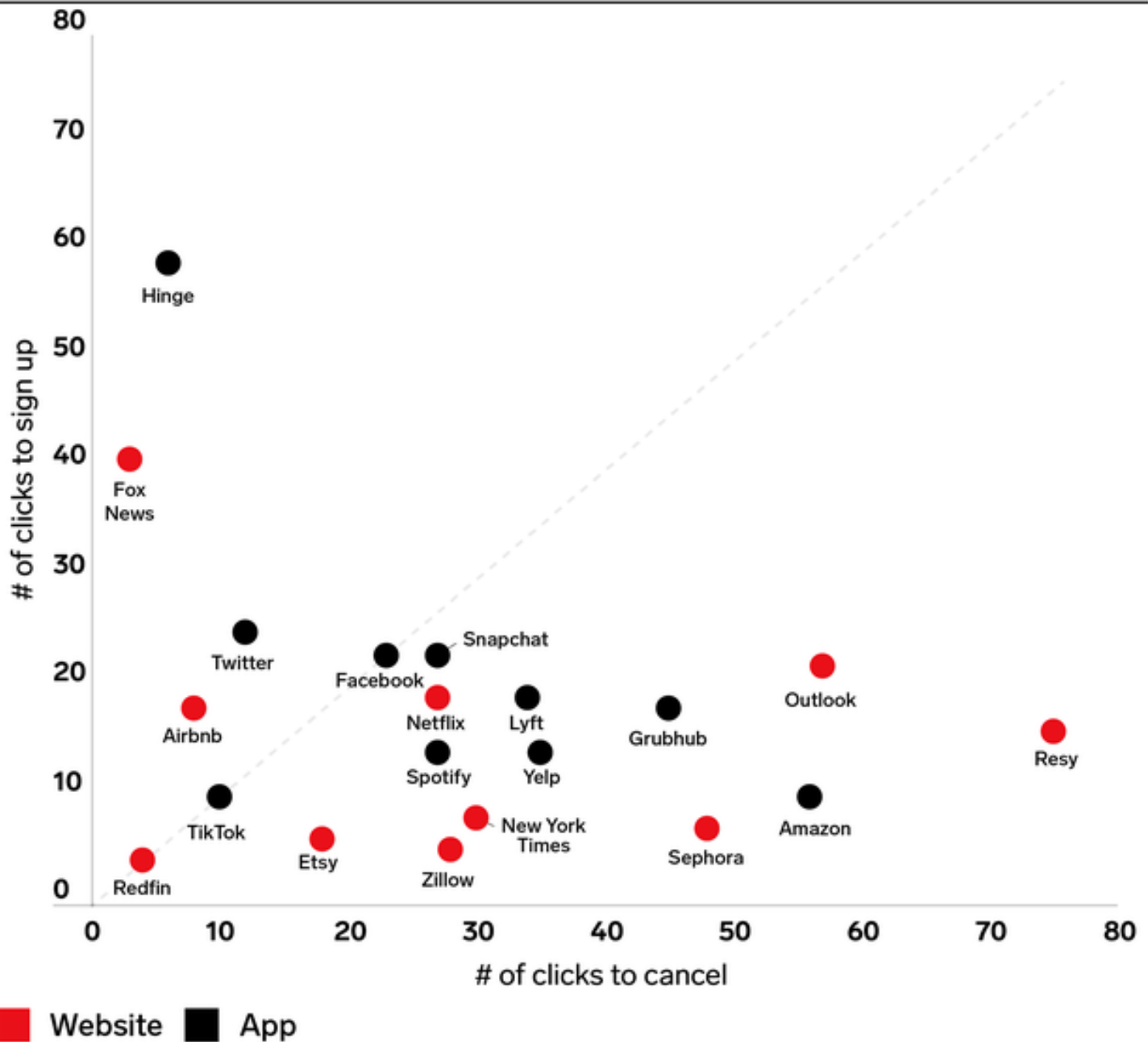
SiriusXM said it plans to comply with the FTC’s click-to-cancel policy but will appeal the ROSCA ruling.

Our take: Arduous or overburdensome account cancellation steps can spark legal scrutiny but can also push consumers away and damage brand trust.

We may see a shift away from aggressive antitrust enforcement in 2025, which could inhibit the FTC's progress toward establishing stronger consumer protection laws.

Consumers Often Have to Spend More Time Canceling an Account Than Creating It

number of clicks required for completion on select platforms



Source: Runge, J., Wentzel, D., Huh, J.Y., et al., "Dark patterns' in online services: a motivating study and agenda for future research" as cited in Marketing Letters, Vol. 34, Iss. 1, March 2023

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