



ICC Principles on Automatic Subscription Renewals

Automatic renewals go by a variety of names, including auto-renewals, recurring billing, negative option agreements, continuous service agreements and continuity agreements. Free or discount to pay conversions are another type of automatic renewal. Many subscription types, from daily to longer term, are available to consumers today. What all of these arrangements have in common is that consumers are automatically charged for goods or services unless and until they take affirmative action to cancel.

Automatic renewals are popular and beneficial to consumers, offering the convenience of not having to constantly renew contracts for the purchase of goods or services that consumers regularly use. Free or discounted trials that convert to paid automatic renewals can provide consumers with an easy means to sample goods or services.

ICC upholds responsible, fair, honest and transparent marketing practices. As such, we strongly discourage the use of practices that purposely manipulate consumers into unknowingly signing up for automatic renewals (for example, by sending unsolicited goods), or which trap consumers in automatic renewals by making it difficult to cancel. Applying the principles below can help marketers avoid such practices. ICC may issue further guidance in the future on best practices to avoid these and other types of misleading and deceptive practices that have been identified including those described as dark commercial patterns.

The ICC Code sets forth general principles governing all marketing communications. Several articles of the ICC Code are already applicable in the context of automatic renewals, including: Article 1 – Basic Principles; Article 4 – Honesty; Article 5 - Truthfulness; Article 10 – Use of “free” and “guarantee”; Article 19 – Data Protection and Privacy; Article 21 – Unsolicited products and undisclosed costs; and Article 23 – Responsibility. Chapter A: Sales Promotion and Chapter C: Direct Marketing and Digital Marketing Communications are also applicable.

This ICC policy statement helps to interpret the fundamental global standards of the ICC Code to offer more specific guidance on issues unique to automatic renewals. Countries seeking to establish or enhance marketing self-regulation codes can look to these principles to easily adapt them into national codes. These principles should also be applied against the background of applicable legislation.

Marketers should keep these **principles** in mind when offering automatic renewals:

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Disclosure



It should be transparent in advertising and marketing materials when goods or services are being offered as an automatic renewal, as opposed to a one-time purchase. For example, both the price and frequency of charges (such as \$9.99 per month) should, where appropriate, be included in advertising and marketing materials, in particular when a mechanism is provided that enables the consumer to purchase a product. It may also be helpful to specifically describe how the automatic renewal works. For example, “subscription continues until cancelled.”

The material terms of an automatic renewal, including that the consumer will continue to be charged for the goods or services until they cancel; the recurring cost or how the price will be calculated; the timing of charges; any minimum commitments; and the cancellation policy, should be presented in a clear, prominent and unambiguous manner to the consumer before the consumer accepts the offer.

Where an automatic renewal begins with a trial or other introductory offer that converts to paid (or a higher price) at the end of the trial period, the terms and conditions of the paid conversion should also be clearly, prominently and unambiguously disclosed before the consumer accepts the offer.

Consent



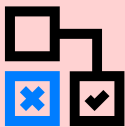
Marketers should obtain consumers’ consent to the material terms of an automatic renewal at the start of the contract. Consent to the material terms should be freely given, unambiguous, specific and informed.

Written confirmation



Consumers should be provided with confirmation in a durable format of the material terms of the automatic renewal, including information regarding the cancellation policy and how to cancel. The confirmation should be provided in due time and at the latest at the time of delivery of the goods or at the commencement of the delivery of the services.

Cancellation



Cancelling an automatic renewal should be simple for consumers. It should be easy for consumers to find cancellation mechanisms; cancellation processes should employ language that is easy for consumers to understand; canceling a subscription should not be unnecessarily complex and consumers should be able to easily confirm when they’ve cancelled a subscription.

Notice



For longer automatic renewal terms (for example, annual subscriptions), consumers should be given the option to receive notices before being charged to continue receiving the goods or services.

Consumers also should be notified before any material changes are made to an automatic renewal. For example, notice should be provided prior to price changes.

All notices should be provided to consumers sufficiently in advance so that consumers have a reasonable opportunity to cancel before the next charge, noting that what is reasonable will vary from subscription to subscription. Notices should be presented in a prominent manner and use language that is clear and easy to understand.

ICC (2023), *ICC Principles on Automatic Subscription Renewals*, <https://iccwbo.org/news-publications/icc-rules-guidelines/icc-principles-on-automatic-subscription-renewals/>

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