

Ask and You Shall Receive a Recurring Subscription: FTC Sues a Web Q&A Service for Deceptive Negative Option

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Two weeks into the new year, the Federal Trade Commission (“FTC”) [sued](#) JustAnswer LLC and its CEO (together, “JustAnswer”), alleging they deceived consumers into enrolling in monthly recurring subscriptions without obtaining their affirmative consent in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Restore Online Shoppers’ Confidence Act, 15 U.S.C. § 8401 *et seq* (“ROSCA”).

About JustAnswer

JustAnswer operates JustAnswer.com, an online platform where consumers can ask questions to subject-matter experts across a broad array of subjects via online chats or phone calls.

According to the company, consumers can ask questions and receive answers from verified experts on issues ranging from pet emergencies to electrical problems. The company also operates specialized advice sites such as AskALawyerOnCall.com and AskWomensHealth.com.

The FTC’s Allegations

The FTC alleges that JustAnswer entices consumers to sign up to use the service by advertising a fee of as little as \$1 or \$5 per question. After soliciting basic information from the consumer, the website’s AI chatbot tells the consumer that they can join JustAnswer for a nominal, fully refundable fee.

However, when consumers sign up to use the services, JustAnswer enrolls consumers in a monthly subscription that includes a significant additional recurring charge. The monthly subscription cost charged to consumers has allegedly ranged from \$28 to \$125 until they cancel.

While the disclosure under the credit card payment form informs consumers that they will be charged the one-time join fee *and* a monthly membership fee (which is presented in bold font), the FTC alleges that this disclosure is not clear and conspicuous enough because it is difficult to see in comparison to the much larger text throughout the credit card payment form.

The FTC alleges that consumers are therefore unlikely to notice the membership fee fine print, which typically appears in the sign-up process only when the membership fee is presented. While the Terms of Service page includes information about pricing and the subscription fee, consumers are not required to click the link to the Terms of Service to complete the sign-up process, and the FTC alleges consumers would need to scroll halfway down the “dense and lengthy” terms to locate the subscription fee.

What are “Negative Options?”

Recurring subscription fees are typically considered a type of “negative option.” Negative options are arrangements in which a seller interprets a consumer’s silence or failure to take affirmative action (e.g., cancellation) as acceptance of an offer. Negative options include automatic renewals, continuity plans, and free trials that convert into paid subscriptions unless a consumer cancels.

Causes of Action Alleged in the Complaint

Section 5(a) of the FTC Act

- The FTC alleges that misrepresentations or deceptive omissions of material fact that consumers can join by paying a nominal one-time fee constitute a deceptive act or practice because consumers are also charged the recurring subscription fee.

ROSCA

- ROSCA, among other things, makes it unlawful for any person to charge or attempt to charge any consumer for goods or services sold in an internet transaction through a negative option feature unless the person (1) provides text that clearly and conspicuously discloses all material terms of the transaction before obtaining the consumer’s billing information; and (2) obtains a consumer’s express informed consent before charging the consumer’s credit card, debit card, bank account, or other financial account for products or services through the transaction. 15 U.S.C. § 8403.
- The FTC alleges two counts in the complaint under ROSCA against JustAnswer for failures to clearly and conspicuously disclose the subscription fee and to obtain express informed consent before charging consumers for the negative option.

Observations and Takeaways

The FTC Still Thinks Disclosures Should Be Clear and Conspicuous, and Express Informed Consent Should Be Obtained Before Charging a Consumer for a Negative Option Plan

Companies still need to be mindful that the cost of goods and services needs to be clearly and conspicuously disclosed, and consumers should not be charged for a recurring subscription or other negative option plan without their express informed consent. At a time of regulatory retreat, fine print or disclosure of payment terms only outside of the payment flow still do not cut it.

Despite a More Restrictive View of Its Authority Under Section 5, the FTC Will Still Pursue UDAPs

Christopher Mufarrige, the Director of the FTC's Bureau of Consumer Protection, has stated that the prior administration took too broad a view of its delegation of authority under Section 5 of the FTC Act, and that the FTC should enforce specific laws—in this case, ROSCA—and “should use Section 5 only where consumer choice is undermined, or empirical evidence enables [the FTC] to satisfy the balancing test in Section 5(n) of the FTC Act.”

[See Prepared Remarks of Christopher Muffarrige to the National Advertising Division Annual Conference \(September 17, 2025\)](#). That balancing test weighs whether an act or practice causes or is likely to cause substantial injury to consumers, which is not reasonably avoidable by the consumer and not outweighed by countervailing benefits to consumers or to competition, in determining “unfairness”. 15 U.S.C. § 45(n). Consistent with this approach, the FTC focuses the JustAnswer complaint on specific acts that violated ROSCA. While the allegations seem to meet the balancing test, it is unclear whether the Section 5 claim would have been brought absent the alleged ROSCA violations.

This Would Have Been a Slam Dunk Case Under the Vacated “Click to Cancel Rule”

While ROSCA impacts negative options such as automatic renewals where they occur as an internet transaction, this case would have been stronger and brought under broader authority under the revised FTC Negative Option Rule, 16 CFR Part 425, often called the “Click-to-Cancel Rule,” which was vacated by the Eighth Circuit Court of Appeals in July 2025 (based on procedural issues in the rulemaking process). The Click-to-Cancel Rule applied more broadly to telephone, print, and in-person transactions (and not just those over the internet) and offered a more prescriptive formula for negative option programs. This included a more comprehensive definition of “clear and conspicuous” disclosure, which varies according to the medium, and specific requirements regarding express informed consent. The original 1973 Negative Option Rule was limited to the use of prenotification plans (e.g., “book-of-the-month clubs” and other arrangements where a seller will provide notice that it will ship merchandise to a consumer and charge them for it unless they affirmatively decline it) and would not impact automatic renewals.

We note that the issues that led to the rule's vacatur could be addressed by running it back through the rulemaking process and that the FTC [submitted](#) an Advanced Notice of Proposed Rulemaking ("ANPRM") concerning the Negative Option Rule for review by the Office of Information and Regulatory Affairs ("OIRA") at the Office of Management and Budget on January 30, 2026. The ANPRM will not be published until the OIRA review is complete.

Don't Forget the States

Beyond the FTC, many states also have laws that set requirements on automatic renewals and negative options. While some state laws are limited in scope (e.g., Arkansas's law only applies to professional home security contracts and South Carolina's law only applies to physical fitness services), others are much broader, including California, Illinois, and New York.

Companies should be mindful of state law considerations in their footprint states when offering negative options in addition to requirements under ROSCA and the FTC's Telemarketing Sales Rule, 16 CFR Part 310, which requires disclosures for telemarketing-based negative option offers.

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