



Written remarks from

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Federal Trade Commission Open Meeting on

[“Advance Notice of Proposed Rulemaking on Junk Fees”](#)

Thursday, Oct. 20, 2022

Good afternoon. I'm Teresa Murray, consumer watchdog for the non-profit U.S. Public Interest Research Group. We support the FTC's inquiry into junk fees, which have plagued consumers for decades in various forms.

We see three different types of junk fees:

First, fees that get added to a purchase. They're not disclosed up front and consumers cannot opt out of them. This is drip pricing. Examples are fees added to hotel bills after a room is booked at a certain price, or fees added to tickets for concerts or airline flights, or even a 4 percent supply chain fee added to a gallon of paint at checkout.

Second are junk fees that get added to existing services, such as nonsense fees added to cable or cell phone bills. You think you're paying a certain price per month, and you end up paying maybe 10 percent more after junk fees that you didn't expect.

Third are fees that add no value for the customer, such as overdraft fees, fees to actually pay your bill or, one of my favorites, the recurring negative balance fee if someone's

checking account was in the red for multiple days. The [Consumer Financial Protection Bureau suggests](#) many bank fees are junk fees that cost consumers billions each year.

In our view, all three types of junk fees are bad, because they lack transparency OR there's no ability to opt out OR because they're just money grabs. In many cases, junk fees prevent consumers from being able to compare prices before making a choice, for example, with a hotel or a cellphone plan.

There are no circumstances where a reasonable person could think it's OK for a business to reveal only *part* of the cost of a product or service. Transparency is a *moral obligation*. When businesses don't abide by that, it becomes the responsibility of regulators to make sure that consumers aren't victims of gotcha fees.

In conclusion, we support FTC rulemaking on junk fees. Consumers and business customers deserve transparency and fairness in pricing. Thank you.