

Washington State Office of the Attorney General

Consumer Feedback Regarding
Recurring Charges & Hidden Fees

Online Survey

Research Conducted
June -July 2022

Prepared for:

Daniel Davies
Assistant Attorney General
Consumer Protection Division
Washington Attorney General's
Office
800 Fifth Avenue, Suite 2000
Seattle, WA 98104
206-254-0559
daniel.davies@atg.wa.gov

Prepared by:

Nancy Hardwick, President
Hardwick Research
8720 SE 45th Street
Mercer Island, WA 98040
206-232-9400
nancy@hardwickresearch.com



Background and Methodology

Background

This research study was conducted on behalf of the Washington State Office of the Attorney General. The goal of this study is to better understand if consumers have encountered certain advertising and sales practices related to recurring charges and hidden fees, and what they think about those practices. Specific objectives of the research are as follows.

- Understand what experiences consumers have had with:
 - Subscription plans that automatically bill them when consumers thought they were making a one-time purchase
 - Unknown fees applied at the final stage of ordering a product or service
 - Unknown fees applied after a product or service is purchased
- Determine how consumers feel about companies:
 - Clearly disclosing fees and costs during advertisement
 - Clearly disclosing fees and costs during point of sale
 - Small font size for price at the bottom of the advertisement
 - Any fees also disclosed in same font size as price
 - Location of product price and fees

Methodology

An online survey was conducted with Washington State consumers 18 years of age or older.

Initial email invitations were sent out on Friday, June 24, 2022. The survey was closed on Thursday, July 7, 2022.

A total of 1,207 completed surveys were gathered throughout the state.

The questionnaire contained 29 questions, four of which were open ended requiring an average of 5.34 minutes to complete. It was designed by the Washington State Attorney General's Office with edits provided by Nancy Hardwick.

Data collection, analysis and reporting were conducted by Hardwick Research. This report includes the results of this quantitative online survey.

Statistical Significance Testing

Statistical significance testing was conducted to aid in the analysis of the results. All statistical testing for this survey was conducted at the 95% confidence level. The confidence level refers to how confident we are that all Washington State consumers (18+) would have responded this way, had we been able to survey everyone. This industry standard guarantees, with 95% certainty, that any significant differences are accurate.

Based on a universe size of 6,025,530 Washington State residents 18+ years of age and a sample size of 1,207 completed surveys, the margin of error based on a 95% confidence level is and a universe of 2,326,040 (King County residents), is $\pm 2.82\%$.

Statistically significant differences are identified as such. "Trends," although not always statistically significant, are also identified.

Report Annotations

Note that in some cases, percentages will not add up to 100 due to rounding or that fact that multiple responses were allowed.

Coding of open-ended responses was conducted. Per industry standards, any responses mentioned by less than 5% of the survey participants were combined into the category of "other." Where we felt it appropriate, we coded responses mentioned by fewer consumers.

Participant quotes included in this report are only a sampling of the many received during the research process. For reference, a complete list of the responses the open-ended question will be provided in an Excel file. It is worth taking the time to review all the comments.

A copy of the 29-question survey can be found in the Appendix of this report.

Key Findings

This research gathered insight into the purchasing experiences of Washington State consumers. In addition to assessing if consumers are being misled regarding the actual price of a product or service, attitudinal questions were asked to learn how consumers feel about various advertising and sales practices.

A total of 1,207 consumers, 18+ years of age, participated in this research by completing an online survey.

Overall, we found that while many consumers have been misled regarding the price of a product or service, there were no specific industries or individual companies that stood out as offenders. Many consumers were unable to remember or did not include in their answer the industry, company or type of hidden fee at issue. This made it difficult to identify explicitly which industries or companies engaged in these practices.

Tracking Consumer Experiences

Washington State consumers are vulnerable to many of the tactics companies used to hide fees or recurring charges when selling products or services. Specifically, in the past four years...

- 59% of Washington State consumers report being unintentionally enrolled in a subscription plan or service, recurring payment plan or other automatically renewing plan that billed them when they thought they made a one-time purchase
- 61% of consumers state they were charged a fee they did not know would be applied until they were in the final stage of ordering a product or service
- 36% have been charged a fee they did not know would be applied until after they had purchased a product

To better understand these situations, additional questions were asked. Interestingly, one's gender does not have an influence on their likelihood to have experienced hidden fees or recurring charges. There are a few differences by age, ethnicity and income, but they are not consistent throughout.

The table on the following page outlines each situation and provides additional insight into the type of organization, how often this occurs and additional facts. Details regarding these findings can be found in the Detailed Findings section of this report.

Issue	59% unintentionally enrolled into an auto renewal plan	61% unaware of fees until applied in the final stage of ordering	36% unaware of fees until after product was purchased
Type of organization	29% online retailer 23% subscriptions	42% online retail 23% meal delivery	31% online retail 19% cable or internet
Number of times occurred in past four years	37% 1 time 49% 2-3 times 14% 4+ times	37% 1 time 46% 2-3 times 17% 4+ times	56% 1 time 34% 2-3 times 10% 4+ times
Company name/industry type	33% do not recall the business name 60% shared a wide range of names, with Amazon receiving the most mentions (N=69)	73% do not recall fee type 27% shared a wide range of types, with delivery/shipping fee receiving the most mentions (N=64)	78% do not recall fee type 22% shared a wide range of fee types, with service fee/charge receiving the most mentions (N=27)
Additional facts	51% indicate a pre-checked box was present 86% cancelled their subscription. Those who did cancel rated the ease of doing so 3.9 out of 7 (7 being very difficult) 12% did not cancel. Of them 53% ended up wanting the product and 23% report it was too difficult. 70% of consumers completely agree that pre-checked boxes should be prohibited when making a purchase or donation.	\$29.90 was the average fee added in the final stage (as shared by the 18% who remember the fee amount).	\$33.80 was the average fee added after the purchase (as shared by the 22% who remember the fee amount).

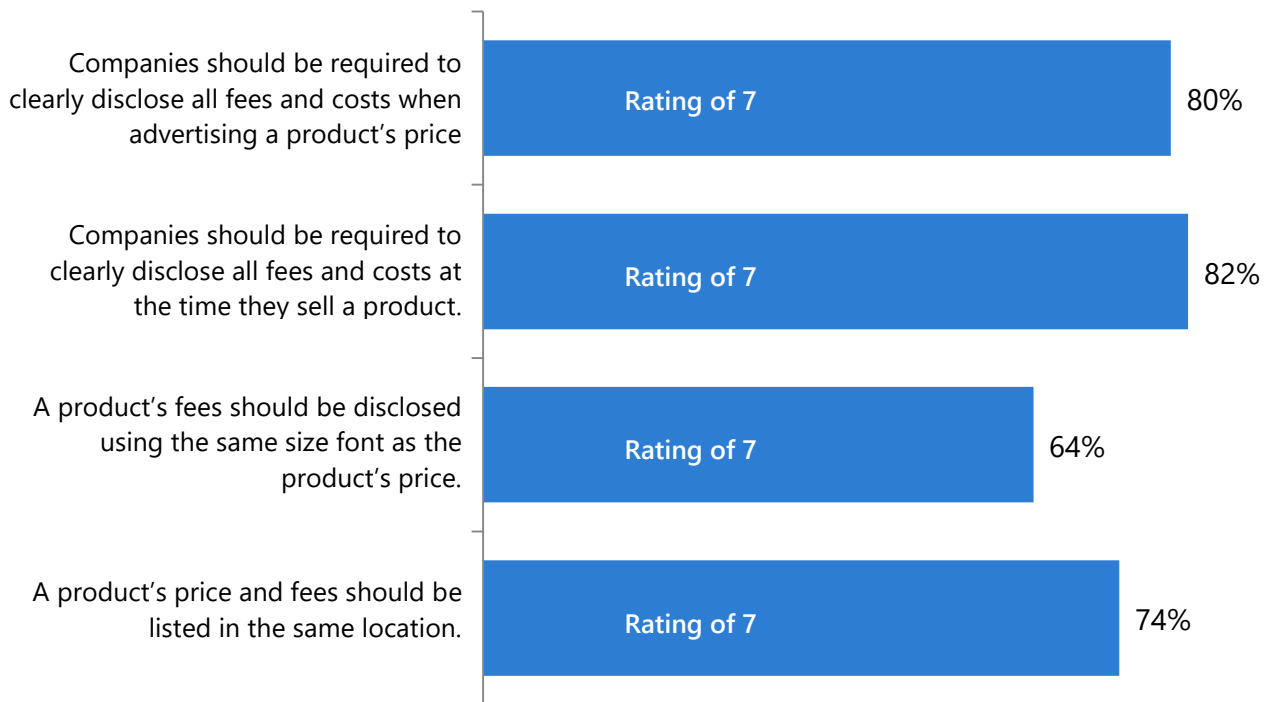
Understanding Consumer Attitudes

After learning about Washington State consumers' experiences with unintentional subscriptions and unexpected fees, questions were asked to garner consumer attitudes toward potential requirements for the disclosure of fees and the font sizes used to advertise product costs and fees.

When it comes to font size used in advertisements, on average, consumers feel that "when products' price is advertised in large print, the small-print located at the bottom of the advertisement does not provide them sufficient notice of a product's total price."

Consumers also strongly agree with many of the consumer protections that could be put in place to safeguard them from incurring hidden fees or recurring charges. This surfaced when evaluating a set of statements. Specifically, survey participants were presented with a number of statements and asked to rate them on a scale of 1 to 7 with "1" completely disagree and "7" being completely agree.

As can be seen by the chart below, most participants completely agree with each statement, as the percent of consumers rating each statement a "7" is quite high.



Detailed Findings

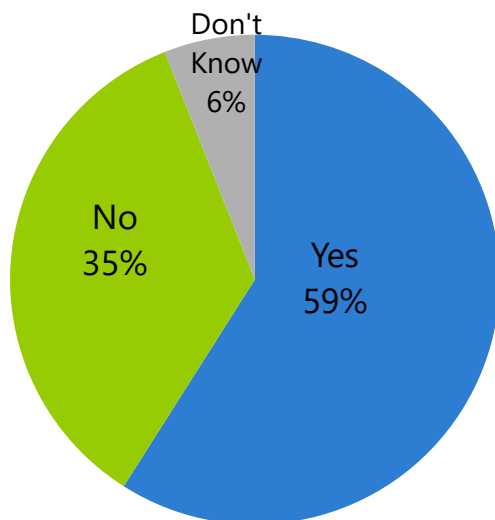
This research was conducted to assist in determining if Washington State consumers are being misled while purchasing a product or service. Specifically, the goal was to uncover whether consumers unintentionally enrolled in an automatic billing plan or were charged an unexpected fee at the final stage or after the purchase. In order to determine this, three different scenarios were shared. If consumers experienced one of these situations, additional information regarding that instance was gathered.

Consumers were asked if they had:

1. Unintentionally signed up for a subscription plan or service, recurring payment plan or other automatically renewing plan when they thought they were making a one-time purchase
2. Been charged a fee that they did not know would be applied until after they were in the final stage of ordering a product or service
3. Been charged a fee that they did not know would be applied until after they purchased the product

The research uncovered that all three of these situations are occurring in Washington State, with some more prevalent than others.

1. Unintentional Enrollment in Auto Renewal Plans



Unintentional enrollment in an automatic billing plan happens frequently among Washington State consumers. 59% of participants indicated that within the last four years they have unintentionally enrolled in an auto renewal plan that automatically billed them when they thought they were making a one-time purchase.

It is interesting to note that a person's gender, education or income do not cause them to be more or less likely to unintentionally enroll in an auto renewal plan. However, younger consumers (18-54 years old), and those who are black or white (vs. Asian) are significantly more likely to unintentionally enroll in an auto renewal plan.

Those who indicate they unintentionally enrolled in an auto renewal plan were asked some additional questions. The questions were designed to gather more information regarding the types of products/services, the businesses involved, how often this happens, and challenges faced related to cancelling the auto renewal plan.

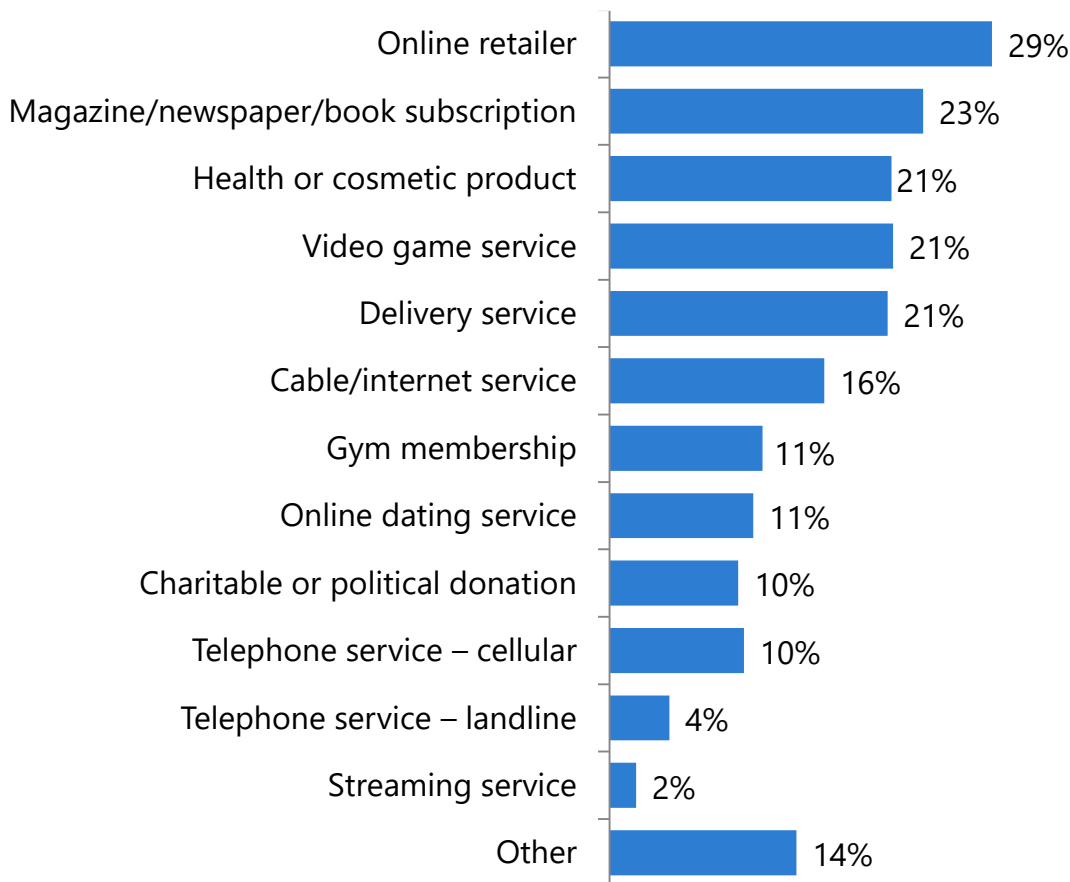
Q3. In the last four years, have you ever unintentionally enrolled in a subscription plan or service, recurring payment plan, or other automatically renewing plan that automatically billed you, when you thought you were making a one-time purchase? (N=1,207)

A wide range of products or services are associated with unintentional auto renewal plans

When asked which product or service the unintentional auto renewal plan was associated with, online retailers (29%) and magazine/newspaper/book subscriptions (23%) are the top two. They are followed closely by health or cosmetics, a video game service, and a delivery service (each mentioned by 21% of the consumers surveyed.)

Older consumers (55+) are significantly more likely to have experienced the unintentional auto renewal plan when purchasing a magazine/newspaper/ book subscription than their younger counterparts (18-34 years old), while those under 55 years of age are significantly more likely to have unintentionally signed up for an auto renewal plan with a video game service, delivery service, cable/internet service, or a gym membership.

In addition, those consumers earning \$50K or more are significantly more likely to have unintentionally enrolled in an auto renewal program when they signed up for a gym membership. Those 35-54 years old are significantly more likely to have ended up automatically enrolled when signing up for an online dating service.



Q6. What type of product or service did the auto-renewal plan or plans relate to? (N=712)

Many do not recall businesses that enrolled consumers in a recurring plan

Of the 59% of consumers that indicate they had unintentionally enrolled in an auto renewal plan, a third (33%) report they do not recall the name of the business. Another 7% prefer not to share the name.

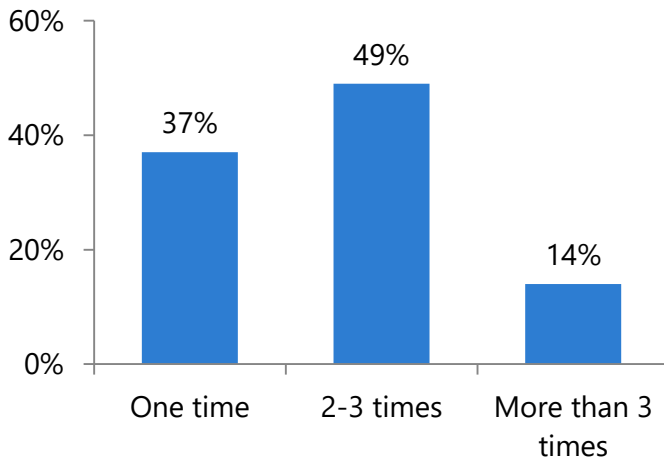
The remaining 60%, who report unintentionally enrolling in an auto renewal program, provide a wide range of different business/entity names. Most fall into an "Other" category meaning the company was only named by a few other participants. However, there are a number of business/entities mentioned by at least eight consumers. They are listed here with Amazon earning the most mentions.

Business or Entity

Amazon – 69 mentions
 Hulu – 20 mentions
 Netflix – 20 mentions
 Apple – 14 mentions
 Xfinity – 14 mentions
 Planet Fitness – 13 mentions
 T-Mobile – 13 mentions
 Comcast – 12 mentions
 Microsoft – 12 mentions
 Xbox – 12 mentions
 Paramount – 10 mentions
 Norton – 9 mentions
 Spotify – 9 mentions
 Walmart – 9 mentions
 Verizon – 8 mentions

Q7. What was the name of the businesses/entities that enrolled you in the recurring plan(s): (N=712)

How often did this happen?



The 59% of consumers that indicate they had unintentionally enrolled in an auto renewal plan within the past four years said it happened:

- One time - 37%
- 2-3 times - 49%
- More than 3 times - 14%

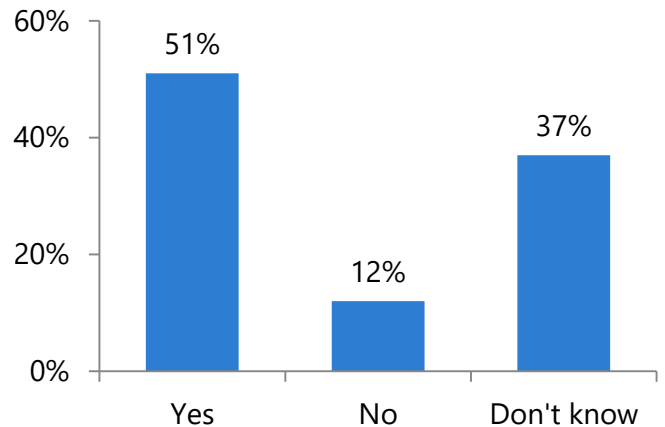
Those 55+ years of age are significantly more likely to have unintentionally enrolled in an auto renewal plan only once in the past four years. While those less than 55 years old are significantly more likely to have it happen more than three times in the past four years.

Q4. How many times in the past four years did this happen? (N=712)

Pre-checked boxes are an issue with consumers

Participants were asked if there was a box already checked that caused them to be enrolled in the subscription/automatically renewing plan. Just over half (51%) indicate the pre-checked box was present.

Interestingly, the presence of a pre-checked box tends to be more of an issue with online retailers, delivery services, and video game services. This could be because these organizations are more likely to have a pre-checked box or because their pre-checked box is more visible than those of other types of organizations.



Those consumers who answered they did not know if the pre-checked box was present are significantly more likely to purchase magazine/newspaper/book subscriptions and health/cosmetic products.

Q5. Was there a box already checked (a "pre-checked box") that caused you to be enrolled in the subscription/automatically renewing plan? (N=712)

Most consumers did cancel the subscription or recurring payments

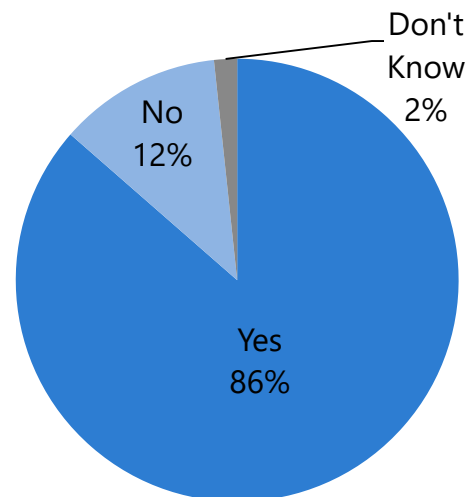
Of those consumers who had unintentionally enrolled in an automatic renewal plan, most (86%) indicated they did cancel the subscription or recurring payments.

Those who are more likely to have canceled their subscription:

- Tend to have made their purchases through an online retailer, a magazine/newspaper/book subscription, or health/cosmetic product
- Are significantly more likely to be 35-54 vs. 18-34 years old
- Are significantly more likely to have income of \$25K-\$49K vs. \$50K+

Conversely, those that indicated they did not cancel the subscription are more likely to:

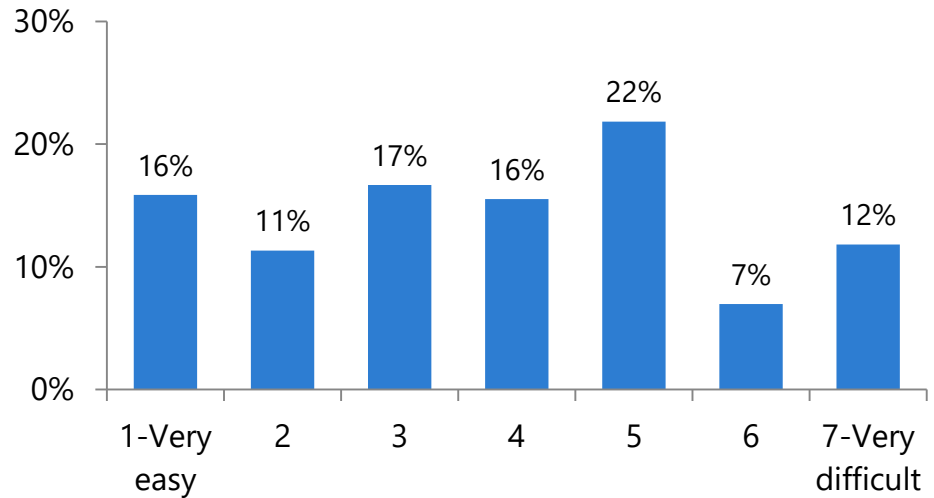
- Tend to have purchased something from a delivery service or a video game service
- Be significantly more likely to have an income of \$50K+ vs. \$25K-\$49K
- Are significantly more likely to have the highest level of education (completed grad school)



Q8. Did you cancel the subscription/or recurring payments? (N=712)

Cancellation of subscription/recurring payments proves challenging for some consumers

The ease of cancelling the subscription/recurring payments varied. The 616 consumers (or 86%) who canceled their subscription or recurring payment, give the process of doing so an average ease rating of 3.9 out of 7 (leaning slightly towards difficult).



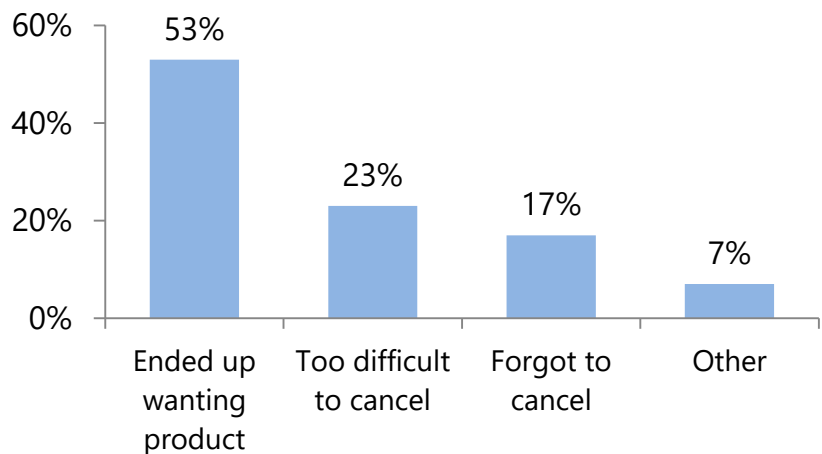
Those consumers who found it very difficult to cancel the subscription tend to have purchased magazine/newspaper/book subscriptions.

Q10. How easy or difficult was it to cancel the subscription/recurring payments? (N=616)

Some ended up not cancelling

Of the 83 consumers (or 12%) who did not cancel the subscription or recurring payments, nearly a quarter (23%) indicate it was because it was "too difficult to cancel."

Interestingly, more than half (53%) of those who did not cancel the subscription admit that they ended up wanting the product. These consumers are significantly more likely to be less than 55 years old.

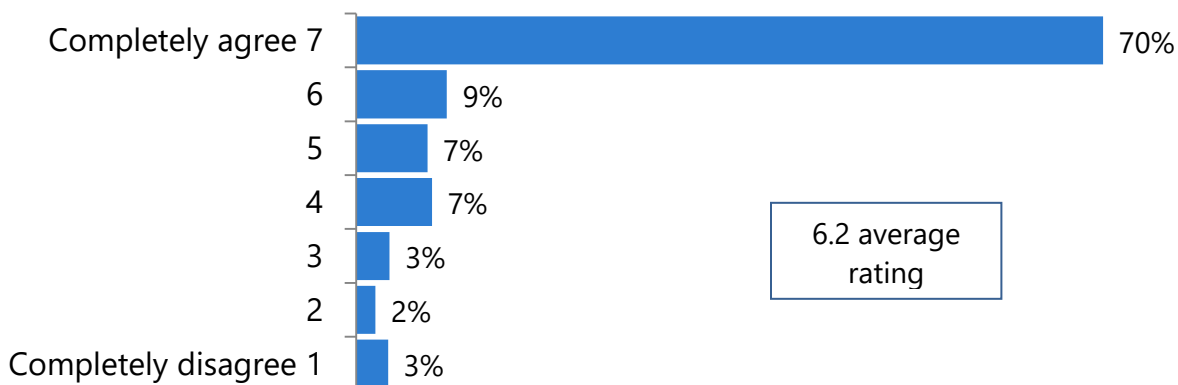


Q9. What happened that you did not cancel the subscription or recurring payments? (N=83)

Consumers do not like pre-checked boxes that enroll them in purchases or donations involving recurring payments

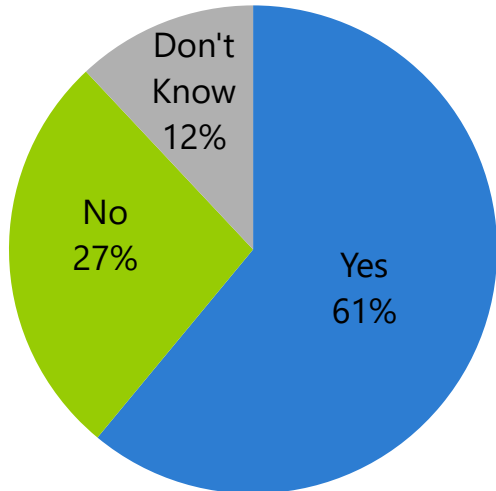
All participants in the survey were asked to what extent they agree with the statement: "Companies should be prohibited from using pre-checked boxes to enroll customers in purchases or donations involving recurring payments?" The majority (70%) completely agree with this statement.

Those who are higher educated (associate degree or more education) are significantly more likely to agree that companies should be prohibited from using pre-checked boxes than those with a high school degree or GED. Those who are white are significantly more likely to agree that companies should be prohibited from using pre-checked boxes than those who are Asian, black or Hispanic. Those who purchased magazine/newspaper/book subscription or health/cosmetic product tend to be more likely to agree that companies should be prohibited from using pre-checked boxes than those who purchased something from a delivery service or a video game service.



Q11. To what extent do you agree or disagree with the following statement: Companies should be prohibited from using pre-checked boxes to enroll customers in purchases or donations involving recurring payments? (N=1,207)

2. Fees Applied at Final Stage of Order



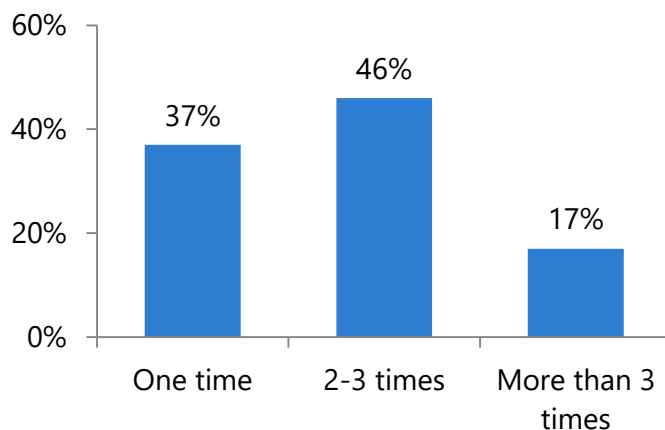
The second potential misleading purchase practice being covered through this research centers on fees being applied at the final stage of purchase. As it turns out, many Washington State consumers are often being charged a fee they were unaware would be applied until they are at the final stage of ordering a product or service.

Specifically, 61% of participants indicated that within the last four years they have been charged such a fee. Those are less than 55 years old have completed graduate school are significantly more like to say yes than their counterparts. Those who are Asian are significantly more likely to say no than all other ethnic groups.

This question was followed by a number of additional questions aimed at getting a better understanding of which industries are involved, how often this happens and what type of fee is being applied.

Q12. In the past four years, have you been charged a fee you did not know would be applied until you were at the final stage of ordering a product or service? (N=1,207)

How often did this happen?



The 61% of participants who answered that they had been charged a fee they did not know would be applied until they reached the final stage of ordering, indicate it happened to them:

- One time - 37%
- 2-3 times - 46%
- More than 3 times - 17%

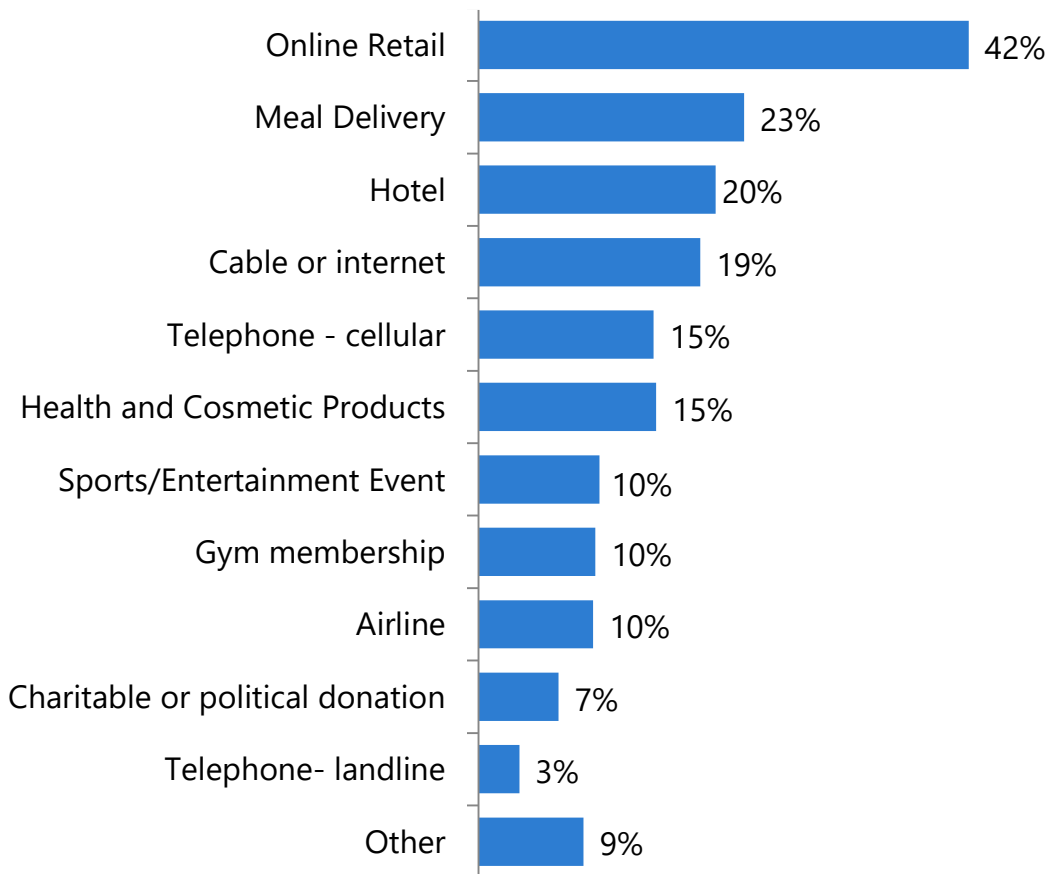
Those consumers who selected "hotel" as the industry where they had an unexpected fee applied in the final stages of purchase were more likely to have experienced this extra fee "more than three times."

Q13. How many times in the past four years did this happen? (N=745)

Online retailers surface as likely to charge unexpected fees

Those who were charged an unexpected fee at the final stage of ordering were asked what industries charged them this fee. Based on consumer feedback, online retailers (42%) are the most likely to charge a fee that was unexpected in during the final order stage.

However, those under 55 years of age are significantly more likely to report a fee being added during the final purchase stage when purchasing from a meal delivery service or gym membership, than those 55 years of age or older. On the other hand, those 55+ are significantly more likely to report last minute unexpected fees when making a charitable or political donation.



Q14. In what industry or industries were you charged the fee: (N=745)

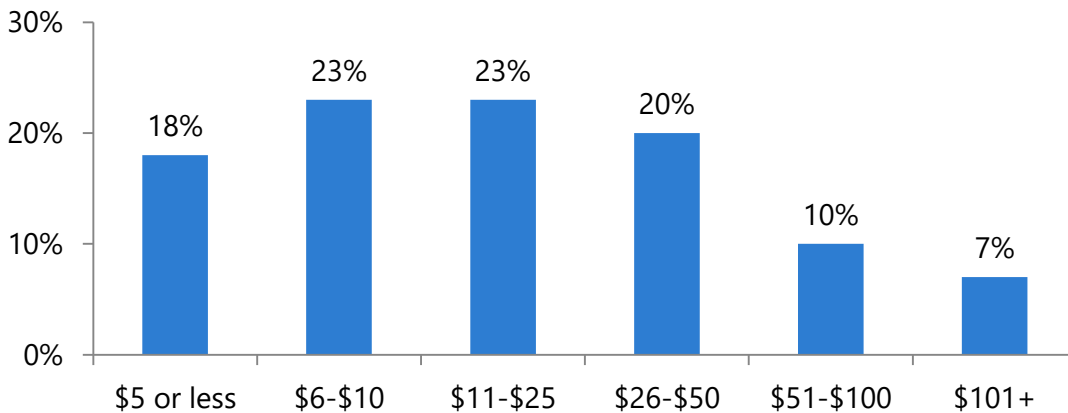
Most do not recall the fee type

Most consumers did not recall the type/name of fee they were charged during the final stage of purchase. However, some of those who were charged a fee (27% or 203 people) were able to share the type. The type of fee varied widely, with the most common (those named by at least eight or more people), listed here in order with delivery/shipping fee receiving the most mentions.

Fee Type
Delivery/shipping fee – 64 mentions
Service fee/charge – 37 mentions
Taxes – 32 mentions
Hotel/resort/Airbnb fee – 26 mentions
Handling or processing fee – 25 mentions
Membership – 13 mentions
Activation/connection fee – 10 mentions
Surcharge – 8 mentions
Fee when making donation – 8 mentions

How much was it?

When asked what type of fee was added, 137 participants (or 18% of those who were charged an unexpected fee just prior to finalizing their purchase) shared a dollar amount. Answers varied with an average amount of \$29.90.



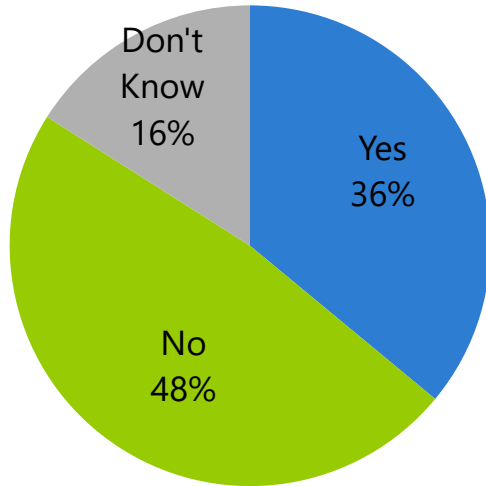
The top four industries where an unexpected fee was applied just before purchase are hotel, cable/internet, online retail, and meal delivery. When comparing across these four, meal delivery has significantly lower fees than the other three.

Industries with Highest Average Fee Amount
Hotel \$39.00
Cable/internet \$35.40
Online retail \$29.30
Meal delivery \$15.00

Q15. What type of fee was added? (Please describe the type of fee and the amount) (N=562)

3. Fees Applied after Purchase

The third potential misleading purchase practice asked about during this online survey was the addition of fees after the product was purchased.

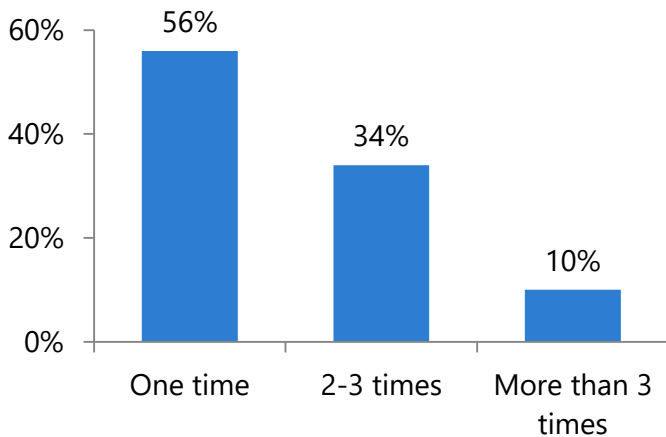


As it turns out, in the past four years, just over a third (36%) of Washington State consumers made a purchase and were charged a fee (they did not know would be applied) after they purchased the product.

Consumers less than 55 years old are significantly more likely to be charged a fee after their purchase than their older counterparts. In addition, blacks or Hispanics are significantly more likely to be charged a fee after purchase than whites or Asians.

Q16. In the past four years, have you been charged a fee you did not know would be applied until after you purchased the product? (N=137)

How often did this happen?



The 36% of consumers that acknowledged they had been charged a fee after they purchased the product (that they did not know would be applied) indicate it happened to them:

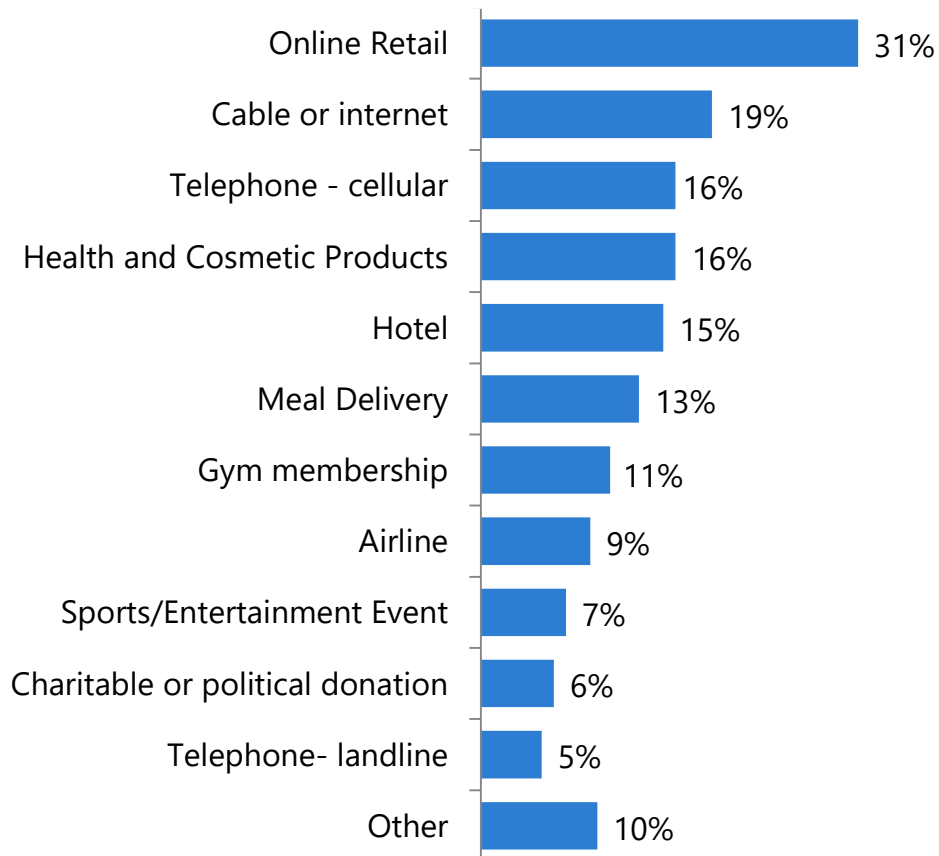
- One time - 56%
- 2-3 times - 34%
- More than 3 times - 10%

Q17. How many times in the past four years did this happen? (N=437)

Online retailer most likely to charge a fee after the purchase

Online retailers are the most often mentioned industry that charged consumers a fee after they purchased a product. Of the 36% that experienced the after-sale fee, 31% reported online retailers charge them the fee.

Those consumers who are less than 55 years old are significantly more likely to say that they were charged a fee after they purchased cellular telephone, hotel or gym membership. Those even younger (less than 35 years old) are significantly more likely to have this happen with an airline.



Q18. In what industry or industries were you charged the fee: (N=437)

Many do not recall the fee type

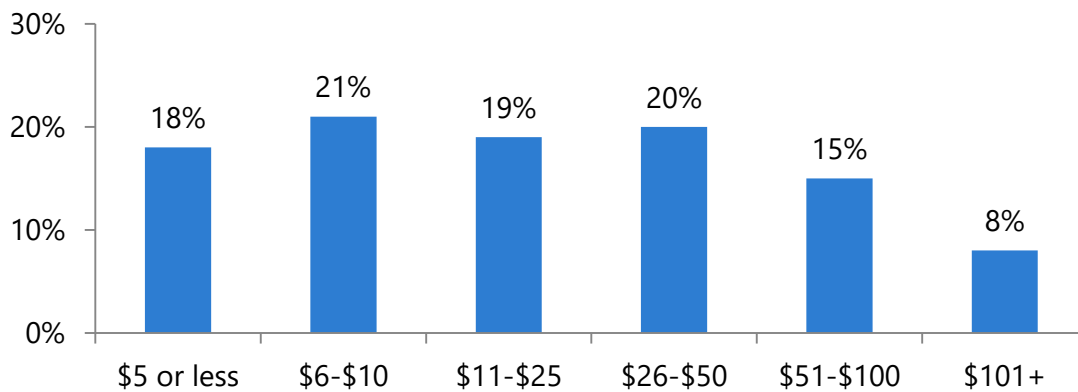
Many consumers did not recall the type/name of the fee they were charged after purchase. However, 22% (98 of the 437 participants who were charged the fee after their purchase) were able to share the type of fee. Any fees mentioned multiple times (by at least eight or more people), are listed in order of mentions.

Fee Type

Service fee/charge – 27 mentions
Delivery/shipping – or 23 mentions
Hotel/resort/Airbnb fee – 13 mentions
Membership – 10 mentions
Taxes – 8 mentions
Gratuity/tip – 8 mentions

How much was it?

Only 80 consumers (of the 427 charge a fee after purchase) recall a dollar amount when asked what type of fee was added. Answers varied with an average amount of \$33.80.



Q19. What type of fee was added? (Please describe the type of fee and the amount) (N=297)

Understanding Consumer Attitudes

After gathering Washington State consumers' experiences with unintentional subscriptions and unexpected fees, questions were asked to gather consumers' attitudes. The next set of five questions was designed to learn how Washington consumers feel about:

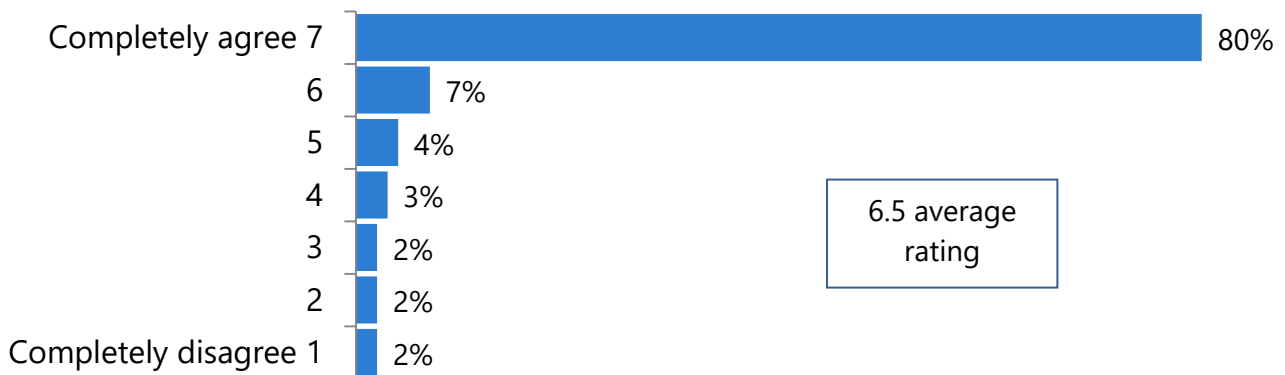
1. Clearly disclosing fees and costs during advertisement
2. Clearly disclosing fees and costs during point of sale
3. Small font size for price at the bottom of the advertisement
4. Any fees also disclosed in same font size as price
5. Location of product price and fees

Washington State consumers agree that fees should be clearly disclosed

To better understand how strongly Washington State consumers feel about the disclosure of fees and costs when purchasing a product or service, all survey participants were presented with two statements and asked to what extent do they disagree/agree (on a 1-7 scale) with the statement provided.

Attitudinal Statement #1: "Companies should be required to clearly disclose all fees and costs when advertising a product's price."

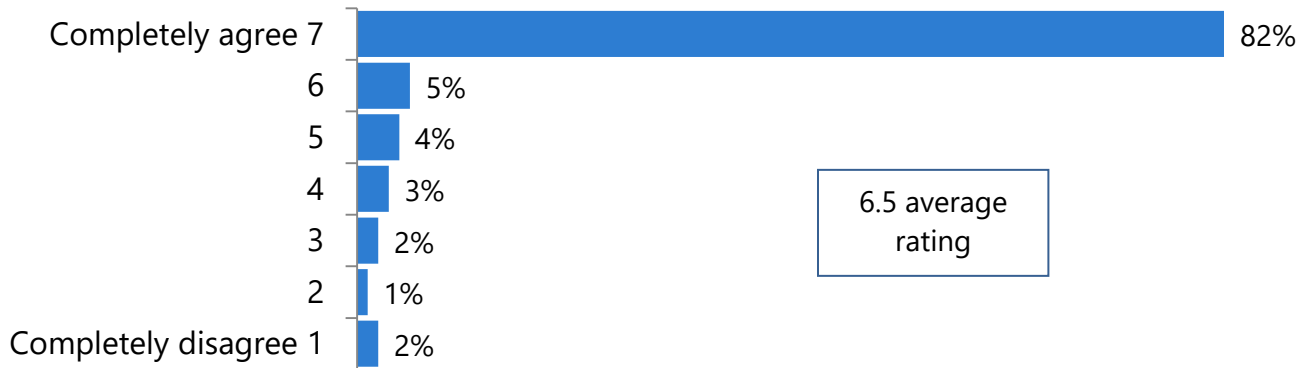
A majority of consumers strongly agreed with this statement with 87% choosing a 6 or 7 rating. Older consumers (55+) award significantly higher ratings for this statement than their younger counterparts. These older consumers feel companies should be required to clearly disclose all fees and costs when advertising a product's price.



Q20. To what extent do you agree or disagree with the following statement: Companies should be required to clearly disclose all fees and costs when advertising a product's price. (N=1,207)

Attitudinal Statement #2: “Companies should be required to clearly disclose all fees and costs at the time they sell a product.”

This statement warranted slightly more support with 87% choosing a 6 or 7 rating. It is interesting to note that younger consumers (18-54) were significantly less likely to completely agree with the statement.



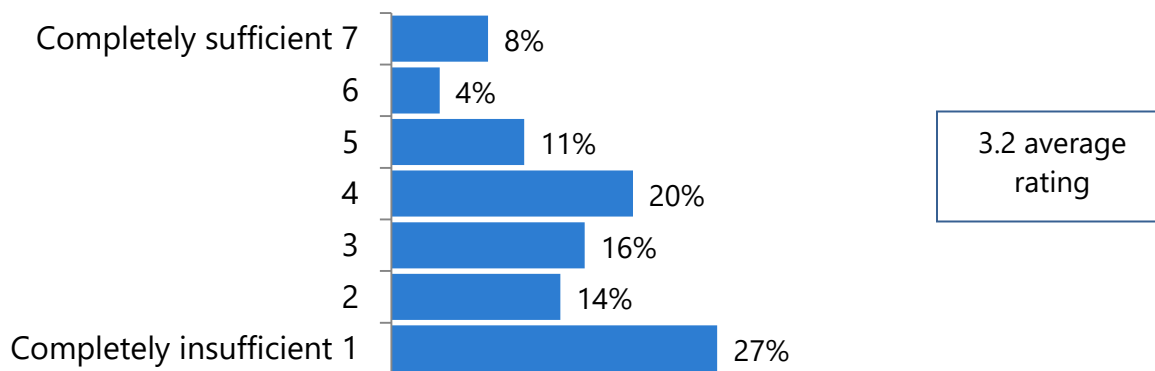
Q21. To what extent do you agree or disagree with the following statement: Companies should be required to clearly disclose all fees and costs at the time they sell a product. (N=1,207)

Consumers do not want any “small print” when advertising price

To better understand how strongly Washington State consumers feel about the font size and location of fees when purchasing a product or service, all survey participants were presented with three attitudinal questions.

Attitudinal Statement #3: “When a product’s price is advertised in large print, does the small-print located at the bottom of the advertisement provide you with sufficient notice of a product’s total price?”

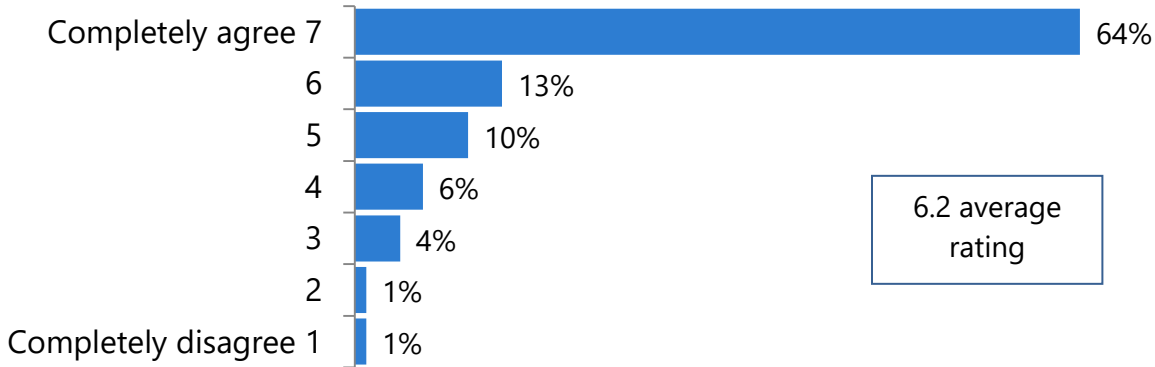
41% of consumers strongly agree that this statement was insufficient choosing a 1 or 2 rating. It is interesting to note that youngest consumers (18-34) were significantly less likely to feel the statement was completely sufficient.



Q22. Sometimes a price is advertised in large print and has smaller print disclosure at bottom which references to possible additional fees. When a product’s price is advertised in large print, does the small-print located at the bottom of the advertisement provide you with sufficient notice of a product’s total price?. (N=1,207)

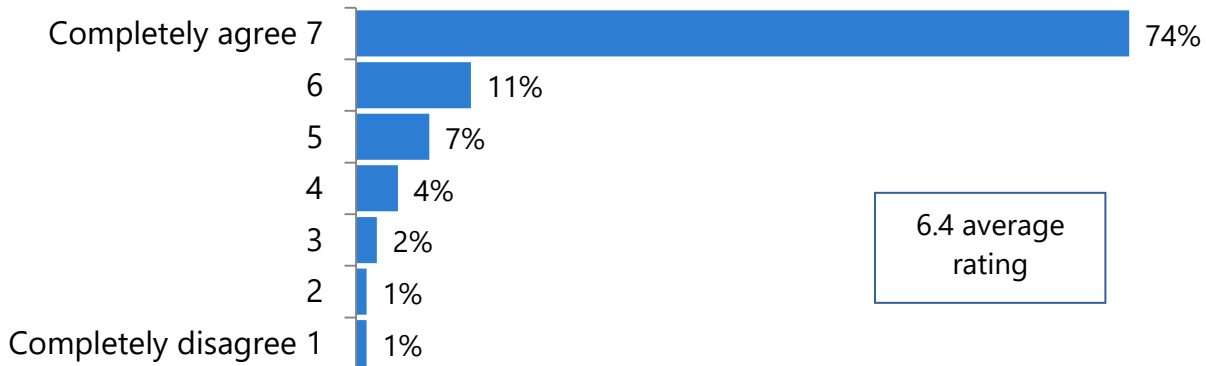
Attitudinal Statement #4: "A product's fees should be disclosed using the same size font as the product's price."

A majority of consumers strongly agree that a product's fees should be disclosed using the same font as the product's price with 77% choosing a 6 or 7 rating. It is interesting to note that younger consumers (18-54) were significantly less likely to completely agree with the statement.



Q23. To what extent do you agree or disagree with the following statement: A product's fees should be disclosed using the same size font as the product's price. (N=1,207)

Attitudinal Statement #5: "A product's price and fees should be listed in the same location."



A majority of consumers strongly agree that a product's price and fees should be listed in the same location with 85% choosing a 6 or 7 rating. It is interesting to note that younger consumers (18-54) were significantly less likely to completely agree with the statement.

Q24. To what extent do you agree or disagree with the following statement: A product's price and fees should be listed in the same location. (N=1,207)

Open-end feedback

All participants were asked to describe in their own words what else they think is important for us to know. Answers varied greatly with the most common responses provided in the table here.

Comments	%
Be transparent (general)	20%
Be upfront on fees/taxes/show early/no hidden fees	9%
Companies are dishonest/want to trick you	9%
Cancellation/returns allowed/easy to do, tell how to cancel/return	7%
Show the final price /show before credit card entered	5%
Bigger font/same font/font comments	3%
Learn from mistakes/be careful/read	3%
Want reminders/notices for withdrawals/fee changes/end of trial period	2%
No pre-checked boxes/no auto-enroll	2%
Other	27%
Nothing/none	24%
Don't know	6%

The following page includes consumers' quotes.

Q24a. As you think about your experience, if any, with recurring charges and hidden fees, what else do you think is important for us to know? (N=1,201)

A sampling of survey participants' quotes is included below.

"Sometimes you have to be SO careful when checking out to catch any add on fees, so it would be helpful to have that information prominently displayed, not as an afterthought." –Puget Sound

"Should be stated how to cancel and where."
–Puget Sound

"In my situation, I was not aware that a service was being renewed and new fees were being added. I should have been given the notice before this happened."
–Puget Sound

"It shouldn't be allowed and consumer protection laws need to do something about this. Very upsetting!!!"
–Puget Sound

"Service providers should inform clients of state/federal usage fees and tax rates."
–Northwest/Island

"I pay close attention and don't get hidden fees." –Northeast

"People get trapped in useless memberships rather than pay exorbitant cancelation fees." –South Central

"The time companies cost me by not listing hidden fees until I try to check out is super annoying. I have started many purchases but not completed once I have already typed in my payment info, because the fees follow after the card is entered."
–Puget Sound

"Cosmetics were promoted on national television. Trying to get the product cancelled was almost impossible. Customer service was in East Asia and totally unresponsive."
–Coastal

"They should give you a warning at check out that you have recurring fees and ask if that is what you meant to do and give a way to change it." –North Central

"The average consumer has to keep an eye out all the time. Merchandisers are constantly changing their tactics."
–Southwest

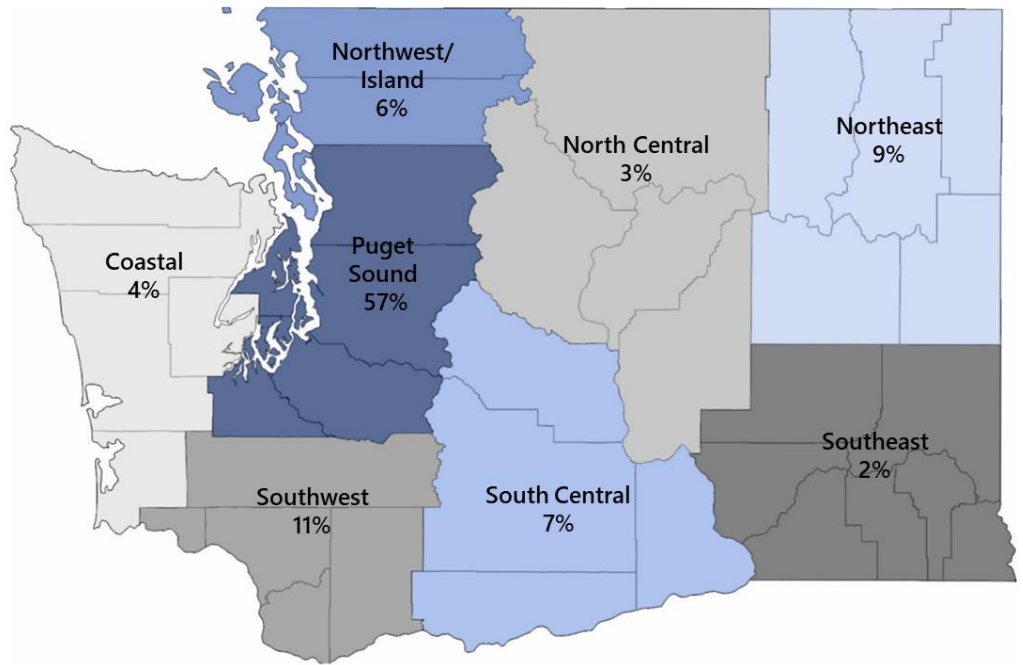
"I think they want to get your attention with a cheap price, then add in the fees."
–Puget Sound

Q24a. As you think about your experience, if any, with recurring charges and hidden fees, what else do you think is important for us to know? (N=709)

Demographics

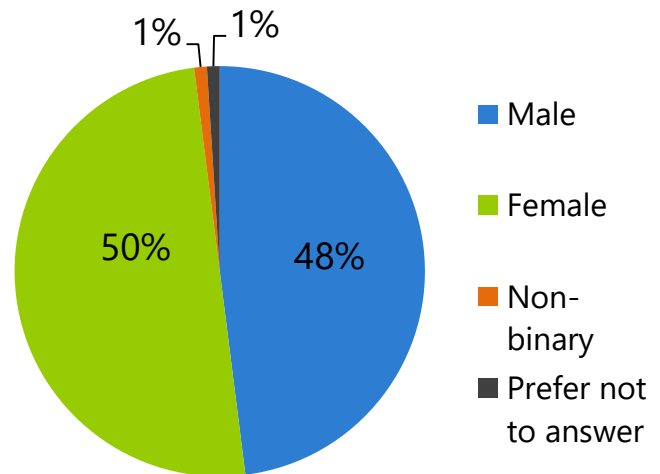
RESIDENCY

Surveys were gathered from across the state in an attempt to obtain a representative sample of the population in each region.



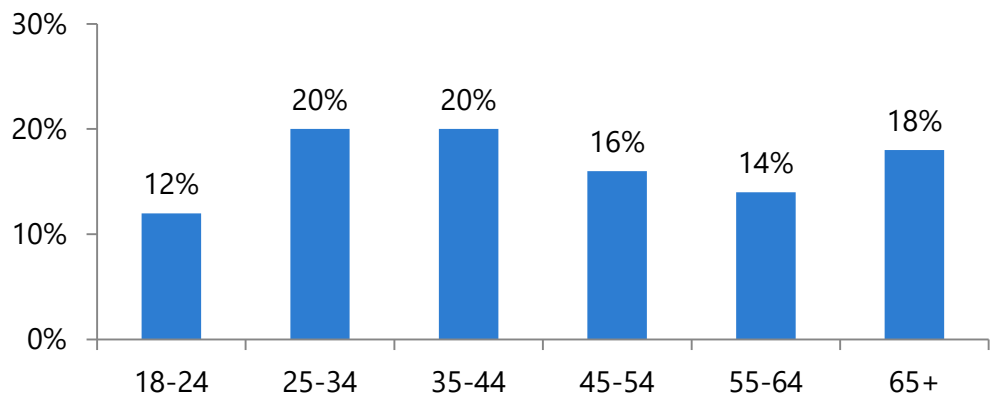
GENDER

A good mix of genders was represented with half female and nearly half male.



AGE

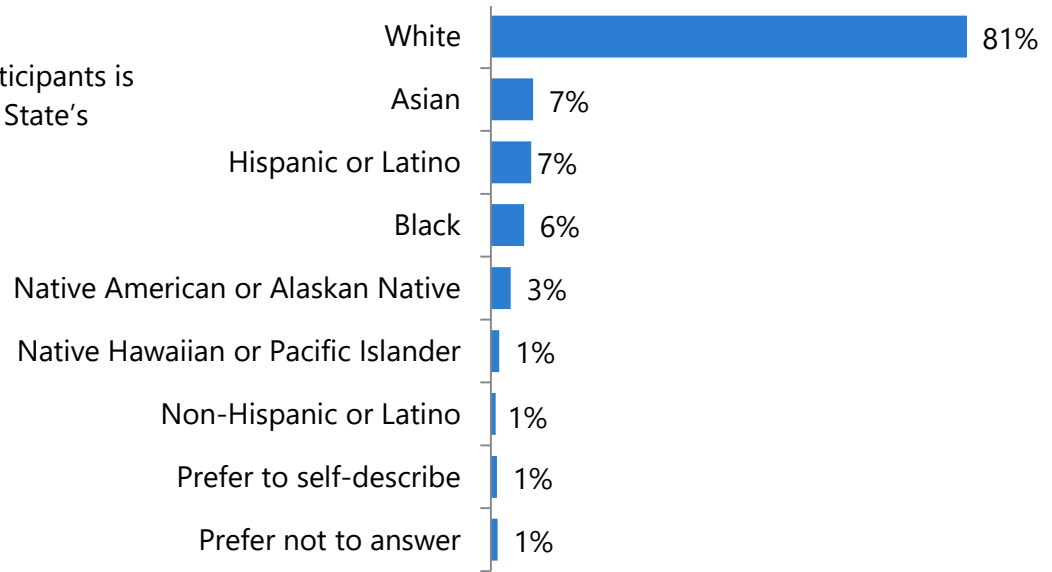
Survey participants ranged from age 18 and up with an average age of 45.3 years old.



Q1. What is your age? (N=1,207) Q2. What is your zip code? (N=1,207) Q25. Which best describes your gender? (N=1,207)

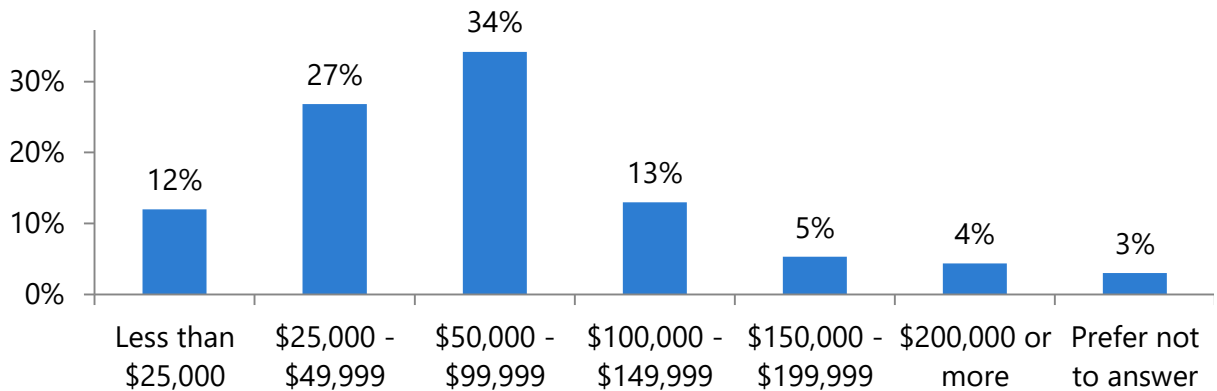
ETHNICITY

Ethnicity of survey participants is similar to Washington State's ethnic populations.



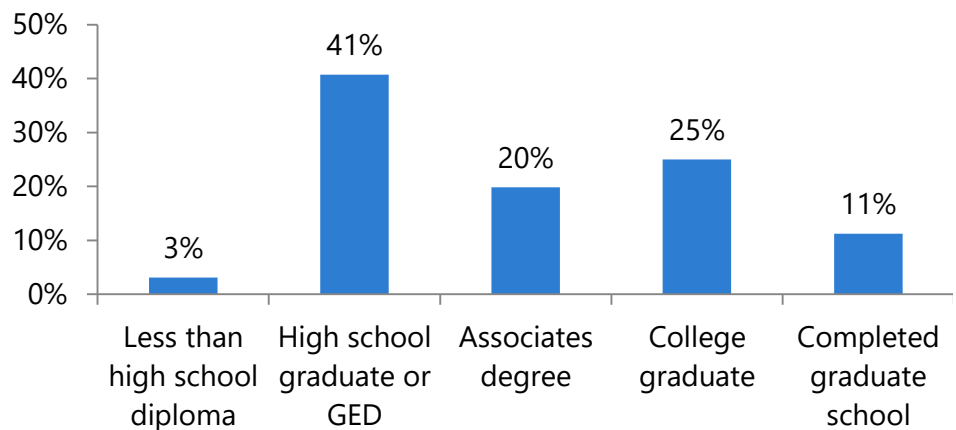
HOUSEHOLD INCOME

The average household income for survey participants is \$76,500.



EDUCATION

The level of education varied among survey participants with more than half obtaining an associate's degree or higher.



Q26. Which of the following best describes you? (N=1,207) Q27. What is your annual household income? (N=1,207) Q28. What is the highest level of education you have had the opportunity to complete? (N=1,207)

APPENDIX

ONLINE SURVEY

Introduction:

We're conducting a survey regarding people's experiences with recurring charges and hidden fees. The information is collected in the aggregate and will not seek personally identifiable information. The survey will take less than 10 minutes to complete.

Screening Questions:

Q1. What is your age?

Under 18 (TERMINATE)

18-24

25-34

35-44

45-54

55-64

65+

Q2. What is your zip code?

[PROGRAMMER: ACCEPT WA STATE ZIP CODES ONLY]

Substantive Questions:

Q3. In the last four years, have you ever unintentionally enrolled in a subscription plan or service, recurring payment plan, or other automatically renewing plan that automatically billed you, when you thought you were making a one-time purchase?

Yes

No – **SKIP TO Q11**

Don't Know – **SKIP TO Q11**

Q4. **[IF YES]** How many times in the past four years did this happen?

1 time

2-3 times

More than 3 times

Q5. **[IF YES]** Was there a box already checked (a "pre-checked box") that caused you to be enrolled in the subscription/automatically renewing plan?

Yes

No

Don't Know

Q6. What type of product or service did the auto-renewal plan or plans relate to? (Check all that apply.) **[RANDOMIZE THE OPTIONS BELOW]**

- Online Retailer
- Magazine/book subscription
- Cable/internet service
- Charitable or political donation
- Telephone service – landline
- Telephone service – cellular
- Health or Cosmetic product
- Delivery Service
- Video Game Service
- Online Dating Service
- Gym Membership
- Other (please specify) _____

Q7. What was the name of the businesses/entities that enrolled you in the recurring plan(s):

- _____
- Do not recall
 - Prefer not to specify

Q8. **[IF YES]** Did you cancel the subscription or recurring payments?

- Yes – **SKIP TO Q10**
- No
- Don't Know – **SKIP TO Q11**

Q9. What happened that you did not cancel the subscription or recurring payments?

- Ended up wanting product
- Too difficult to cancel
- Forgot to cancel
- Other (specify) _____

* * * SKIP TO Q11 * * *

Q10. **[IF YES]** How easy or difficult was it to cancel the subscription/recurring payments?

- 1 Very easy
- 2
- 3
- 4
- 5
- 6
- 7 Very difficult

Q11. To what extent do you agree or disagree with the following statement: Companies should be prohibited from using pre-checked boxes to enroll customers in purchases or donations involving recurring payments?

- 1 (completely disagree)
- 2
- 3
- 4
- 5
- 6
- 7 (completely agree)

Q12. In the past four years, have you been charged a fee you did not know would be applied until you were at the final stage of ordering a product or service?

- Yes
- No – **SKIP TO Q16**
- Don't Know – **SKIP TO Q16**

Q13. How many times in the past four years did this happen?

- 1 time
- 2-3 times
- More than 3 times

Q14. **[IF YES]** In what industry or industries were you charged the fee (check all that apply):
[RANDOMIZE THE OPTIONS BELOW]

- Online Retail
- Airline
- Meal Delivery
- Health and Cosmetic Products
- Gym membership
- Sports/Entertainment Event
- Cable or internet
- Telephone- landline
- Telephone - cellular
- Hotel
- Charitable or political donation
- Other (please specify) _____

Q15. What type of fee was added? (Please describe the type of fee and the amount)

- _____
- Don't recall
 - Prefer not to answer

Q16. In the last four years, have you been charged a fee you did not know would be applied until after you purchased the product?

- Yes
- No – **SKIP TO Q20**
- Don't Know – **SKIP TO Q20**

Q17. How many times in the past four years, did this happen?

- 1 time
- 2-3 times
- More than 3 times

Q18. **[IF YES]** In what industry or industries were you charged the fee? (Check all that apply)
[RANDOMIZE OPTIONS BELOW]

- Online Retail
- Airline
- Meal Delivery
- Health and Cosmetic Products
- Gym membership
- Sports/Entertainment Event
- Cable or internet
- Telephone- landline
- Telephone - cellular
- Hotel
- Charitable or political donation
- Other (please specify) _____

Q19. What type of fee was added? (Please describe the type of fee and the amount)

- _____
- Don't recall
 - Prefer not to answer

Q20. To what extent do you agree or disagree with the following statement: Companies should be required to clearly disclose all fees and costs when advertising a product's price.

- 1 (completely disagree)
- 2
- 3
- 4
- 5
- 6
- 7 (completely agree)

Q21. To what extent do you agree or disagree with the following statement: Companies should be required to clearly disclose all fees and costs at the time they sell a product.

- 1 (completely disagree)
- 2
- 3
- 4
- 5
- 6
- 7 (completely agree)

Q22. Sometimes a price is advertised in large print and has smaller print disclosure at bottom which references to possible additional fees. When a product's price is advertised in large print, does the small-print located at the bottom of the advertisement provide you with sufficient notice of a product's total price?

- 1 (completely insufficient)
- 2
- 3
- 4
- 5
- 6
- 7 (completely sufficient)

Q23. To what extent do you agree or disagree with the following statement: A product's fees should be disclosed using the same size font as the product's price.

- 1 (completely disagree)
- 2
- 3
- 4
- 5
- 6
- 7 (completely agree)

Q24. To what extent do you agree or disagree with the following statement: A product's price and fees should be listed in the same location.

- 1 (completely disagree)
- 2
- 3
- 4
- 5
- 6
- 7 (completely agree)

Q24a. As you think about your experience, if any, with recurring charges and hidden fees, what else do you think is important for us to know?

Demographic Questions:

Q25. What is your gender?

- Man
- Woman
- Non-binary
- Prefer to self-describe
- Prefer not to answer

Q26. What is your ethnicity? (Select all that apply)

- Asian
- Black
- Hispanic or Latino
- Non-Hispanic or Latino
- Native American or Alaskan Native
- Pacific Islander
- White
- Prefer to self-describe _____
- Prefer not to answer

Q27. What is your annual household income?

- Less than \$25,000
- \$25,000 - \$49,999
- \$50,000 - \$99,999
- \$100,000 - \$149,999
- \$150,000 - \$199,999
- \$200,000 or more
- Prefer not to answer

Q28. What is your education level?

- Less than high school diploma
- High school graduate or GED
- Associate degree
- College graduate
- Completed graduate school

Thank you for sharing your experience with us.