



Institute for  
**Policy Integrity**

NEW YORK UNIVERSITY SCHOOL OF LAW

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### **NEW PETITION URGES FEDERAL BAN ON HIDDEN FEES FOR CONSUMERS**

*Institute for Policy Integrity formally asks Federal Trade Commission to ban deceptive “drip-pricing” practices*

Today, the Institute for Policy Integrity at New York University School of Law [submitted a petition to the Federal Trade Commission](#), formally calling for a new rule banning the use of “drip pricing”—a strategy used by some sellers to lure in consumers by advertising deceptively low prices, only to reveal hidden mandatory fees after a consumer is on the verge of completing a transaction. The practice is pervasive for concert and event ticket sales as well as hotel and vacation rentals, among other examples. Under the proposal in the petition, all sellers would be required to disclose the full price of a product or service upfront, with any mandatory surcharges included as part of that total price.

The Federal Trade Commission, led by new chair Lina Khan, an outspoken proponent of consumer rights, is charged with protecting consumers from deceptive, unfair, and anticompetitive trade practices. The Commission already has the authority to ban drip pricing, and it has threatened action on the issue in years past. Last week it took action to [streamline its rulemaking process](#), signaling a willingness to pursue new consumer-protection regulations.

**Max Sarinsky, senior attorney at the Institute for Policy Integrity at New York University School of Law and an author of the petition, issued the following statement:**

*“Banning drip pricing would be a boon for consumers. Drip pricing increases consumer search time, complicates comparison shopping, and often causes consumers to spend more money than they otherwise would, by exploiting cognitive biases. It also puts companies that opt for transparency at a competitive disadvantage to those that act deceptively. Our petition offers a clear roadmap for how the Commission can end this dishonest practice, which lacks a legitimate business purpose.”*

Sarinsky is available for interviews on this issue.

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[The Institute for Policy Integrity](#) at New York University School of Law is a non-partisan think tank dedicated to improving the quality of government decisionmaking. The institute produces

original scholarly research in the fields of economics, law, and regulatory policy; and advocates for reform before courts, legislatures, and executive agencies.