

Notice to Consumer When Trial Offer Ends

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August 23, 2023 | 2023-R-0203

Issue

Does Connecticut statute require a notification be sent to a consumer after an introductory (trial) rate ends and a regular rate starts applying (e.g., for a newspaper subscription or streaming service)?

Summary

No, neither existing law nor a new law taking effect on October 1, 2023, require businesses to notify consumers after a trial period ends and the regular subscription rate begins to apply. Although both impose certain disclosure requirements at the beginning, neither require notice to be provided when the trial period or offer ends.

With several notable exceptions (described below), a longstanding Connecticut law generally requires businesses that make trial offers to disclose in writing, clearly and conspicuously, that the consumer can cancel his or her membership when the trial offer expires. The written disclosure must describe the cancellation procedure and (1) accompany either the promotional material or the initial delivery of the product or (2) be provided before the start of the trial offer. But, a product or service provided after the trial offer expires is deemed an unconditional gift if the consumer (1) has cancelled the trial offer or (2) has not renewed it ([CGS § 42-126b](#)).

A new law, for consumer agreements entered into or amended on or after October 1, 2023, creates additional requirements for businesses that offer or enter into a consumer agreement that has an automatic renewal provision or continuous services provision, including such contracts that include

a trial rate ([PA 23-191](#), § 1 & [PA 23-205](#), § 156). Generally, if the agreement includes a trial period, then before the consumer enters into the agreement, the business must disclose how the agreement's pricing will change and what price will be charged after the period expires. Additional disclosures must be provided shortly before the trial or promotional period ends.

Relatedly, the new law, among other things, also:

1. prohibits businesses that enter into or offer automatically renewing or continuous service agreements from charging a consumer's credit card, debit card, or third-party payment account for any automatic renewal or continuous services without the consumer's affirmative consent; and
2. requires each business that enters into an online consumer agreement that has an automatic renewal or continuous services provision to allow the consumer to take any action needed to prevent the renewal or prevent or terminate the service online, at will, and without requiring any offline action by the consumer.

Existing State Law on Trial Offers ([CGS § 42-126b](#))

State law requires businesses that make trial offers to disclose in writing, clearly and conspicuously, that the consumer can cancel his or her membership when the trial offer expires. The written disclosure must describe the cancellation procedure and accompany either the promotional material or the initial delivery of the product. With exceptions, any product or service provided after the trial offer expires is deemed an unconditional gift if the consumer (1) has cancelled the trial offer or (2) has not renewed it.

Violators of this law are subject to the Connecticut Unfair Trade Practices Act.

Applicability and Exceptions

This law on trial offers applies to any person, firm, partnership, association, or corporation that sells or offers to sell any products or services used primarily for personal, family, or household purposes, but it does not apply to any:

1. introductory rate where the rate paid by the consumer after the end of the introductory rate period has been clearly and conspicuously disclosed to the consumer in the contract;
2. trial offer or introductory rate period provided by a public service company, its affiliate or subsidiary, or any certified telecommunications provider, to any consumer with whom it has an established and ongoing business relationship, provided it informs the consumer of the procedure to cancel the trial offer or to cancel after the expiration of the introductory rate period;

3. transaction involving the use of a negative option plan (i.e., contracts that automatically renew unless cancelled by a consumer) that is governed by federal law (i.e., [16 C.F.R. Part 425](#));
4. contract subject to the Connecticut Truth-in-Lending Act; or
5. banking, insurance, or securities product or service, the provision of which is subject to regulation or licensing by the state or a federal agency.

New State Law on Trial Offers ([PA 23-191, § 1](#) & [PA 23-205, § 156](#))

Under the new law, if a covered consumer agreement (see *Applicability and Exceptions* below) includes a free gift or trial period, then before the consumer enters into the agreement, the business must disclose how the agreement's pricing will change and what price will be charged after the period expires (in addition to other required disclosures for all covered agreements under the new law).

If the agreement is offered electronically or telephonically and has a free gift or trial period, or a discounted or promotional price period, the business must disclose the following to the consumer electronically or telephonically shortly before the period ends (see below):

1. that the business will automatically renew or provide continuous services under the agreement until the consumer acts to prevent it;
2. the duration of the automatic renewal term or continuous services and any additional provisions about them;
3. a description of what the consumer must do to stop the renewal or services; and
4. if the agreement is offered electronically, a prominently displayed direct link or button, or an email message, as required by the new law's provisions for opting out of online agreements.

(But a business does not have to make these disclosures for free gifts and trial periods if it has not collected or maintained the consumer's email address or telephone number, as applicable, and cannot make the disclosure to the consumer.)

Specifically, the disclosure timing depends on the duration of the free gift or trial period, or discounted or promotional period:

1. if the period is a least 32 days long, the disclosure must occur at least 21 days after the period starts, but no earlier than three days before it expires; and

2. if the period lasts for at least one year, then the disclosure must occur 15 to 45 days before it expires.

The new law also requires that all of the disclosures described above meet certain additional conditions depending on how the related consumer agreement is presented. Disclosures for electronic or written agreements must be in a form that the consumer can retain and in a text that is either (1) larger than any surrounding text or (2) the same size, but (a) in a contrasting typeface, font, or color or (b) set off from the surrounding text by symbols or other marks that draw the consumer's attention to the disclosure. Disclosures for verbal or telephone agreements must be at a volume and cadence that the consumer can readily hear and understand.

Applicability and Exceptions

The new law applies to agreements for articles or services, purchased, leased, exchanged, or received primarily for personal, family, or household purposes that either contain a provision that allows the business to (1) renew the agreement without any action by the consumer (i.e., an automatic renewal provision) or (2) continue providing service to the consumer until the consumer takes action to prevent or terminate it (i.e., a continuous service provision). But it does not apply to agreements:

1. concerning a service provided by a business or its affiliate where either is doing business under a (a) franchise issued by a political subdivision of the state, or (b) license, franchise, certificate, or other authorization issued by the Public Utilities Regulatory Authority;
2. concerning a service provided by a business or its affiliate where either the business or its affiliate is regulated by the Public Utilities Regulatory Authority, the Federal Communications Commission, or the Federal Energy Regulatory Commission;
3. with any entity regulated by the Insurance Department or an affiliate of such entity;
4. with any bank, out-of-state bank, bank holding company, Connecticut credit union, federal credit union, or out-of-state credit union, or any subsidiary thereof; or
5. concerning any national or global service largely or predominately consisting of audiovisual content.

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