



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

FTC Warns Hotel Operators that Price Quotes that Exclude 'Resort Fees' and Other Mandatory Surcharges May Be Deceptive

Share This Page

FOR RELEASE

November 28, 2012

TAGS: [Bureau of Consumer Protection](#) | [Consumer Protection](#) | [Advertising and Marketing](#) | [Advertising and Marketing Basics](#)

The Federal Trade Commission has warned 22 hotel operators that their online reservation sites may violate the law by providing a deceptively low estimate of what consumers can expect to pay for their hotel rooms.

The warning letters cited consumer complaints that surfaced at a recent conference the FTC held on “drip pricing,” a pricing technique in which firms advertise only part of a product’s price and reveal other charges as the customer goes through the buying process. According to the FTC letters, “One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as ‘resort fees.’ These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.” The warning letters also state that consumers often did not know they would be required to pay resort fees in addition to the quoted hotel rate.

“Consumers are entitled to know in advance the total cost of their hotel stays,” said Federal Trade Commission Chairman Jon Leibowitz. “So-called ‘drip pricing’ charges, sometimes portrayed as ‘convenience’ or ‘service’ fees, are anything but convenient, and businesses that hide them are doing a huge disservice to American consumers.”

The letters strongly encourage the companies to review their websites and ensure that their ads do not misrepresent the total price consumers can expect to pay.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online [Complaint Assistant](#) or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's website provides [free information on a variety of consumer topics](#). Like the FTC on [Facebook](#), follow us on [Twitter](#), and [subscribe to press releases](#) for the latest FTC news and resources.

Contact Information

MEDIA CONTACT:

Betsy Lordan
Office of Public Affairs
202-326-3707

STAFF CONTACT:

Annette Soberats
Bureau of Consumer Protection
202-326-2921

Serena Viswanathan
Bureau of Consumer Protection
202-326-3244



ftc.gov