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Beyond the Click-to-Cancel Rule: the FTC Finds its Power in the Amazon Settlement

Minding Your Business on **October 23, 2025**

On September 25, in a landmark resolution that underscores the FTC's renewed focus on digital consumer protection, Amazon agreed to pay $2.5 billion—including a $1 billion civil penalty and $1.5 billion in consumer refunds—under the Settlement Order in *FTC v. Amazon*. The case, brought before Judge John H. Chun in the Western District of Washington, targeted Amazon's Prime subscription program, alleging that the company enrolled consumers without proper consent and made cancellation unnecessarily difficult, in violation of the FTC Act and the Restore Online Shoppers' Confidence Act (ROSCA).

In addition to monetary relief, the Settlement Order imposes injunctive terms that will shape Amazon's operations for the next decade. Among them, Amazon must include a clearly labeled "decline" option, disclose all material terms before collecting billing information, and ensure that consumers can cancel "through the same medium the consumer used to consent to the Negative Option Feature." The company must also maintain detailed records of every iteration of its enrollment and cancellation screens—down to hidden links and hover-over text.

This settlement comes on the heels of the U.S. Court of Appeals for the Eighth Circuit's July decision striking down the FTC's proposed "Click-to-Cancel Rule." While there was much talk in the wake of that decision about what it might mean for enforcement in this space, this Settlement Order reinforces that the Eighth Circuit's decision had minimal practical impact. Indeed, even without the "Click-to-Cancel" rule, corporations with subscription and auto-renewal business models must take steps to ensure that their enrollment and cancellation practices meet the FTC's expectations for clarity, consent, and consumer control. The Amazon Settlement Order effectively achieves many of the same policy goals the proposed rule sought to codify—requiring that consumers be fully informed before enrollment, affirmatively consent to charges, and have access to a straightforward, frictionless path to cancel.

This case underscores that the FTC can—and will—use its existing statutory authority to pursue enforcement actions without waiting for new rulemaking. In announcing the Settlement, FTC Chair Lina Khan emphasized that the FTC would "continue to vigorously protect Americans from "dark patterns" and other unfair or deceptive practices in digital markets," practices the FTC alleges were utilized by Amazon to "trick[] and trap[] people into recurring subscriptions without their consent."

The *FTC v. Amazon* settlement exemplifies a shifting enforcement paradigm: user experience design has become a legal compliance issue, not just a marketing or product concern. Companies should review their digital customer journeys with a compliance lens—ensuring that consent is explicit, disclosures are clear and conspicuous, and cancellation is no more difficult than enrollment.

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