



July 7, 2026

Chris Mufarrige
Director of the Bureau of Consumer Protection
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

cc: State Attorneys General offices

Dear Director Mufarrige,

Consumer Reports writes to urge you to launch an investigation into the pricing of Uber and Lyft for potential deceptive or unfair pricing practices under Section 5 of the FTC Act. We are attaching to this letter a petition signed by 32,330 consumers urging regulators to hold Uber and Lyft accountable if the company's behavior violates existing consumer protection laws.

A monthslong investigation by Consumer Reports, which included a partnership with the Drivers Union Oregon found that both Uber and Lyft offer consumers markedly different prices — even for the same rides priced at almost the same time (generally within six minutes of one another and, in many cases, within the same minute). In addition, both companies purported to offer consumer “discounted” prices based on what appeared to be inflated baselines and that were often higher than the median prices being offered to other riders.

CR's testing was conducted in March and April and consisted of both “virtual” testing, in which volunteers checked the prices of 30 select routes (15 for Uber and 15 for Lyft) across 17 states, and 12 in-person tests in which volunteer riders purchased the same rides at the same time in Portland. The CR tests examined advertised offers and promotions for both Uber and Lyft before rides were ordered and paid for. During these tests, we saw wide ranges in prices offered to consumers for the same rides — indeed, the median difference between the highest and lowest prices on the 30 virtual routes was 42.4 percent. For several routes, the difference was more than 100 percent, meaning that the consumer offered the highest price would have paid more than twice what the consumer offered the lowest price would have paid.

Our investigation also uncovered questionable use of “discounts” to induce consumers to think they were getting a deal on particular rides. The use of such discounts on ride-sharing platforms has risen dramatically in recent years. According to an analysis shared with Consumer Reports by a research team at the University of Nevada, Las Vegas, of roughly 20 million rides taken across the U.S. in 2023, an average of 8.5 percent of Uber rides and just 1.9 percent of Lyft rides had an explicit, advertised discount. Two years later, in 2025, those percentages had

grown dramatically, to 11.67 percent of Uber rides and 21.25 percent of Lyft rides with a discount.

In Consumer Report's investigation, nearly 50 percent of Uber and Lyft's prices supposedly reflected some kind of discount or savings. However, many of these discounts appear to be from artificially inflated baselines. For 12.4% of those supposed discounts or savings, the post-savings price was actually higher than the median non-discounted price for the same ride. In other words, some consumers who thought they were receiving a discount were actually paying a higher price than other consumers who were receiving no discount.

First, we urge the Commission to look at whether the "discounted" prices offered by these platforms comply with existing guidance regulating sale prices. The Guides Against Deceptive Pricing promulgated by the Commission under Section 5 prohibit the advertisement of fictitious original prices in order to trick people into believing they are getting a good deal. Those regulations state:

One of the most commonly used forms of bargain advertising is to offer a reduction from the advertiser's own former price for an article. If the former price is the actual, bona fide price at which the article was offered to the public on a regular basis for a reasonably substantial period of time, it provides a legitimate basis for the advertising of a price comparison. Where the former price is genuine, the bargain being advertised is a true one.

If, on the other hand, the former price being advertised is not bona fide but fictitious—for example, where an artificial, inflated price was established for the purpose of enabling the subsequent offer of a large reduction—the "bargain" being advertised is a false one; the purchaser is not receiving the unusual value he expects. In such a case, the "reduced" price is, in reality, probably just the seller's regular price.¹

Given their highly dynamic pricing practices, it is difficult to see how *any* prices on Uber and Lyft could be described as being offered for "a reasonably substantial period of time." In a comment for the investigation, Lyft said "prices change constantly based on real-time marketplace conditions." Uber said that because its ride prices change "nearly every second, it was "impossible" for us to ensure that trip requests happened at exactly the same time." It follows, then, that Uber and Lyft may not be able to offer legitimate discounts under FTC guidance. As there is no reliable reference price, to tell customers they are getting a discount should be considered to be inherently deceptive under the law.

The FTC guidance as well as state laws on fake discounts are essential, because deceptive marketing on pricing harms consumers. Fundamentally, fake discounts induce consumers to part with their money under false pretences. Reference prices, or "original" prices,

¹ Code of Federal Regulations, Title 16 Part 233.1(a), <https://www.ecfr.gov/current/title-16/chapter-I/subchapter-B/part-233>.

communicate information about market value of a good or service to consumers. If that reference price is not in fact the bona fide price, the consumer is deceived about the value of the item they are considering.² Indeed, a consumer might choose to purchase an item or service primarily because they believe themselves to be receiving a great bargain; absent the false bargain, she would have made another choice. Fake discounts can also generate a false sense of urgency, particularly when they are marketed as being for a limited period of time. This can short circuit a consumer's comparison shopping process; if a consumer doesn't want to miss out on a supposed deal, they might not check the prices of all the competing options. Ultimately, the consumer may be tricked into spending more.

Especially given both Uber's and Lyft's use of purported "discounts," the FTC should take action against the use of discounts that do not comply with its current guidance and reasonable consumer expectations. At the very least, the FTC should issue more clear guidance for how — or even whether — discounts can be offered in highly dynamic environments.

More fundamentally, the FTC should look at the issue of whether any individualized pricing conducted by Uber and Lyft constitutes a deceptive or unfair business practice. Consumers shopping for a good or service reasonably would assume that they were getting the same price as other shoppers. While ride-share markets are broadly understood to be dynamic and especially sensitive to momentary supply and demand, consumers do not expect that they are getting different prices from other passengers for the same rides at the same time. While Uber has claimed that differential pricing for comparable rides is "uncommon," we found that price differences were not uncommon at all: all 30 virtual routes we tested across the country had at least two price clusters separated by at least 5 percent. Most of the routes we tested had many more. Failure to disclose these pricing practices may be material to users of the service deciding whether to use the service and as such could constitute a deceptive omission.

The FTC should also investigate and offer guidance on the extent to which personalization of prices and discounts by companies can be unfair, or contrary to consumer interests. Certainly, some consumers will be materially harmed by this practice (Both Uber and Lyft deny they personalize base fares for individual consumers or engage in behavioral or surveillance pricing). Our investigation raises questions about whether the findings can be explained by market forces alone: In our tests, the median difference between the highest and lowest prices on the 30 virtual routes was 42.4 percent. For several routes, including routes in California, Alabama, and Texas, the difference was more than 100 percent, meaning that the consumer offered the highest price would have paid more than twice what the consumer offered the lowest price would have paid.

Consumers in general may be worse off if Uber's and Lyft's algorithms are increasingly able to capture proportionately more of the consumer surplus from each transaction. Because each consumer's price is only shown on their own personal screen, consumers have no way of

² See *Hinojos v. Kohl's Corp.*, 718 F.3d 1098 (9th Cir. 2013) (finding consumers suffer economic injury when they make purchases induced by misleading discounts).

knowing if they're getting worse deals than other riders or not, and cannot reasonably avoid paying a premium for the same rides as someone else. Uber's and Lyft's differential pricing has further potential to harm consumers given their dominance in the ride-sharing space and lack of alternatives in many markets — companies have more capacity to extract a greater share of any transaction surplus in concentrated markets where they have more pricing power.³

More broadly, price personalization can impair market transparency, as it becomes more difficult for the public to consistently compare prices between different vendors. Word of mouth recommendations, or online roundups of the best deals available online are one way that consumers shop around for the best value; if everyone is seeing different prices, those price discovery tactics will likely fail to work. While ride-sharing prices are more dynamic than in many markets, information sharing could still help riders establish reasonable expectations and ranges, and how those change over time. Price personalization impedes price transparency and makes it harder for consumers to meaningfully compare their options and make informed decisions.

The FTC should also analyze any potential benefits to personalization as well: some consumers may benefit from price personalization if they receive a lower price that results in a savings or a purchase they otherwise may not have made. However, if consumers in general are worse off as a result of these pricing practices, the FTC should take action to protect consumers from a practice that could become more prevalent in the near future.

Sincerely,

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³ Andrew Rhodes and Jidong Zhou, "Personalized Pricing and Competition." *American Economic Review* 114 (7): 2141–70, (2024), <https://www.aeaweb.org/articles?id=10.1257/aer.20221524>; Michal Kaczmarek, *Uber vs. Lyft: Who's tops in the battle of U.S. rideshare companies*, Bloomberg Secondary Measure, (Apr. 15, 2024), <https://secondmeasure.com/datapoints/rideshare-industry-overview/>.