Consumer Reports

Hidden Fees

The Problem for Consumers

Consumer Reports has long been concerned about the proliferation of hidden and excessive fees that are tacked on unexpectedly and deceptively to the cost of goods and services. With the rise of online shopping for goods and services, many fees are added late in the shopping process, such as immediately before checkout. This makes the fees hard to decline or avoid, because of time already spent and the mandatory nature of the fees.

The proliferation of hidden fees undermines the affordability, accessibility and usability of products and services. So-called “junk fees” are not just a nuisance, they are also costly and hit low, moderate-income and working-class consumers especially hard.

In 2019, Consumer Reports published “Protect Yourself from Hidden Fees,” which examined hidden fees for a variety of services in major sectors of the US economy, including financial services, airlines, hotels, live event tickets and telecom and utilities. For a typical American family, these fees can pose a financial strain, adding up to thousands of dollars a year in extra costs. Airlines charge extra fees for baggage and rebooking; hotels charge unexpected “resort fees” for amenities like the pool, gym or water; and banks charge high fees for late payments and overdrafts. Perhaps the worst offender were cable companies. CR found that cable company-imposed fees add a 24% surcharge on top of the advertised price. On average, the cable industry were generating close to $450 per year per customer from company-imposed fees, worth an estimated $28 billion a year in revenue.

Unfortunately, it is impractical to ban added fees for all products and services in one fell swoop, considering the wide range of industries that would be affected. Consumer advocates have focused instead on eliminating the economic harm of *hidden fees* by requiring that all mandatory fees be included in the retail price of the product or service, when that price is first presented to consumers. By requiring “all-in pricing” for most goods and services, policymakers can eliminate hidden fees that are tacked on later in the shopping process through “drip pricing”, so that the consumer sees the full price when the price for a ticket or hotel room when the price is first presented.

A prominent example is “all in pricing” for tickets for live entertainment and sports events. At least seven states (CA, CO, CT, MD, MN, NY and TN) now require ticket prices to include the full cost of all mandatory fees when the price is first shown to customers when they are picking out their tickets. This doesn't automatically make concerts or sporting events cheaper, but it ensures that the buyer will see the full bottom-line cost when they first pick out their seats for the show.

In May 2025, the Federal Trade Commission new "Junk Fee Rule" went into effect, requiring "all-in" pricing for 1) live event tickets, 2) hotels and 3) short-term rentals such as VRBO and AirBnB.[1] In 2023 and 2024 the FTC considered adopting a broader rule to apply to a wider range of retail services, but narrowed the scope of the rule in 2024). Tickets, hotels and short-term rentals must now include the full cost of any mandatory fees in the price of the service when first presented to buyers. The Junk Fee Rule encourages fair marketplace competition for these services, because it empowers buyers to more directly compare prices from other companies on an "apples-to-apples" basis. In addition, in May 2024, the Federal Communications Communications Commission (FCC) adopted a similar rule for cable and satellite pricing that requires all mandatory fees to be included in the aggregate listed price of the video service on bills and in advertising materials.

Consumer Reports' Positions

To prevent deceptive pricing, CR supports federal, state and municipal legislation to ban hidden fees by requiring "all in" pricing for the full range of retail services used by consumers, such as restaurant meals, movie tickets, subscription services, streaming services and car rentals.

Over the last several years, several states such as California, Massachusetts and Illinois have approved laws or regulations that ban hidden fees for a broad range of retail services, such as food delivery apps, gyms and subscription and membership services. Retailers and service providers are required to present the full cost of the product or service when prices are first presented to the consumer, including all mandatory fees.

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