

LET ME OUT



**Subscription
trap practices
in Australia**



Subscribe

CPRC

Consumer Policy Research Centre (CPRC) is an independent, not-for-profit, consumer think tank. CPRC aims to create fairer, safer and inclusive markets by undertaking research and working with leading regulators, policymakers, businesses, academics and community advocates.

Acknowledgements

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Statement of Recognition

CPRC acknowledges the Traditional Custodians of the lands and waters throughout Australia. We pay our respect to Elders, past, present and emerging, acknowledging their continuing relationship to land and the ongoing living cultures of Aboriginal and Torres Strait Islander Peoples across Australia.

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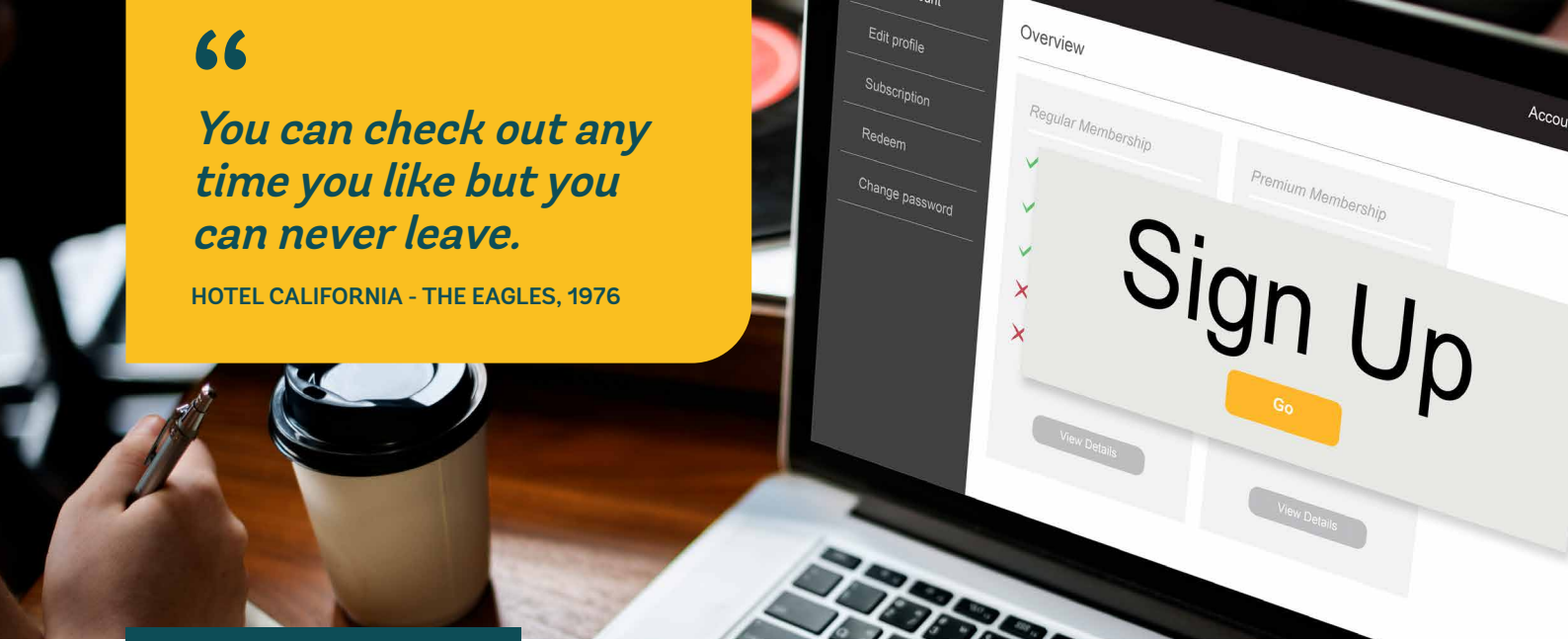
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You can check out any time you like but you can never leave.

HOTEL CALIFORNIA - THE EAGLES, 1976



Introduction

Subscribing is easy. It often takes seconds of our time. Frictionless processes mean that consumers can easily sign-up to streaming services, marketplace loyalty programs, health and fitness regimes. When a consumer no longer needs nor wants that subscription service however, the experience is often the inverse.

Dark patterns, also known as deceptive and manipulative designs, are website features or business processes built to influence consumer choice and behaviour that are often not in the consumer's best interest. When businesses purposefully make it difficult to unsubscribe or cancel a service, this is a dark pattern. This is often referred to as forced continuity, a subscription trap or "Hotel California".

This report presents examples of different cancellation processes, highlighting harmful and good practices currently used by businesses.

Our research into subscription traps found that three in four Australians* have experienced some form of negative experience when trying to cancel a subscription (75%). This can include feeling pressured to keep a subscription or giving up and continuing to pay for a service you no longer need. Many survey respondents found the practice annoying or deceptive. While different dark patterns can vary in their harm, being unable to unsubscribe from unwanted paid services has a direct and harmful impact on consumers, costing them time, money and ultimately affecting their wellbeing.

Subscription traps outlined in this report cost consumers and are unfair but not illegal. Unlike a growing number of countries, Australia doesn't yet have broad laws to stop unfair practices or targeted laws to stop subscription traps.

Europe, India and the United States are passing laws that stop businesses from making cancellation harder than subscribing to a service. The Australian Government has a real opportunity to take inspiration from other jurisdictions and domestic sectors to introduce measures that mitigate harm caused by subscription traps. This is best achieved by introducing an unfair trading prohibition into the Australian Consumer Law. An unfair trading prohibition could explicitly or through a broad principle require that businesses make opting-out of a service as easy as opting-in.

While reform takes time, businesses are in the best position to reassess and revise their current cancellation processes and make changes that support consumers, instead of deceiving them. Responsible businesses can stop using the harmful subscription practices identified in this report immediately. This report outlines the specific harmful subscription practices to avoid but generally businesses should stop any practice that relies on tricking customers or that makes them money because of customer inertia or forgetfulness. Great businesses respect their customers, even at the point of cancellation. Businesses can look to the good practices already in use by some responsible companies.

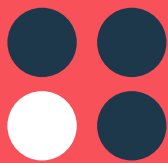
*Australians in these survey results refer to those Australians who currently have at least one active subscription

The shift businesses can make today

STOP	START
<ul style="list-style-type: none">✗ Questioning why customers exit (before letting them cancel)✗ Making last-minute offers	<ul style="list-style-type: none">✓ Making it easy to unsubscribe with just one-click, no guilt
<ul style="list-style-type: none">✗ Piling on the dark patterns, including nagging after unsubscribing	<ul style="list-style-type: none">✓ Sending helpful payment reminders before customers are charged
<ul style="list-style-type: none">✗ Restricting the option to opt-out how you opt-in	<ul style="list-style-type: none">✓ Offering multiple options to cancel subscriptions including through a centralised subscription management tool or bank transactions
<ul style="list-style-type: none">✗ Charging customers for what they didn't use	<ul style="list-style-type: none">✓ Pushing pause on automating annual renewals✓ Using data for good and helping non-active users to unsubscribe
<ul style="list-style-type: none">✗ Offering disingenuous free trials	<ul style="list-style-type: none">✓ Making free trials genuinely free

How subscription traps impact Australian consumers

CPRC conducted a nationally representative consumer survey of 1,000 Australians with at least one active subscription. Results confirmed that the status quo of subscription practices is not working for Australians.



Three quarters of Australians with subscriptions have had some form of negative experience when trying to cancel a subscription

75%

Almost half of Australians have spent more time than they intended in trying to cancel a subscription



48%

Close to **1 in 3** Australians have felt pressured into keep a subscription



32%

1 in 10 Australians give up trying to cancel a subscription and therefore keep paying for a product or service they longer need or want



10%

90% of Australians would likely purchase from the same organisation if cancelling a subscription process was quick and simple



90%

Methodology

Sweep of dark patterns

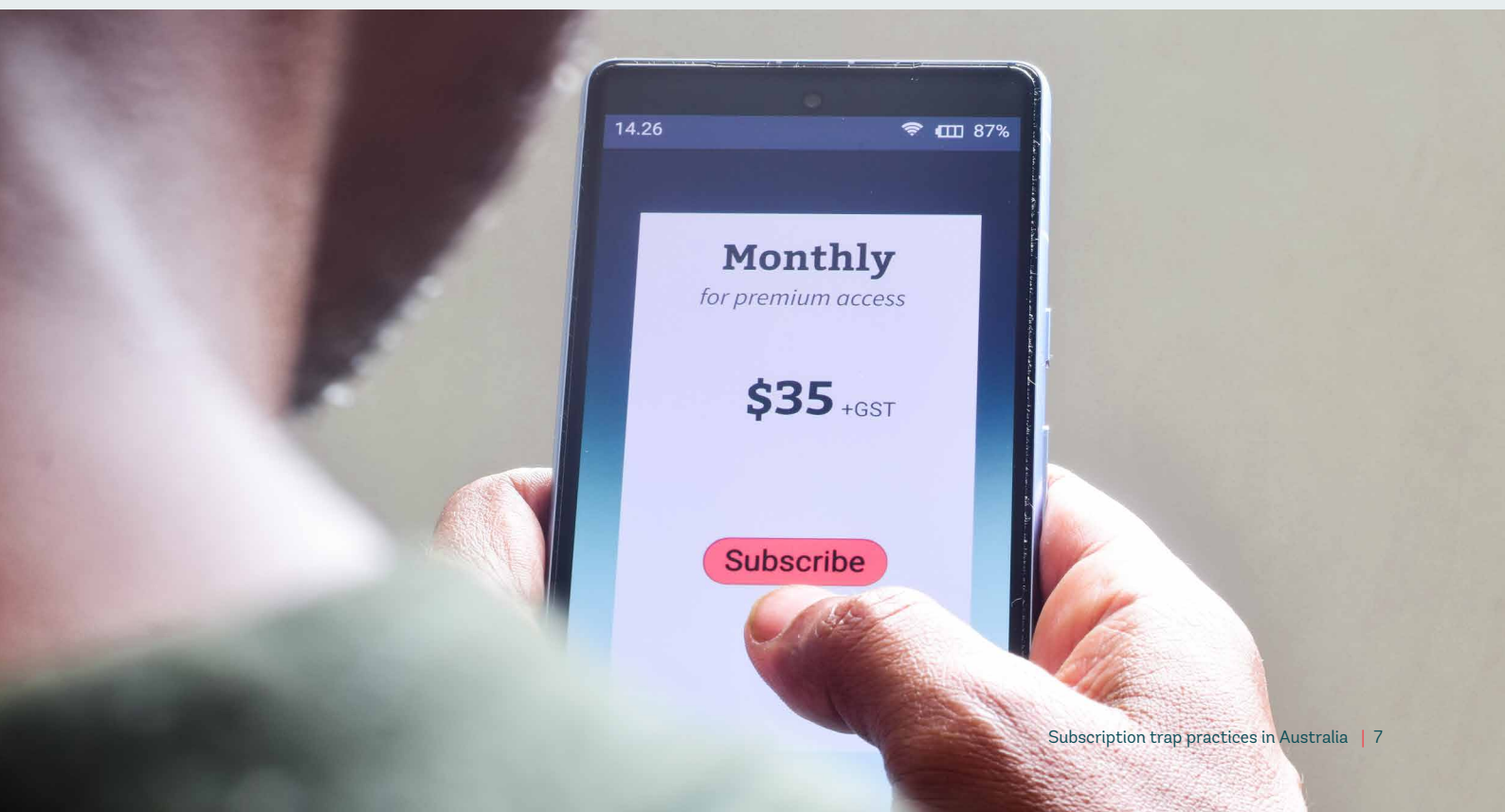
CPRC conducted a sweep of dark pattern practices across platforms and websites available to Australians from September 2022 to July 2024. Many of the cancellation processes within the audit were re-run following the Digital Services Act in Europe coming into force. This was specifically undertaken to confirm if large platforms would adjust cancellation processes globally to match the requirements of those in Europe. We can confirm that this has not been the case.

Some examples were identified and investigated based on experiences reported by CHOICE readers, while others were identified via CPRC's independent audit. This report highlights some examples of cancellation processes that were found during the sweep.

The examples in this report are not meant to be exhaustive, nor do they intend to cover the full range of cancellation processes currently available to Australian consumers. The aim of the report is to provide a snapshot of the various strategies and tactics used by businesses as well as the difficulties that consumers are likely to face when navigating through a cancellation process.

Consumer survey

This report outlines key findings from a nationally representative survey of 1,000 Australians sharing their experience of navigating subscription processes. CPRC's survey was conducted between 23 and 28 May 2024. To achieve a nationally represented sample, quotas were set on each of the three demographic variables of age group, gender, state/territory based on the 2021 census results.





Harmful subscription trap tactics

Most subscription cancellation processes that aim to dissuade cancellation embed friction through multiple screens and unnecessary steps.

Friction can range from making it difficult to identify how or where to cancel a subscription to pushing users to reconfirm their option to cancel multiple times, through a series of questions and additional offers.

Questioning the exit (before letting them cancel)

As part of the friction, often people are asked to provide reasons for unsubscribing before being allowed to cancel the service (Figure 1). Businesses may defend this approach to understand what user barriers exist in continuing a subscription. However, for consumers it can add to the already arduous process of trying to cancel. There are also elements of emotional manipulation that can occur at this point – the Headspace example below with the “sad flower” is a good example of this.

Rather than adding a step to the cancellation process, businesses should ask consumers to voluntarily provide reasons for cancelling after actioning their request.

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I tried to cancel and it took a day to go through.

...I have felt that the company had made it deliberately difficult to cancel a subscription.

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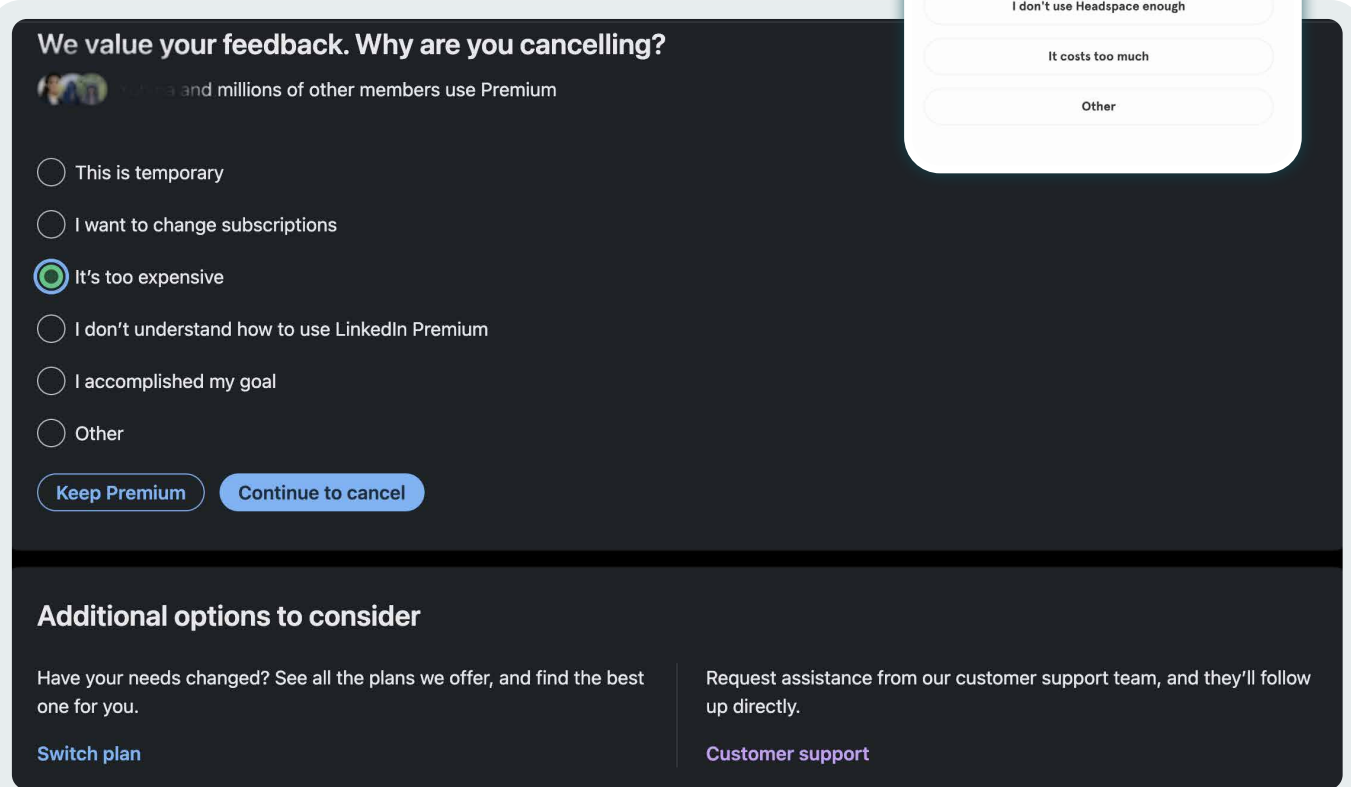
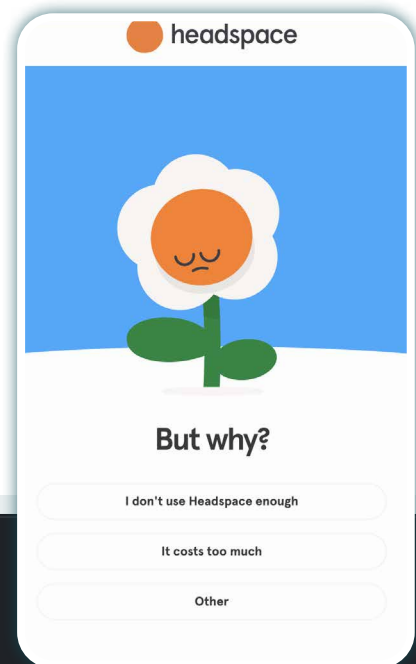


Figure 1. Examples of asking why a user wants to cancel a subscription on LinkedIn and Headspace

Luring with last-minute offers

Some businesses' subscription cancellation processes will push people to reconsider the cancellation by offering specific discounts or options, or reintroducing them to the range of plans on offer (Figure 2).

“

Wanting to offer incentives and having to click through and decline multiple incentive options before they'd finally let me cancel.

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This further adds to the cognitive load on consumers and prolongs the timeframe between when they first decided to cancel and when they eventually can complete the task. As an example, eBay offers a \$30 gift card to discourage its eBay Plus customers from going ahead with the cancellation. Lumosity and LinkedIn offer specific time-based discounts.

While recognising that there can be a financial benefit to these discounts, they are typically short offers to keep people for an additional month rather than an overall reduction in price long-term. Better practice is to offer discounts or lower rates to all customers upfront, helping people to clearly compare the costs of the service. When people want to stop paying, the process should be simple rather than presenting additional steps even with discounts.

The figure displays three screenshots of subscription cancellation offers:

- LinkedIn:** A notification with two flags, one red with a white icon and one yellow with '35%'. Text: "Here's 35% off. Thanks for being part of our global community and helping advance cognitive research!". Buttons: "Learn More" (orange), "No thanks" (blue link).
- eBay:** A notification with a green checkmark and a circled '3'. Text: "You're a valued member of eBay Plus and we'd love to keep you in the program. Would you consider staying?". Offer: "Stay & continue your membership beyond 4 October 2022 & receive a \$30 gift card*". Image: "\$30 eBay digital gift card". Text: "*1pp. Delivered within 10 days of payment of membership. T&Cs apply". Buttons: "Keep my benefits & receive a \$30 gift card" (blue), "Lose my Plus benefits" (white).
- Lumosity:** A notification with a gift box icon. Text: "We'd love to make Premium work for you. Get 50% off your next 2 months on us!". Text: "Take advantage of all the powerful insights, features, and tools that are exclusive to Premium members.". Buttons: "Claim offer" (blue), "Confirm cancellation" (white).

After the promotional period, you will return to your original price unless you choose to cancel.

Figure 2. Option to review plans and discounts offered by LinkedIn, Lumosity and eBay

Amazon Audible provides the option to pause membership for a specific time period, stating that the subscription will restart once the pause time has elapsed. It also asks for the cancelling reason (Figure 3). However, regardless of what the reason may be (even if it includes forgetting having had the membership or experiencing technical difficulties), Amazon Audible’s next screen will be the same. It will offer significant but temporary discounts to continue the subscription (Figure 4). Cancellation also means that consumers lose all accrued credits that they received as part of their subscription to date. This highlights the disingenuous nature of a business that wants to appear to try to understand its customers’ choices but is in fact using the tactic to create an additional screen, an additional step and an additional burden on the consumer.

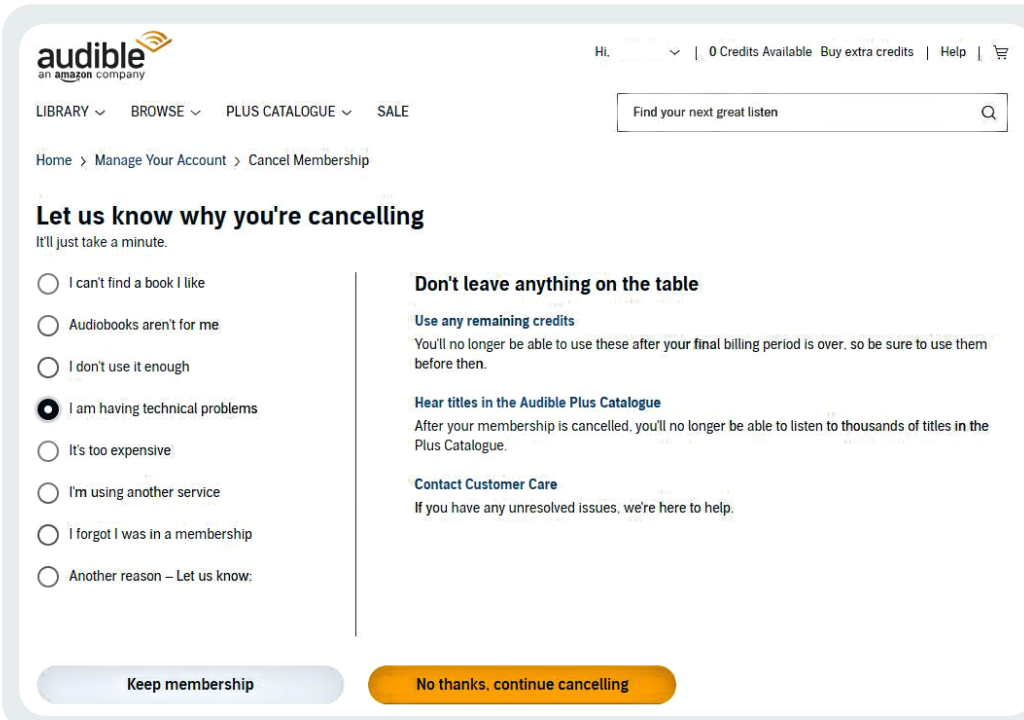


Figure 3. Amazon Audible’s question screen requesting reason of cancellation

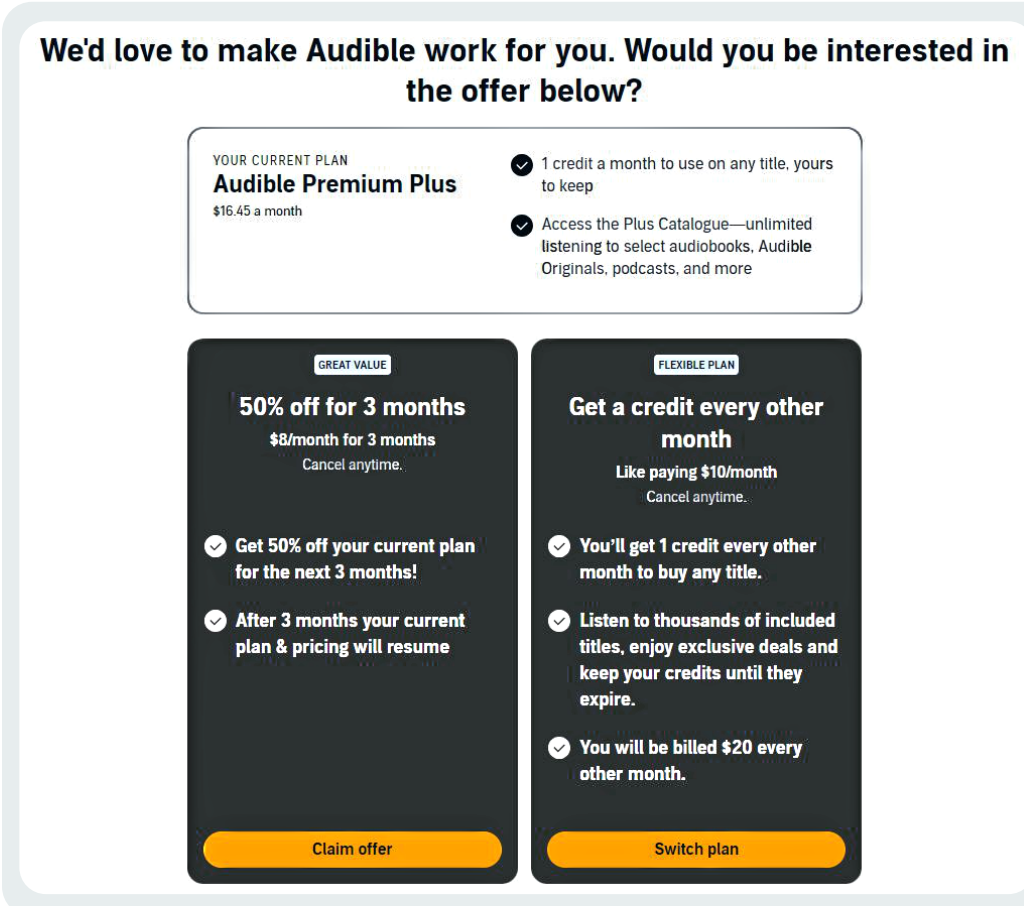


Figure 4. Amazon Audible’s next screen featuring up to 50% off current subscription plan

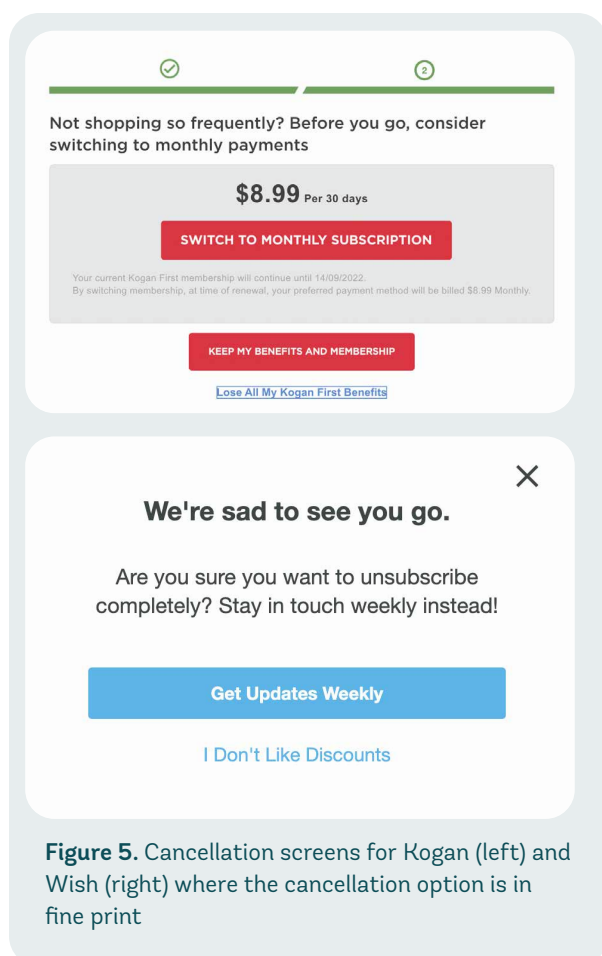
Piling on the dark patterns

To further impede the cancellation process, other dark patterns can be used to reinforce the subscription trap. False hierarchy, trick questions, confirmshaming, scarcity cues and activity notifications are dark patterns that are often used in conjunction with subscription traps, to confuse or frustrate the customer.

For example, Kogan uses dark patterns such as false hierarchy and confirmshaming to hide the cancellation option. It shows options to keep the membership in some form as clear, large buttons and the actual cancellation option as a link in fine print.

The retail site Wish employs similar tactics when a consumer tries to unsubscribe from its mailing list; the option to cancel is a link with the wording “I Don’t Like Discounts” (Figure 5).

Such tactics can belittle consumer choice and impact wellbeing, especially when the reason for cancelling a subscription may be due to financial hardship or experience of other forms of vulnerability.



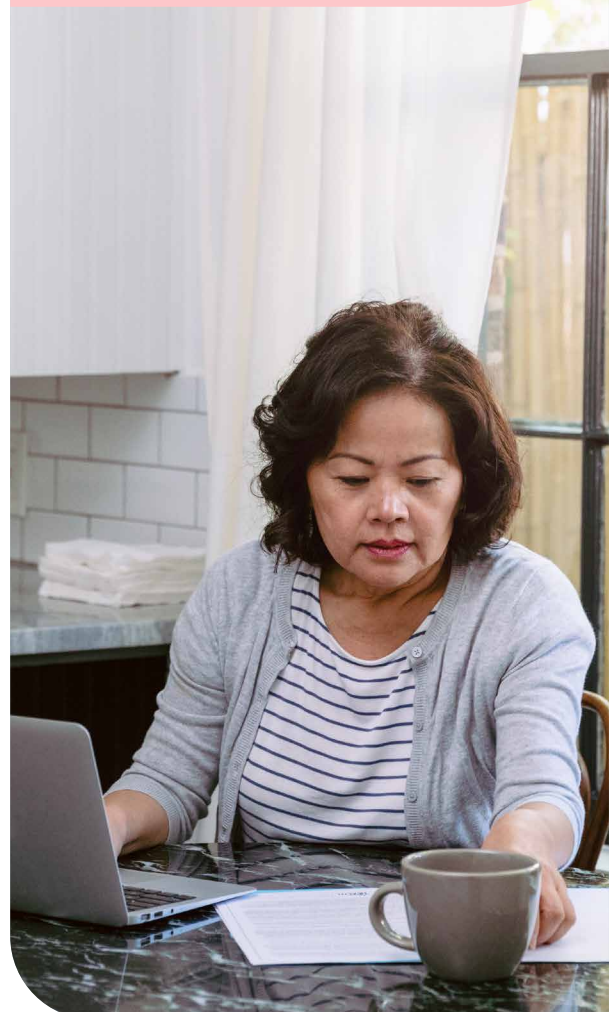
“

Sent on a merry go round of automated options & questions. Finally get through to a person who has to convince you to stay & asks a lot of questions. Took approx 1 hr on phone to cancel.

“

You will have to click through a few yes or no question but the question is tricky, sometime is yes if you want to cancel or yes you want to stay or yes I need more time to think.

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Health and fitness services have always been notorious for making it difficult to unsubscribe and online versions of these are no exception.

The online fitness program, 28 by Sam Wood, uses false hierarchy and confirmshaming across multiple screens throughout the cancellation process, making it difficult to unsubscribe from the program (Figure 6). The link / button to cancel the subscription is either in fine print or a lighter colour. The process which takes a minimum of five screens also includes grandiose affirmations of the expense being an investment, further shaming consumers as they proceed with the cancellation process.

START HERE

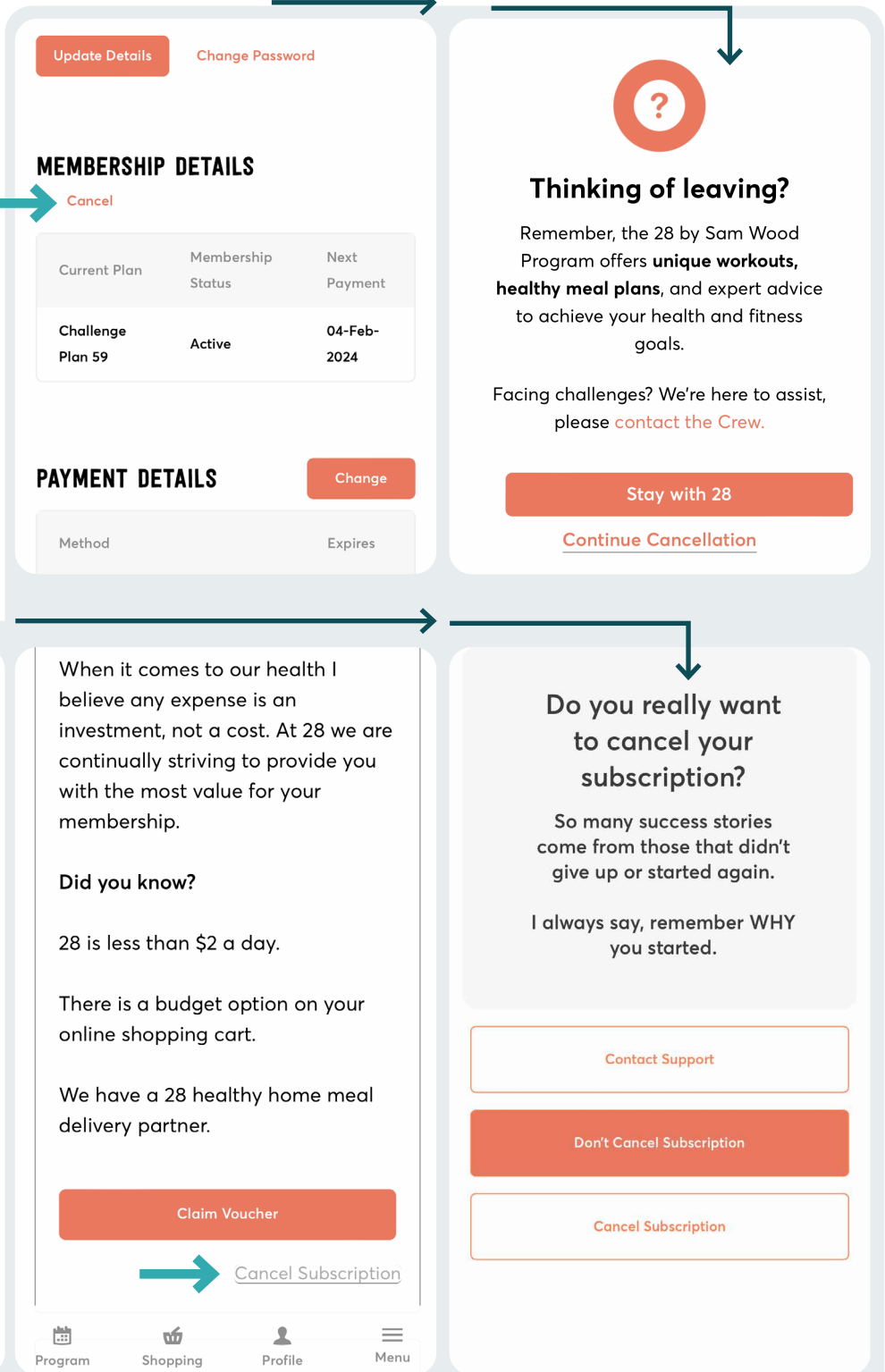


Figure 6. 28 by Sam Wood cancellation process

Restricting the option to opt-out how you opt-in

One of the factors that can erode the consumer experience is the inability to cancel a service using the same platform that was used to acquire the service in the first place.

This includes pushing consumers to the desktop version of a mobile app or another method that is not the primary place where consumers opt-in or access the service.

UNICEF Australia's Paddington Postcard program is a prime example of a service that people can subscribe to and set-up on the UNICEF website but there is no option to unsubscribe from there.¹ Instead of creating

a like-for-like online form to use to unsubscribe from the service, the customer needs to make direct contact with a UNICEF staff member via phone, email or Facebook (Figure 7). Options to unsubscribe are only provided within the site's Frequently Asked Questions section.

Upon calling UNICEF to cancel the subscription (after the 12-month postcard program has ended) the caller is initially offered the option to lower the donation amount with the positive reinforcement of the difference the donation will make. It is only after making a further clear request to cancel that the cancellation process is initiated. This takes approximately five minutes (not counting wait times).

“

Cancellation seems to involve multiple pages asking, “Are you sure...?”, very small print, as opposed to the BOLD for signing up, and in some cases, having to actually phone the organisation despite all other correspondence being electronic.

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“

I wasn't able to cancel without having to call up and speak to someone. Their business hours meant I had to call up during my work day and it took some time to action.

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unicef AUSTRALIA for every child Support us What we do Our people Search SIGN UP

Paddington's Postcards

Go on an adventure with Paddington Bear™ as he explores the many beautiful cultures of the world.

How long is the subscription for?

When you sign up to Paddington's Postcards, you'll set up a monthly donation to UNICEF Australia and receive monthly packs for 12 months. After this time, your monthly gift and the impact your making for children will continue – we hope you'll be able to keep supporting our work to protect every child.

You can of course change or cancel at any time by emailing our helpful Supporter Experience team at support@unicef.org.au or calling [1300 884 233](tel:1300884233).

Figure 7. Signing-up to UNICEF's Paddington Postcards takes one online form but cancelling involves direct contact with UNICEF

Nagging after unsubscribing

For people who successfully unsubscribe from a service, the relationship with the business may not completely be over.

Nagging through emails, notifications and personalised advertising via social media may still occur due to personal information the business may have access to or has shared with other third parties.


For example, when cancelling LinkedIn Premium membership, consumers are thoroughly made aware that they will be unable to see who has viewed their profile (Figure 8). However, post-cancellation, non-LinkedIn members will continue to be reminded of the absence of this feature (Figure 9). Such nagging can create an unnecessary sense of FOMO (fear of missing out) regardless that the choice was made with full clarity of the features that would be removed. Nagging is a clear choice a business makes to disrespect a consumer's choice.



Premium benefits you'll lose when your subscription ends
and millions of other members use Premium

Career <small>Current plan</small>	Free LinkedIn <small>After cancelling</small>
Find and contact anyone ✓ 5 InMails per month ✓ See Who's Viewed Your Profile from the last 90 days ✓ Open Profile	Find and contact anyone ✗ 0 InMails per month ✓ Only 3 recent profile views ✗ Open Profile
Exclusive insights to get ahead ✓ Job and applicant insights ✓ Top Applicant Job recommendations ✓ Company insights ✓ Salary insights	Exclusive insights to get ahead ✗ Job and applicant insights ✗ Top Applicant Job recommendations ✗ Company insights ✓ Limited access to Salary Insights
Stay up-to-date on the latest skills ✓ 16,000+ LinkedIn Learning Courses ✓ Full access to Interview Preparation tools	Stay up-to-date on the latest skills ✗ 16,000+ LinkedIn Learning Courses ✓ Limited access to Interview Preparation tools
Keep Premium	Continue to cancel

Figure 8. Clear comparison of features between a Premium and a Free plan on LinkedIn at the point of cancellation

 **1 person** viewed your profile: Stay anonymous and see who's viewed your profile with Premium. 6h ...

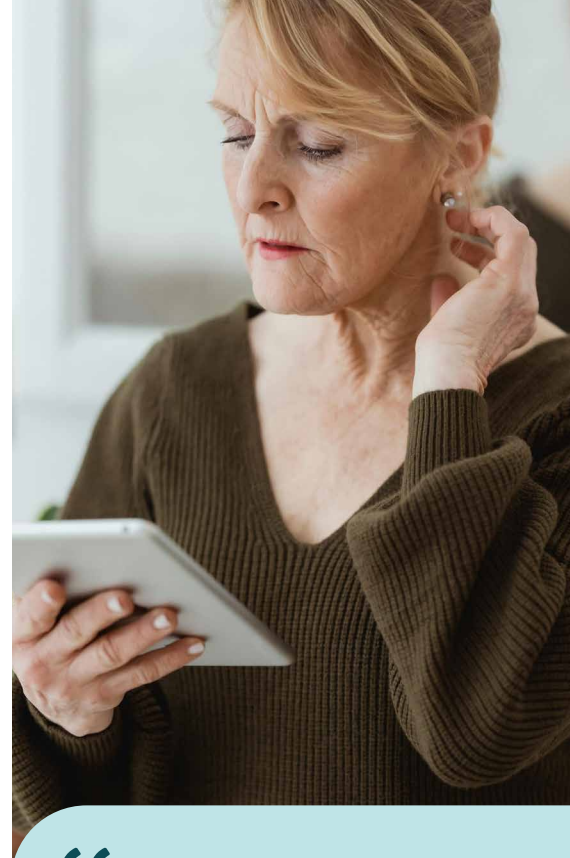
[Reactivate Premium](#)

Cancel anytime, for any reason.

Figure 9. Regular notifications from LinkedIn to reactivate Premium membership

Meal delivery service, HelloFresh, is another example of a business where the cancellation process is not straightforward, expecting consumers to navigate multiple screens. For those who manage to cancel the subscription, HelloFresh will continue to nag them and attempt to create a sense of FOMO.

When a consumer has successfully completed the cancellation process, HelloFresh continues to send regular email communication, sometimes multiple emails in a day. The service automatically opts-in consumers to seven different forms of non-transaction related email communication (Figure 10). Consumers must manually opt-out of these notifications, even though they are no longer subscribed to the service.



Your Communication Preferences

Your Weekly Menu

We will entice your appetite and let you know which recipes are coming up in your box.



Your Feedback

We can't improve our meal plans and deliveries without you. We'd love to hear what could make them even better.



Your Recipe Feedback

We need your feedback on our recipes so that dinner can get more and more delicious.



Product Updates

At HelloFresh, we're constantly innovating to make our boxes better for you. Whenever we've got an update, we'll let you know.



What You're Missing

Stay in the loop with upcoming recipes or changes to our services in case you want another box, we'll even add in some exclusive offers!



Our Chefs' Kitchen Secrets

You'll be dazzled by our chefs - they're full of incredible cooking tricks that will take your kitchen skills to the next level.



HelloFresh Treats

Whenever we can, we'll send you exclusive offers straight to your inbox.



Unsubscribe from all emails

You will no longer receive non-transactional emails.



“

When trying to cancel or pause your HelloFresh subscription they purposely put options like “oops I accidentally cancelled” before confirm buttons. It’s annoyingly frustrating & they also send multiple emails after cancelling.

“

HelloFresh specifically, hounds you with ads and then makes the cancellation process impossible by making you call and then judging your reason for cancellation.

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Figure 10. Consumers are automatically opted-in to receive multiple email communications from HelloFresh regardless of whether they are currently subscribed to the service or not

Paying for what you're not using

Chasing refunds post-cancellation

While most subscriptions, when cancelled, will continue up to the point of time that has been paid for or agreed to upfront, in some circumstances subscriptions can lapse immediately after cancellation. This can lead to consumers either not being refunded or only partially refunded, thus placing additional burden on them to seek the appropriate refund.

As an example, Adobe's subscription process uses dark patterns and appears to impose unfair contract terms on its customers. Adobe offers an annual subscription model that can be made monthly (Figure 11). At the point of purchasing a subscription, Adobe claims: "Your subscription will automatically renew annually until you cancel (price subject to change). Cancel anytime via Adobe Account or Customer Support." (Figure 12).

“

Could not find how to cancel anywhere on their website or marketing emails. The auto renew date passed and my card was charged. I was not happy, and submitted a complaint.

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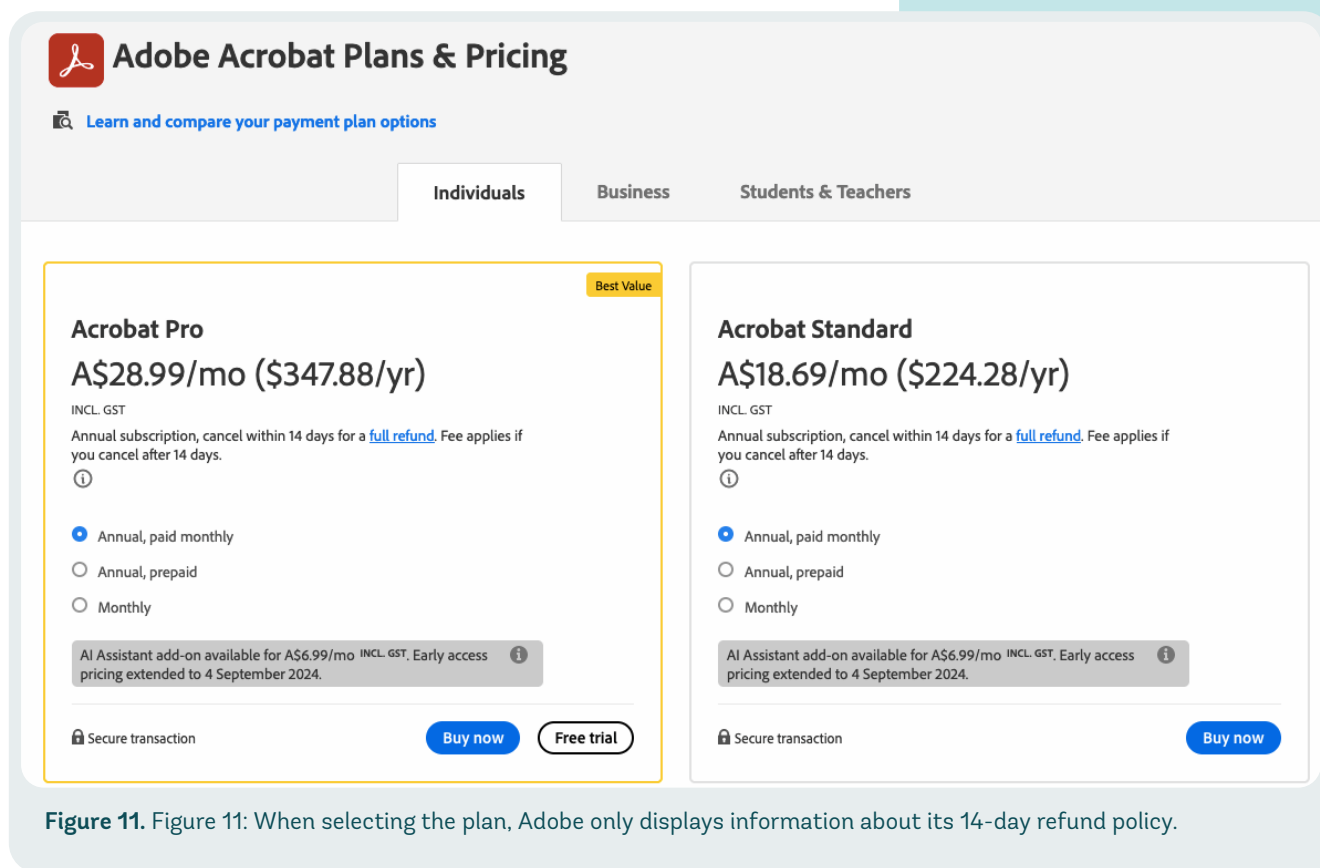


Figure 11. Figure 11: When selecting the plan, Adobe only displays information about its 14-day refund policy.

However, Adobe imposes a termination fee of a lump sum payment of 50% of the remainder of an annual subscription fee. This fee is imposed as a penalty for early termination of an annual subscription plan. If, for example, customers cancel their subscriptions at the fourth month of their plan, they are required to pay a lump sum of 50% of the subscription fee that they would have otherwise incurred for the remaining 8 months (of their annual subscription plan) as a penalty. The statement "cancel anytime" is likely to mislead consumers.

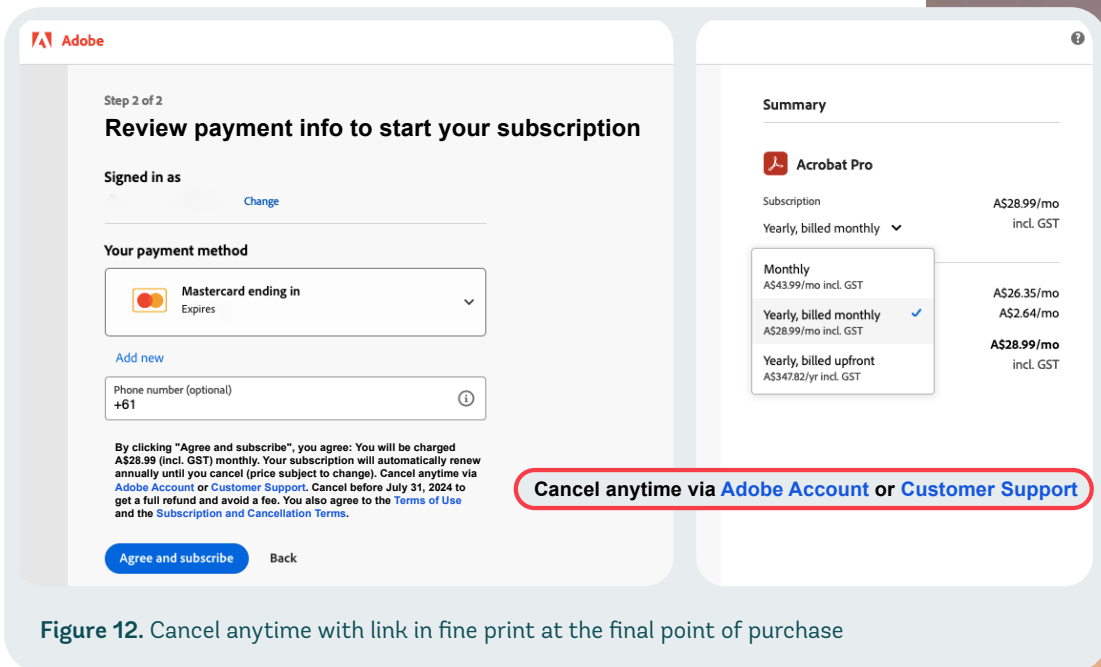


Figure 12. Cancel anytime with link in fine print at the final point of purchase

Utilising the dark pattern of hidden costs (relating to consumers being unaware or forced to pay more than they initially perceived) the “cancel anytime” statement actively conceals information of any form of cancellation fee. It creates a general impression that the subscription can be cancelled anytime during an annual plan. Given that it is standard industry practice to allow consumers to unsubscribe without a termination fee, there is no reason for the consumer to suspect otherwise.

At the point of reviewing plans and at the payment screen, Adobe indicates that cancelling within 14 days to avoid a fee but it does not provide information about the percentage payable. The percentage is hidden within the fine print of the section ‘Subscription and cancellation terms’ and is not transparent nor easily accessible (Figure 13).

Subscription and Cancellation Terms

If your primary payment method fails, you authorize us to charge any other payment method in your account. If you have not provided us with a backup payment method(s) and you fail to provide payment, or if all payment methods in your account fail, we may suspend your subscription. During any such suspension, you may lose access to some subscription features and functionality; however, you will retain access to your [Adobe Account](#) and Content within our free user storage limits. We will continue to attempt to charge your payment method(s) for the remainder of the term, and upon payment being received, your full subscription account access will be restored. You can edit your payment information anytime in your [Adobe Account](#)

For European Economic Area customers, your bank may require you to authenticate your initial purchase using a password, a one-time code sent to your mobile number, or biometric recognition. When you authenticate, you also authorize us to charge your payment method for your additional purchases without providing us further payment information or other instructions (i.e., we will initiate future payments independently). Such additional purchases may occur when we automatically charge your payment method in connection with a recurring subscription or when you add or change licenses or products.

Cancellation Terms

You can cancel your subscription anytime via your [Adobe Account](#) or by contacting [Customer Support](#). If you cancel within 14 days of your initial order, you'll be fully refunded. Should you cancel after 14 days, you'll be charged a lump sum amount of 50% of your remaining contract obligation and your service will continue until the end of that month's billing period.

Figure 13. The detailed termination clause can only be accessed within the fine print of the ‘Subscription and Cancellation’ terms.

There is a clear power imbalance between the business and its customers in this example. The cancellation fee actively dissuades the consumer from terminating the subscription by penalising them of costs that outweigh their use of the service. On the flip side, the terms and conditions state that Adobe can terminate the contract at any time without having an obligation on the consumer.

In June 2024, US Federal Trade Commission commenced action against Adobe for the use of two dark patterns – hidden costs (the hidden early termination fee) and forced continuity (making it difficult for people to easily unsubscribe from the service).² While subscription traps are currently unfair but not illegal in Australia, given Adobe’s practice to obfuscate information regarding the early termination fee, similar action could take place here in Australia through our current laws against misleading and deceptive conduct and unfair contract terms.

Chasing refunds post-cancellation

At times when consumers are unable to successfully cancel their subscription, they may rely on external factors of convenience such as an expiring credit or debit card to discontinue payments for a service they are no longer using.

However, even in those circumstances, businesses can have an advantage over customers in ensuring payments continue to be made. While most subscriptions are based on a payment agreement set-up between the business and its customer, Continuous Payment Authority (CPA) is a payment provision that enables a business to take recurring payments for a customer’s debit or credit card.

A business may send reminder notices to customers to request they update their payment details, but businesses may also have the provision to access customer funds from an updated version of the expired debit or credit card.³ Consumers are likely to feel a sense of unfairness and helplessness in circumstances where they are:

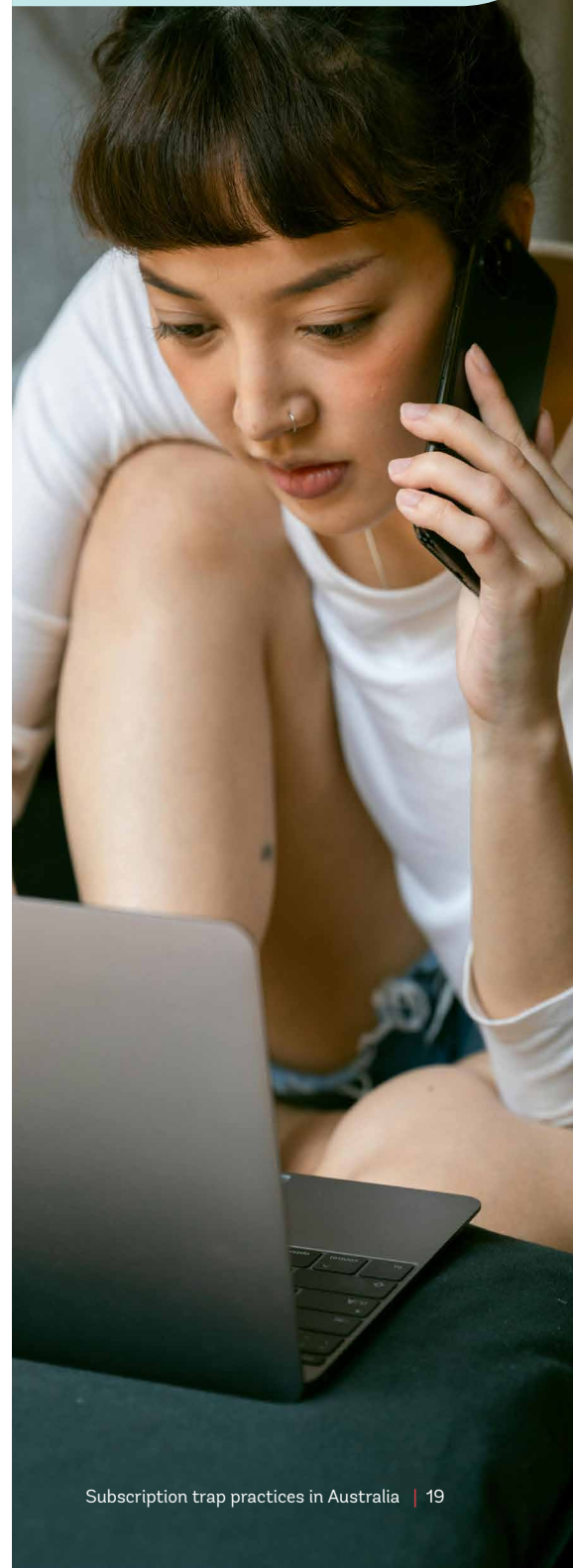
- » having difficulties cancelling a subscription
- » unable to remove payment methods (often at least one payment method is required on file), and
- » unable to access customer support by phone and/or cannot raise the issue with their bank as it is not a direct debit payment.

There is little to no protection for Australian consumers who face such circumstances.

“

My most famous one is Adobe. They said that I had paid for a year subscription so I owed them a fee to cancel the subscription to pay out the contract. I managed to get around it by downgrading to a free trial then cancelling it from there.

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Offering disingenuous free trials

Free trials in a physical setting have mostly been genuinely free (e.g. sample products, taste-testing in supermarkets, free in-home consultation). However, as free trials have become a staple feature of the digital economy, they have often come with the expectation of consumers to pre-share their payment details to ensure a frictionless transition from a free to paid service.

One such example is the Calm app, which upon downloading pre-selects the option of a 7-day free trial which would convert to a \$7.50 per month plan. However, on the left of the screen, the app confirms that the consumer will be billed annually after 7 days (Figure 14). It shows a disingenuous comparison of pricing as the actual monthly plan may cost more per month but cancelled within a couple of months would still be cheaper than paying upfront annually. Failure to cancel the trial within the 7 days will cost the consumer \$89.99. While you can cancel anytime, the initial loss of \$89.99 is unlikely to be refunded as cancelling would apply to the next billing round.

“

I didn't get notified by a company that my free trial was going to end. They ended up charging me a great amount of money.

“

It's always the subscriptions that offer a free trial. After the trial ends they make it really difficult to cancel. Sometimes I give up which is super annoying. Makes me think twice when using free trials now.

CPRC SURVEY RESPONDENTS 2024

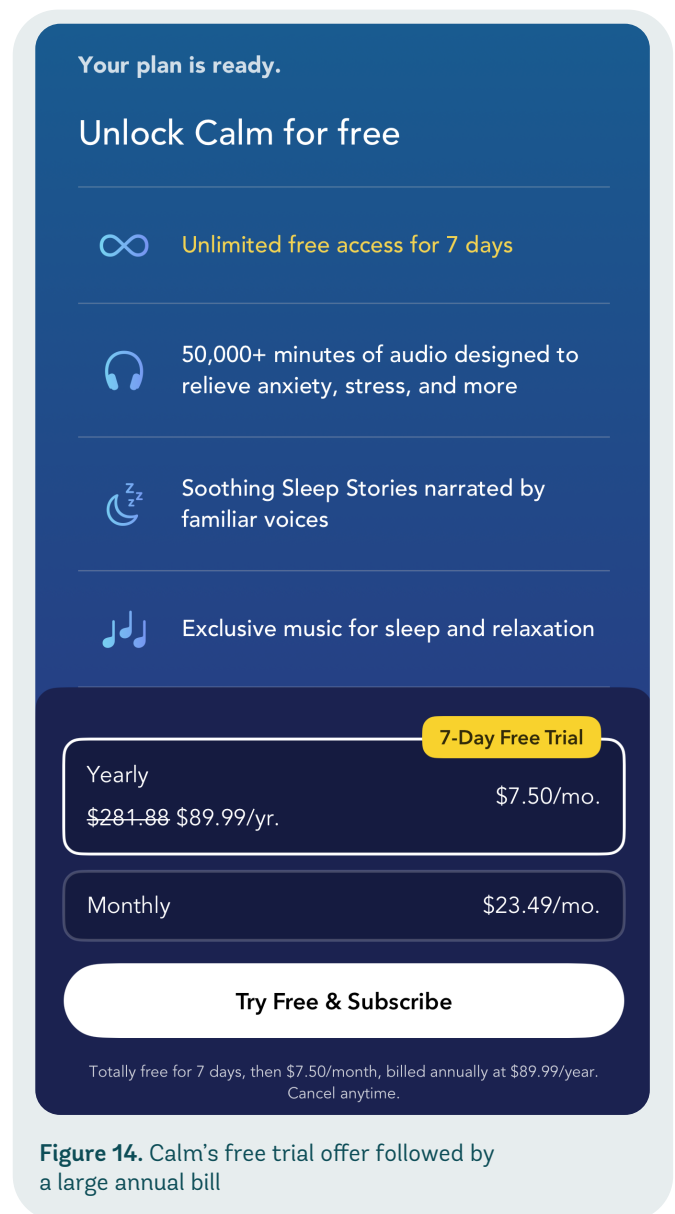


Figure 14. Calm's free trial offer followed by a large annual bill



Good subscription practices

Businesses can take action right now to make subscription traps a thing of the past and provide consumers with the respect and positive experience they deserve. Some businesses are already using these good practices and demonstrate that subscription services can operate fairly.

When consumers experience good subscription practices, it can enhance their trust and confidence in the business. Our survey revealed that 90% of Australians would likely purchase from the same organisation if cancelling a subscription process was quick and simple. Good practices are not just good for consumers but in the long-term, are good for businesses too.



One click – no guilt

Make cancellation an easy process – ideally one click without complicated screens, difficult to find links, temporary offers or use of language that incites guilt or FOMO. Consumers are likely making a conscious decision when cancelling a subscription, weighing up costs against their wants and needs. Making it harder will only entrench negative feelings towards the business. CPRC research in 2022 confirmed almost 1 in 3 Australians (30%) stopped using a website or app after encountering one or more dark patterns. It makes good business sense to make it as easy for people to leave as it is to join a subscription.

For example, language and dictionary tool SpanishDict provides a direct link in its renewal reminder notice to manage the subscription. While the link is under promotional material and in small font within the email, once you arrive on the page, it only takes one click to unsubscribe. Another good practice example is the streaming service, Netflix. The membership can be cancelled via the app, features a clear “Cancel Membership” button under the Account page and then a confirmation screen to complete cancellation (Figure 15).

In both instances it takes only seconds to unsubscribe from the service – no confirmshaming, no questioning the decision, no last-minute offers, no complicated screens.

Another positive example is the central subscriptions management tool through Apple. Apple users can see subscriptions made through their account in a single place, note when subscriptions will renew or expire and cancel with a click (Figure 16). There’s no guilt applied to the process and the centralised service lets people easily manage a wide range of subscriptions.

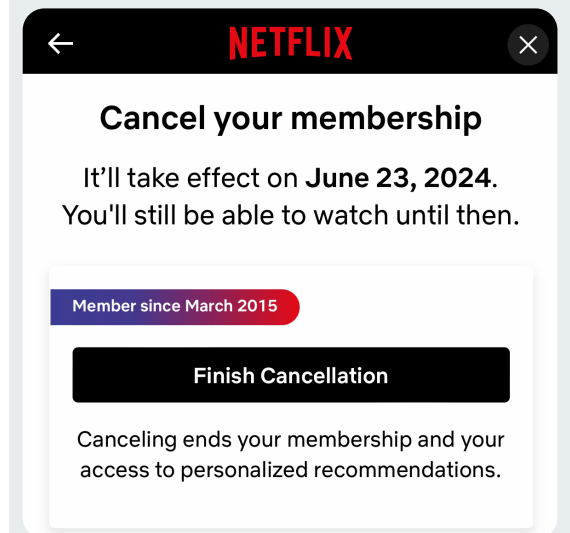
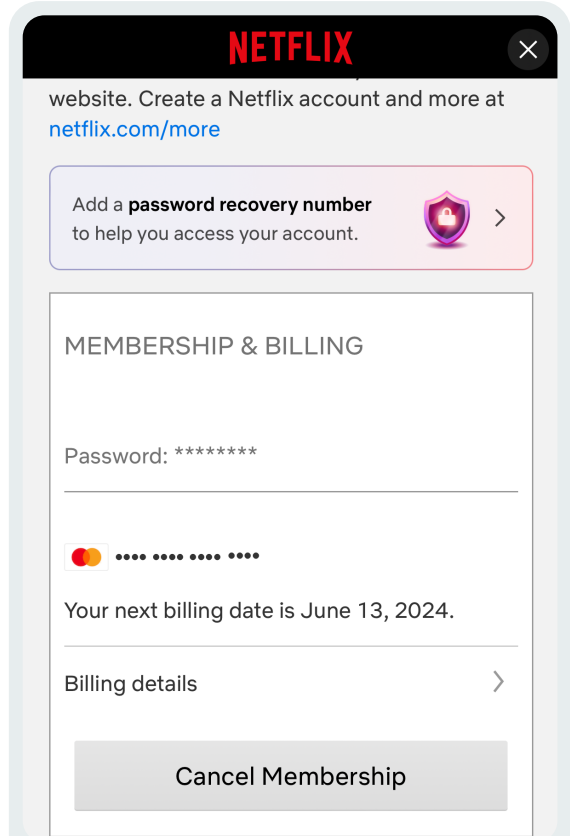
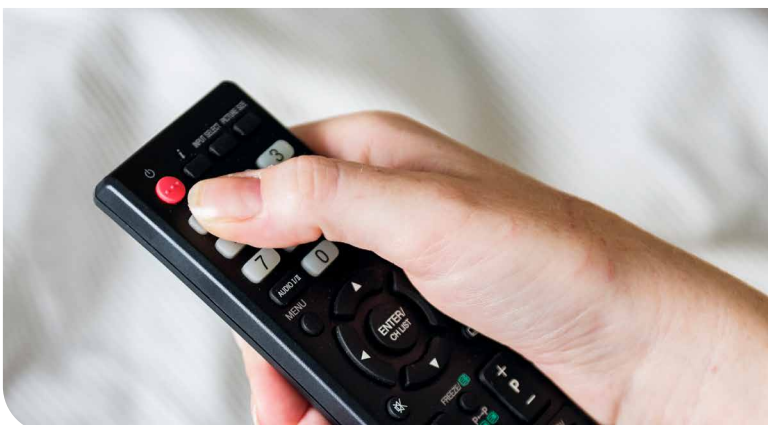


Figure 15. The Netflix cancellation process

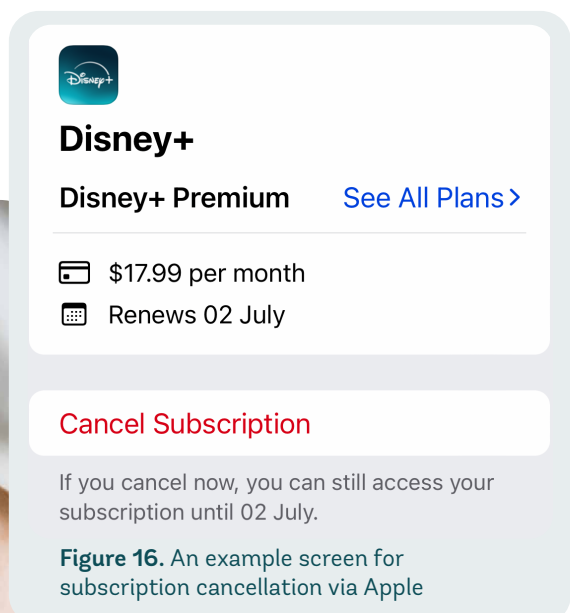


Figure 16. An example screen for subscription cancellation via Apple

Free trials should be just that – free

A consumer should not have to share payment details when signing-up to a free trial. A free trial should be a genuine offer to try a service without cost before deciding to purchase.

An example of a genuine free trial is the Atoms app, a habit-tracker app based on James Clear’s book Atomic Habits. It enables its customers to trial the app for 30 days without setting up an account or providing payment information. A notification on the app informs consumers the number of days left on their free trial and confirms that they will not be automatically subscribed to the paid version once the free trial elapses (Figure 17).

20 days left of Atoms Trial

Subscribe to the Pro plan anytime or continue using the app for Free after the Trial.

You *will not* be automatically subscribed to Atoms Pro once your Trial has ended.

Figure 17. Notification of free trial on Atom’s app

Push pause on automating annual renewals

Auto-renewals on annual subscriptions place an unfair cognitive burden on consumers. It relies on consumers potentially forgetting the subscriptions they have and being charged for services they no longer actively use or need. People are more likely to forget about a pending subscription cost that is charged annually or even quarterly than a more regular fortnightly or monthly payment. A more considerate option is to remind consumers prior to the subscription lapsing that it is due for renewal and also respecting the choice of the consumer not to renew the subscription.

World Vision exemplifies this, where monthly sponsorship donations are auto-renewed but yearly ones are not. A reminder is sent once but World Vision does not send nagging emails to renew after the annual donation lapses (Figure 18).

Supporter No:

Dear

Thank you for your amazing support which will impact children’s lives for generations to come.

You are helping to provide _____ and other children in her community with the chance to thrive. This means the world.

It’s nearly time for your next contribution

World Vision 

Figure 18. Email notification to renew sponsorship



Don't nag – send helpful reminders instead

When recurring payments are in place, a business should send clear reminders early, ideally weeks in advance. Advance notice can help consumers:

- » prepare for upcoming costs
- » make a clear judgement as to whether the subscription still meets their needs, and
- » consider if they would prefer a different payment model (e.g. moving from annually to monthly).

As an example, women's media entertainment business, Mamamia's MPlus subscription service provides a reminder approximately six weeks before renewal (Figure 19). Over the past 12 months, the notification has improved which now not only includes email contact for support but also a clear Manage subscription button. Ideally a subscription such as this should not be auto-renewed annually, but the early reminder provides time to make any necessary changes to the subscription. The cancellation page has a clear Cancel button and takes just two simple clicks.

Your subscription will renew soon

This is a friendly reminder that your Mamamia subscription for Mplus-Annual will automatically renew on September 7, 2024.

Your mastercard ending in ●●●● will be charged at that time.

If your billing information has changed, or you would like to cancel your subscription, please use the link below.

[Manage subscription](#)

Questions? Visit our support site at <https://help.mamamia.com.au/en-US> or contact us at support@mamamia.com.au.

Figure 19. Reminder of subscription renewal by Mamamia sent on 24 July 2024.



Use data for good – help non-active users to unsubscribe

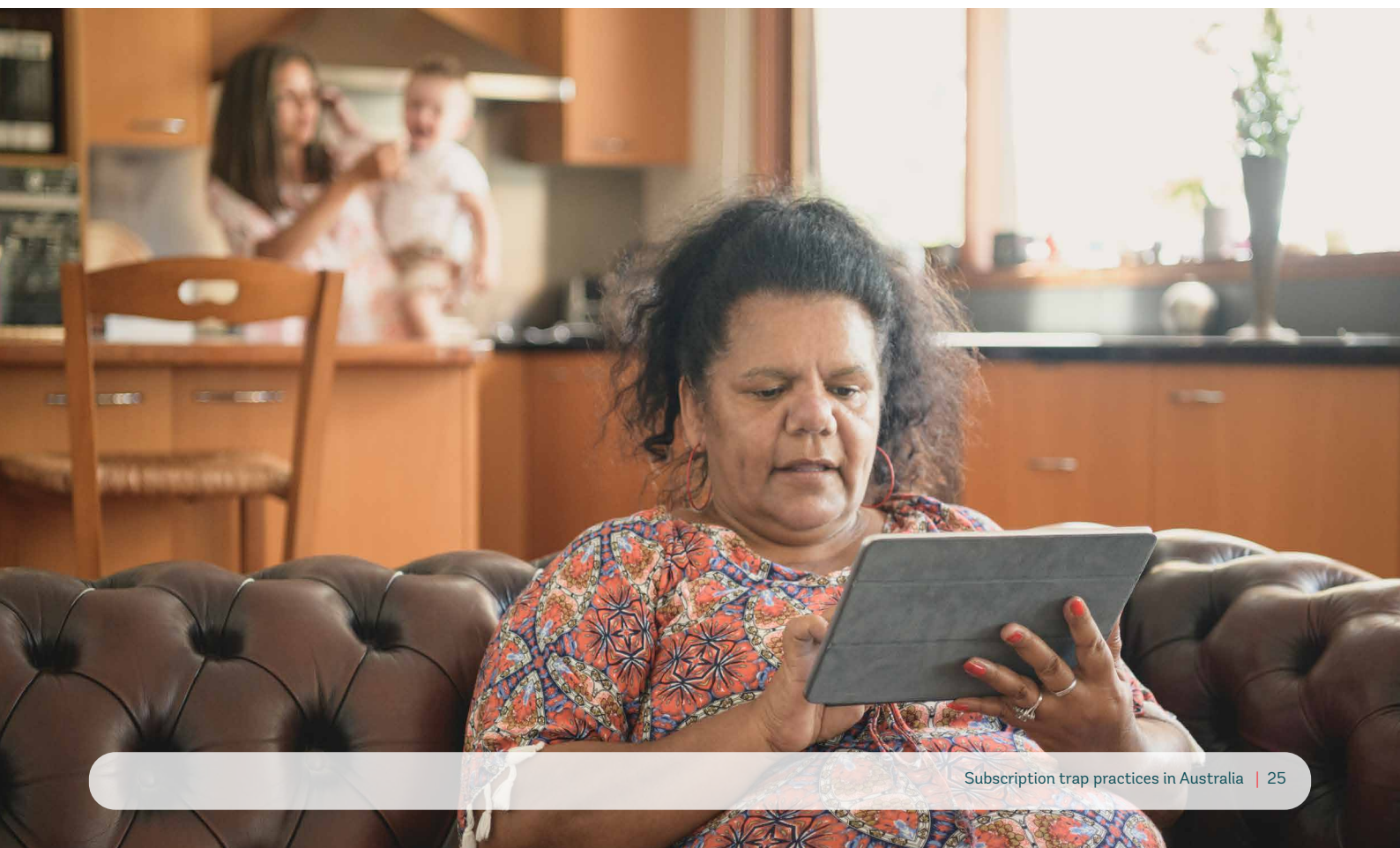
Businesses currently use personal information in many ways including what consumers are offered, what they are excluded from, what they consume and at what price.⁴ Data is often used to benefit business needs, but rarely in the interests of consumers.

One way to use data for good is to conduct regular audits of inactive subscribers – people who are continuing to pay for a service they are clearly not using – and confirm whether they would still like to remain subscribed.

Netflix introduced this practice in 2020 and regularly audits inactive users, automatically cancelling subscriptions if customers fail to respond to the confirmation request.⁵

Enable direct cancellation through bank transactions

Often consumers realise they are paying for a subscription they no longer need or want when they see the charge on their credit or debit card statement. One method to reduce the cancellation friction significantly is provide the option to unsubscribe directly from the bank transaction itself. Here is an opportunity for banks and businesses to work together to significantly reduce the load on consumers. Consumers can currently cancel direct debits by contacting their bank but this typically requires someone to call, go to a branch or to use a chat function. Banks could evolve this by offering an automatic direct debit cancellation option in apps or online.



Where to from here?

This research report on subscription traps is part of our series of research into deceptive and manipulative online designs. Our research continues to show the need for a shift in business practices and law reform to genuinely protect consumers from harm. Businesses can make changes now but ultimately laws should be updated to protect everyone from harmful subscription practices.

Reducing the mental load of subscriptions

Around the world, jurisdictions are either relying on their existing laws addressing unfair business practices or are codifying a ban on dark patterns into legislation to ensure consumers are protected from such practices. Below are some of the most relevant developments:

European Union (EU):

The Digital Services Act (DSA) came into force in February 2024 which specifically calls out dark patterns that present non-neutral, biased choices or make the cancellation process more difficult than the sign-up process.⁶ Dark patterns are also prohibited via the EU's Unfair Commercial Practices Directive (UCPD)⁷ which has been utilised to shift subscription processes of Amazon Prime to a simple two-step process.⁸

United States (US):

The US Federal Trade Commission (FTC) has relied on its unfair trading prohibition under Section 5 of the Federal Trade Commission Act to take action against dark patterns.⁹ One of many examples includes FTC filing a complaint against Amazon in June 2023 for using dark patterns to trick consumers into subscribing to Amazon Prime services.¹⁰

California, US:

In March 2021, the US state of California, strengthened its 2018 California Consumer Privacy Act which banned dark patterns that have, "... *the substantial effect of subverting or impairing a consumer's choice to opt-out*".¹¹ Specifically, it now applies to practices such as using confusing or persuasive language about why they shouldn't opt-out and forcing users to navigate through unnecessary steps.

United Kingdom:

Later in 2024, the Digital Markets, Competition and Consumers Act will come into force where use of dark patterns will be prohibited to sell products and services. Specifically the UK Government notes that managing subscriptions will be easier under the new Act and give more power to the Competition and Markets Authority (CMA) to tackle dark patterns more broadly.¹² In the meantime, in November 2022, the Competition and Markets Authority (CMA) undertook its first investigation into dark patterns, leaning specifically on its Unfair Trading Regulations 2008.¹³

India:

In November 2023, the Central Consumer Protection Authority (CCPA) released guidelines banning dark patterns, including subscription traps. Failure to meet the guidelines will result in penalties.¹⁴

What about Australia?

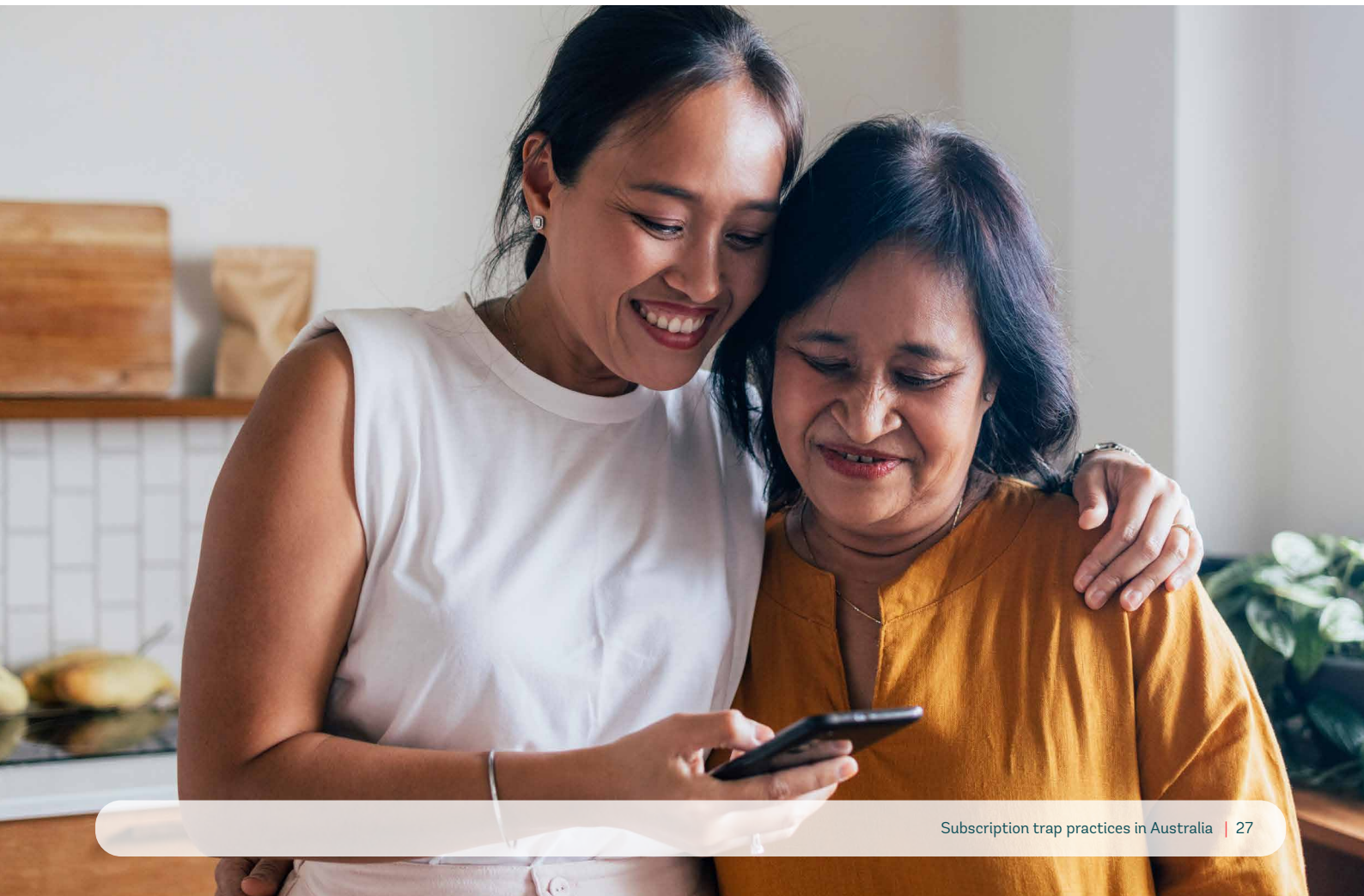
Australians deserve the protections that other consumers have enjoyed for several years, and in some cases, decades.

Establishing a law that requires businesses to offer simple, easy opt-out cancellation options is not a new concept in Australia. In 2018, the National Consumer Credit Code was amended to allow easier online credit card cancellation options after a Senate Inquiry found that consumers could easily sign up for a credit card but typically had to take multiple complex steps to cancel.¹⁵ However, beyond this one specific example, Australian laws do not require fair subscription practices.

Australia has major gaps in its consumer law framework that prevent regulators from taking action against dark patterns. As explored in past CPRC work, the Australian Consumer Law can only effectively be used against dark patterns that mislead or deceive customers or involve unfair contract terms. Dark patterns, including subscription traps, that rely on trickery and manipulation are very unlikely to be captured by current protections.

The next step for Australia is to introduce a law against unfair business practices. To be effective however, the law will need to incorporate a general prohibition in combination with an evolving 'blacklist' of practices that address specific unfair business practices, such as subscription traps and other dark patterns.¹⁶ To ensure the law can keep up with current and future practices, the Australian Competition and Consumer Commission (ACCC) should have the power to add to the 'blacklist' of practices instead of these practices being enshrined in legislation.

In comparison to consumers around the world, Australians should no longer be subjected to more complex and unnecessary steps to cancel the same service from the same provider.



Endnotes

- ¹ See: <https://www.unicef.org.au/donate/paddington-s-postcards>
- ² Federal Trade Commission, 2024, *FTC Takes Action Against Adobe and Executives for Hiding Fees, Preventing Consumers from Easily Cancelling Software Subscriptions*, <https://www.ftc.gov/news-events/news/press-releases/2024/06/ftc-takes-action-against-adobe-executives-hiding-fees-preventing-consumers-easily-cancelling>
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- ⁴ CPRC, 2023, *Not a fair trade – Consumer views on how businesses use their data*, <https://cprc.org.au/report/not-a-fair-trade-consumer-views-on-how-businesses-use-their-data/>
- ⁵ The Verge, 2020, *Netflix is making it easier for people to cancel their subscriptions*, <https://www.theverge.com/2020/5/21/21266318/netflix-cancel-subscription-1-2-years-members-global>
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- ⁹ Section 5 of the Federal Trade Commission Act (US) is available at: Section 5 of the Federal Trade Commission Act (US) is available at: <http://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title15-chapter2-subchapter1&edition=prelim>
- ¹⁰ WilmerHale, 2023, *FTC Targets “Dark Patterns” in Actions Against Amazon and Publishers Clearing House*, <https://www.wilmerhale.com/insights/client-alerts/20230814-ftc-targets-dark-patterns-in-actions-against-amazon-and-publishers-clearing-house>
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- ¹² UK Government, 2024, *Digital Markets, Competition and Consumers Act receives Royal Assent*, <https://www.gov.uk/government/news/digital-markets-competition-and-consumers-act-receives-royal-assent>
- ¹³ Burges Salmon, 2023, *UK set to clamp down on Dark Patterns in E-Commerce*, <https://blog.burges-salmon.com/post/102ic5l/uk-set-to-clamp-down-on-dark-patterns-in-e-commerce>
- ¹⁴ The Times of India, 2023, *Government bans e-commerce firms from using ‘dark patterns’*, <https://timesofindia.indiatimes.com/india/government-bans-e-commerce-firms-from-using-dark-patterns/articleshow/105668112.cms>
- ¹⁵ Australian Government, *Consumer credit reforms*, Last accessed: 20 June 2024, <https://ministers.treasury.gov.au/sites/ministers.treasury.gov.au/files/2020-09/Consumer-credit-reforms-fact-sheet.pdf>
- ¹⁶ CPRC, 2022, *How Australia can Stop Unfair Business Practices*, <https://cprc.org.au/report/how-australia-can-stop-unfair-business-practices>



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