

## Eighth Circuit Blocks FTC's Click-to-Cancel Rule

11 July 2025

Earlier this week, the U.S. Court of Appeals for the Eighth Circuit vacated the Federal Trade Commission's (FTC) "[Click-to-Cancel](#)" Rule – which would have amended the preexisting Negative Option Rule – just days before it was set to be enforced on July 14, 2025.

The Click-to-Cancel Rule would have required companies offering subscriptions, autorenewals or other recurring payment arrangements to implement a number of features aimed at clarifying consumers' payment obligations, including adding clear disclosures regarding the amount and frequency of charges, obtaining express affirmative consumer consent to recurring payments, and, as the name suggests, offering simple and accessible cancellation mechanisms. We provided a more detailed overview of the Rule's requirements in a [previous client Alert](#).

The FTC faced a number of legal challenges immediately after the revised rule was announced in late 2024. These lawsuits were consolidated before the Eighth Circuit, which issued a decision on July 8, 2025, vacating the rule after finding that the FTC failed to comply with a procedural step under Section 22 of the FTC Act requiring the commission to first issue a preliminary regulatory analysis when an amendment to a rule is expected to have an annual economic impact exceeding \$100 million.

The FTC has not announced whether it will appeal the Eighth Circuit's decision. As we noted in our prior *Alerts* ([here](#) and [here](#)), FTC Chair Andrew Ferguson indicated an intent to enforce the rule, notwithstanding his dissent from the rule on similar procedural grounds when it was first issued. Unless the decision is stayed or ultimately reversed, the rule will not go into effect on July 14, 2025, and the provisions of the rule that went into effect in January 2025 have been vacated.

The Eighth Circuit's decision has no impact on similar state laws or other federal statutes and regulations governing negative options, including the California Auto-Renewal Law, the Restore Online Shoppers' Confidence Act and the original Negative Option Rule.

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## Suggested Reading

- 20 May 2025 Kirkland Alert FTC Further Delays Compliance Deadline for Negative Option Rule
- 21 October 2024 Kirkland Alert FTC Finalizes “Click to Cancel” Rule Governing Subscriptions and Autorenewals

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