



Everything Dealers Need to Know About the FTC's Advertising FAQs

September 21, 2026

Your Presenter



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Agenda

- Federal Advertising Issues
 - Breaking NEWS - FAQs Issued - What is New??
 - State fees - excluded or included?
 - Text messages - ads?
 - In transit v. in production
 - Used vehicle stock photos
- Guardian Overview
- Q&A



**Who is
ComplyAuto?**



By Dealers. For Dealers.

The #1 recommended compliance solution in automotive.



#1

**Recommended
Compliance
Solution**

Endorsed by 44/50
State Dealer
Associations



10,000+

Active Dealers

Across All 50 States



200+

Years Experience

Combined Automotive &
Legal Expertise



44/50

State Endorsements

Many Staff are Former
Dealership Employees



Privacy

FTC Safeguards, Cybersecurity
& Privacy Rights Management



Safety

Environmental Health & Safety



Guardian

F&I, Sales,
and Advertising Compliance



Workforce

HR Policies & Training



ComplyCrypt

Secure end-to-end encrypted
messaging



DealCheck Ai

AI Powered Deal Audits



Federal Advertising Enforcement Update

Recent Federal/State Advertising Enforcement Actions

FTC - 4/2022 - penalty \$10M

[Add-ons, discriminatory practices](#)

RI AG - 3/2023 - penalty \$30,000

[Deceptive sales and advertising practices, add-ons](#)

FTC - 5/2023 - penalty \$3.3M

[Add-ons, discriminatory practices](#)

PA AG - 6/2023 - penalty not specified

[Fraud, failure to provide paperwork](#)

RI AG - 7/23 - penalty \$557,815

[Deceptive sales and adv. practices, add-ons](#)

PA AG - 8/10/2023 - penalty not specified

[Fraud, failure to provide paperwork](#)

AK AG - 8/2023 - \$25K/ violation

[Deceptive sales and advertising practices](#)

FTC + WI AG - 11/2023 - \$1.1M

[Add-ons, discriminatory practices](#)

PA AG - 11/2023 - penalty not specified

[Fraud, failure to provide paperwork](#)

FTC + CT AG - 1/2024 - rescission/damages sought

[Deceptive sales and advertising practices](#)

OH AG - 2/2024 - Not specified

[Deceptive sales & adv. practices, titling issues](#)

AZ AG - 3/2024 - penalty \$60,000

[Deceptive sales & advertising practices](#)

NY AG - 3/2024 - penalty \$1.9M

[Deceptive sales & advertising practices](#)

MN AG - 4/2024 - penalty not specified

[Deceptive sales & advertising practices](#)

CT AG - 5/2024 - penalty not specified

[Deceptive sales and adv. practices, add-ons](#)

IN AG - 7/17/2024 - penalty \$500,000

[Deceptive sales & advertising practices](#)

FTC - 7/2024 - Nat'l Used Car Dlr - \$1M+

[Deceptive sales and advertising practices](#)

MD AG - 8/2024 - \$10K/ car

[Deceptive sales & advertising practices](#)

KS AG - 8/2024 - penalty \$159,000

[Deceptive sales & adv. practices, titling issues](#)

RI AG - 8/2024 - penalty \$1M

[Deceptive sales and adv. practices, add-ons](#)

FTC - 8/2024 - Admin Complaint

[Deceptive sales and adv. practices, add-ons](#)

FTC + AZ AG - 8/2024 - penalty \$2.6M

[Deceptive sales & advertising practices, discriminatory practices, junk fees](#)

FTC + MD AG - 12/2024 - \$10K/ violation

[Deceptive sales and advertising practices](#)

FTC + IL AG - 12/2024 - \$19.8M

[Deceptive sales and advertising practices](#)

AK AG - 12/2024 - penalty \$300,000

[Fees not included in advertised price](#)

AK AG - 1/2025 - penalty not specified

[Doc fees not in online advertised price](#)

CT AG - 1/2025 - penalty \$1.5M

[Various deceptive titling practices](#)

IN AG - 3/2025 - penalty not specified

[Various forms of deceptive practices](#)

MD AG - 3/2025 - \$3M penalty + refunds

[Sales commission fees and undisclosed](#)

[markups and add-on-products](#)

NY AG - 5/2025 - penalty \$3.2M

[Overcharging for lease buyouts](#)

FTC - 3/2026 - Warning letters to 97 dealer groups

[Deceptive pricing](#)

FTC + MD AG - 4/2026 - \$3.1M penalty + \$75M

restitution

[Deceptive pricing, unauthorized add-ons](#)

NY DCWP - 05/2026 - \$130K penalty & restitution

[Deceptive sales and advertising practices](#)

FTC + CT AG - 08/2026 - \$4M penalty

[Deceptive pricing and fee practices](#)

NOTE: Personal Liability - Becoming Standard

Personal Liability Is Real: Joint State and Federal Enforcement Action in Connecticut Sends a Clear Warning to Dealers

By Mark Sanborn, Senior Product and Regulatory Counsel / October 1, 2025



Background of the Case

Federal and state regulators recently brought an enforcement action against a Connecticut dealership and several of its employees that should serve as a cautionary tale for dealerships nationwide. The Federal Trade Commission (FTC) and the Connecticut Attorney General alleged a pattern of deceptive practices that included inflating prices with undisclosed add-ons, charging questionable certification or inspection fees, and misrepresenting government registration costs. The action did not stop at the dealership; it also

- Generally will bring claims against the dealership as well as individual owners and managers
- In one CT case (related to advertising and F&I violations) claims brought against individual principals, sales managers, a general manager, and a finance manager.
- Individual personal liability has consistently been asserted in recent actions

FTC Warning to Dealers - March 13, 2026

**FEDERAL TRADE COMMISSION**
PROTECTING AMERICA'S CONSUMERS

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For Release

FTC Warns 97 Auto Dealership Groups About Deceptive Pricing

Letters stress the need for truthful and transparent pricing in the automotive industry

March 13, 2026 |   

Tags: [Consumer Protection](#) | [Bureau of Consumer Protection](#) | [deceptive/misleading conduct](#) | [Automobiles](#) | [Advertising and Marketing](#)

The Federal Trade Commission is [sending letters](#) to 97 auto groups nationwide, warning them that the prices they advertise must be the total price—including all mandatory fees—that consumers will be required to pay.

The letters encourage dealers to review their advertising and pricing practices, including ensuring advertised prices include all fees consumers will be required to pay when buying a vehicle. At a minimum, this includes evaluating advertised prices to ensure they match actual prices charged to consumers. The FTC will continue to monitor the marketplace, the letters state, and will take additional action as warranted to ensure compliance with the FTC Act and other rules the

Warning Letters

[Related Warning Letters](#)

Topics

[Protecting Consumers](#)

[The Auto Marketplace](#)

“Illegal” Pricing Practices Cited by the FTC

1. Advertising a price that does not reflect all required fees;
2. Advertising a price that reflects rebates or discounts not available to all consumers;
3. Advertising a price that fails to account for an additional required down payment;
4. Conditioning the advertised price on the consumer using dealer financing;
5. Requiring consumers to purchase additional items not reflected in the advertised price; and
6. Advertising unavailable or non-existent vehicles.

NOTE: These are listed as “examples” not an exhaustive list.

Current Status / Outstanding Issues

- FTC promised an FAQ document to address outstanding questions
- A number of federal and state enforcement actions currently in progress
 - Expect to hear in the coming months....
- Many dealers taking steps to comply
 - If you are not, you are increasingly sticking out
- The “reporting” of dealers by other dealers is at a fever pitch (see [FAQ 14](#))
- Remember that advertised price must be consistent across platforms
 - Many are working through challenging technical and other difficulties
 - Dealer responsible for ads on all platforms
- State enforcement agencies emboldened and very active
 - Some have issued independent guidance
 - Often looking at different issues or different sides of an issue



The FTC's Advertising FAQs

FTC Issues Dealer Advertising FAQs

- FAQs Issued September 15, 2026
- Long awaited clarification document
- Focus remains on “all-in” price
 - “Pricing Transparency”
- Did seek to clarify a few issues but raised new questions / Left some unanswered
- Our full analysis and recommended next steps — at complyauto.com/ftc-issues-dealer-advertising-faqs
- No grace period: the FTC calls price transparency a decades-old requirement and expects compliance now





Key issues addressed in the FAQs

1 Government Fees - Excluded From the Price?

- Government-required charges such as state tax, may be excluded from adv. price.
- The FAQ says the FTC Act reaches every mandatory charge “*aside from required government charges like taxes.*”
- Any other fees the dealer requires must be included in the advertised price.
- This expressly includes dealer-required fees that:
 - governments authorize but do not mandate and
 - those that the government requires the dealer to pay but that the dealer passes on to the consumer
- Complicated and very state law specific:
 - Who is it paid to? Can/does the dealer mark it up? What is authorizing legislation/reg?

What Fees In My State Must Be Included?

- The FAQ outlines the general tests, but does not detail which fees may be excluded
- ComplyAuto applied the test to every charge in every state.
- Next few slides:
 - The test and where it comes from, and the answer for each kind of charge.
- State-by-state answers, with the citation and reasoning behind each, are with your state association for review and will be released state by state.

The Test and Where It Comes From

- FAQ #2: dealers may exclude only “*government-required charges, i.e., amounts a Federal, State, or local government agency requires the consumer to pay directly.*”
- Everything else must be in the advertised price, including:
 - Fees a government authorizes but does not mandate, and
 - Fees the government requires the dealer to pay that the dealer passes on.
- What “*pay directly*” means: sales tax is collected by the dealer but is still the buyer’s obligation.
 - The test is not who hands over the money, it is who the law makes legally responsible to pay the charge.

The Test in Two Questions

The test in two questions:

(1) Does the law make the buyer responsible for the charge, regardless of who collects it?

If **yes**, you can exclude it from the advertised price.

(2) If **no**, (the dealer is liable for the charge), is it a required vehicle transaction tax that merely falls on the seller (i.e., the state's sales tax substitute in a state with no separate vehicle sales tax)? Or, is it a cost of or tax on the dealer's business/income/inventory, its own fee, or a vendor fee?

If the first (transaction tax that merely falls on the seller), you may exclude it, like sales tax (see 2024 FTC Junk Fee Rule)

All the rest must be included in the advertised price.

Applied to Every Charge, All 50 States

Charge	In the advertised price?
Sales, use or excise tax on the vehicle	Exclude from the price
Title, registration and plate fees	Exclude from the price
Temporary tag or permit	Exclude at the state's price; include any markup
Lemon-law fee the law levies on the buyer	Exclude from the price
Documentary / processing fee	Include in the price
Dealer prep, freight, market adjustment, pre-installed add-ons	Include in the price

Charge	In the advertised price?
Electronic filing / title-service charge	Include in the price; exclude only where a statute puts the fee on the buyer
Emissions testing / smog cert	Include a test the dealer buys; exclude a state certificate fee*
State safety inspection	Include a station charge; exclude a state fee paid at registration
Tire fee	Exclude if charged to the buyer; include if charged to the retailer
Battery / environmental fee	Include where it exists (rare)
Dealer-side tax passed on to the buyer	Include a tax on the dealer's business; exclude a transaction tax on the seller

* Why the emissions row splits: a smog or emissions test is a service the dealer buys from a testing station and passes on, so it is the dealer's own cost and goes in the price. A smog certificate fee is a charge the state levies on the vehicle's registration and makes the buyer pay, so it stays out, like title and registration.

2 The Rules Apply to Ads in Any Medium: (Including Phone Calls and Text Messages w/ a Price)

- Applies to dealership and third-party websites, social media, print ads, and roadside signs
- Internet ads: inventory-search and vehicle-listing pages must show the actual price as the most prominent amount
- **Note - phone calls and text messages** from dealership staff that include a price are ads
- Any price quoted this way must be truthful and transparent
- What does this mean for compliance - how do you prove?
 - Should consider documenting proof of total price disclosure for all transactions

3 MSRP (and Discounts) Can Be Displayed or Referenced

- MSRP, discounts, and rebates are allowed if the actual price remains the most prominent number
- Prominence depends on placement, not just font size — a smaller MSRP positioned to draw the eye can still violate the rule
- Conditional discounts (e.g., \$1,000 off for first responders) are fine if the full price and discount terms are clear
- “MSRP-only” advertising is prohibited

4 Fee Disclosures Apply to Lease Ads

- The FTC's deception rules apply equally to sales, financing, and leasing
- Key Issue - “Total Amount Due at Signing”
 - Required processing (and other dealer) fees due upfront must be included
 - This replaces the April 2026 position: a processing or doc fee, and an e-filing charge the dealer keeps, are part of the amount due at signing, not a line beneath it
- These requirements don't replace separate obligations under the Consumer Leasing Act (Reg M) or Truth in Lending Act (Reg Z)

5 In Transit Vehicles May be Advertised If Clearly Disclosed

- Advertising a vehicle not physically on the lot (in transit, offsite, inventory-shared) is not inherently deceptive
- **HOWEVER** - The ad must plainly disclose that the vehicle is not on the lot
- In-transit vehicles must actually be available after arrival — not already allocated to another buyer's order
- Advertising a car that's already sold and delivered, just to lure shoppers in, is a prohibited bait-and-switch
- “In transit” cannot describe a car that has not been built: an in-production allocation is not “in transit” or “arriving”
- An in-production vehicle may arguably be advertised if it is clearly and conspicuously labeled as such (not built, not on the lot, expected timing); the farther from delivery, the greater the bait-and-switch risk

6 Vehicle Photos Must Not Be Deceptive

- Stock/representative photos are allowed only if truly representative of make, model, condition, and other material features
- More acceptable for new or in-transit vehicles, where units are largely interchangeable
- Used vehicles rarely match one another — consumers reasonably expect the photo to show the actual car for sale
 - Consider using “photos coming soon” for used vehicles until actual photos available
- Stock photo disclaimer:
 - “Stock photo above is illustrative only, may not be the exact vehicle”

7 OEMs Share Accountability For Violations

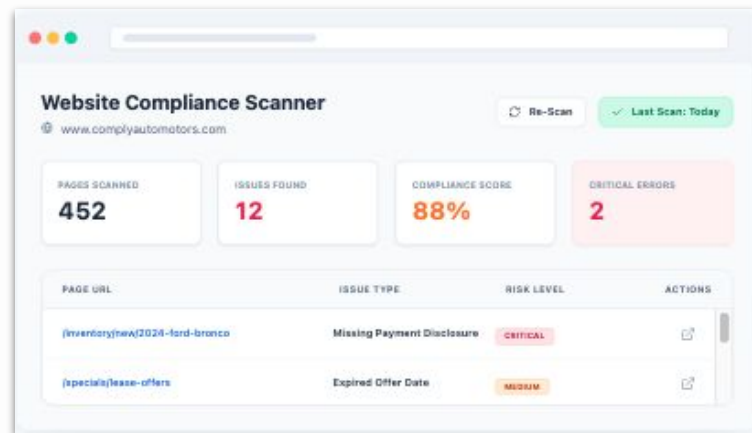
- Everyone with control over an ad shares responsibility: dealers, third-party advertisers, and OEMs
- Dealers must supply the correct price, ensure it's displayed prominently, and avoid contradictory internal instructions
- OEMs must ensure their own policies and practices don't conflict with these requirements
- Dealers remain responsible for ads under their name even if an OEM or third party controlled the ad



ComplyAuto Guardian

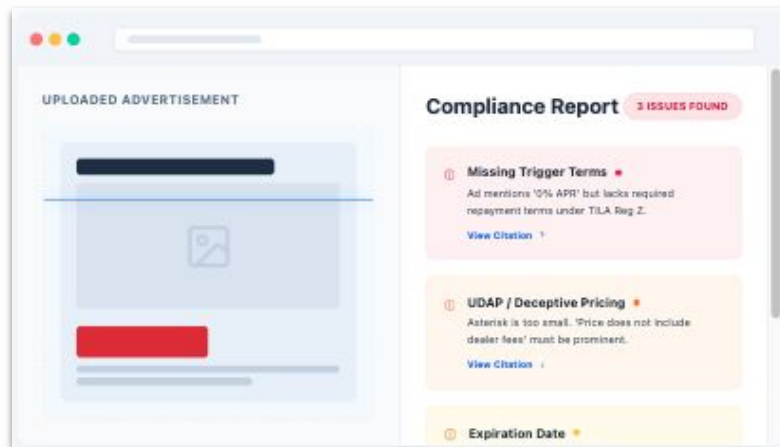
Ad Web Scanner

- **Automated crawl of every VDP**, with monthly, weekly, or custom scan cadence
- Catches the **state nuance** that joint FTC/state AG enforcement actions hinge on
- **Specific legal citations** (federal code, state admin rules, AG guidance, case laws) with risk ratings
- **Enterprise dashboard** for multi-rooftop management



Ad Analyzer

- AI-powered **pre-publication review** of print, digital, and social media ads
- Catches missing disclosures, trigger term violations, and misleading pricing **before customers see them**
- Cites the **specific federal code or state admin regulation** for every flag
- Covers **hundreds of issues** across federal and all 50 states' laws



Ad Generator

- On-the-fly compliant ad copy and disclaimer generation
- Calculates **accurate finance and lease disclaimers** from deal structure
- **Auto-updates as state laws change**, so your team isn't tracking legal updates
- Upload deal structures from desking sheets or DMS for **instant compliant ad text**

The screenshot displays a web application interface for generating compliant ad copy. It is divided into two main panels: 'Deal Structure' on the left and 'Generated Legal Copy' on the right.

Deal Structure Panel:

- VEHICLE:** A text input field containing '2024 Ford F-150 XLT 4x4'.
- SALE PRICE:** A text input field containing '\$54,900'.
- TERM (MONTHS):** A text input field containing '36'.
- DOWN PAYMENT:** A text input field containing '\$2,999'.
- APR:** A text input field containing '1.9%'.

Generated Legal Copy Panel:

- A 'Copy' button is located at the top right.
- The generated text reads: '451k# 12345. 36 month lease. \$2,999. COMPLIANT signing. Excludes tax, title, license, and dealer fees. \$8 security deposit. 10,000 miles per year, \$8.23/mile thereafter. 1.9% APR financing for 60 months = \$17.48 per \$1,000 financed. with approved credit through Ford Motor Credit. Offer expires 3/31/2026.'
- A section titled 'Why this is compliant:' lists the following points:
 - Includes required Trigger Terms (TILA Reg Z)
 - Clearly states "With Approved Credit"
 - Specific lease terms (CLA Reg M) included

NADA Recommend Dealers to Consider Guardian

“

Increasingly dealers know the importance of advertising compliance, and how complicated it can be to manage effectively. ComplyAuto's Guardian product offers a comprehensive approach to help dealers manage this critical issue.

The NADA team has reviewed the product and recommends that dealers consider Guardian as part of their compliance strategy.

”

MS

Mike Stanton
President & CEO, NADA



What Should Dealers Do Now?

Advertising Best Practices



- One all-in price, the most prominent number on every surface. Where your state requires a fee disclosure, put it beside that price as a disclosure, not as a lower “starting” price.
 - Optional add-ons stay optional: the buyer can decline and still get the advertised price; anything pre-installed or unavoidable goes in the price
 - Doesn’t need to be a floor, but should be a ceiling
 - Disclose all conditions in plain language, next to the offer.
- Establish an advertising review process
 - Review your website, third-party listings, and social ads regularly.
 - Train sales and BDC teams on ad compliance basics - including conversations and communications about price
- Consider a reasonable consumer. What would they think?
- Is the vehicle advertised available on the lot?
- Maintain records to prove advertised price = actual price

Ads and F&I Bottom Line

- Dealers should be prepared for *more* enforcement - at the federal and state levels
 - Advertising - primarily price advertising
 - BUT ALSO - F&I practices
- Given the increased scrutiny of dealer practices, dealers should:
 - Maintain vigilant oversight of price advertising
 - Ensure all fees and product costs are clearly disclosed, not hidden in fine print
 - Train staff to avoid payment packing and properly explain product features, costs, and optional nature to customers
 - Implement robust compliance tools and systems to monitor and enforce best practices
 - Ensure you are documenting what is required under your state law
 - And auditing (at the least) your deal jackets to ensure compliance

What Steps Should You Take?

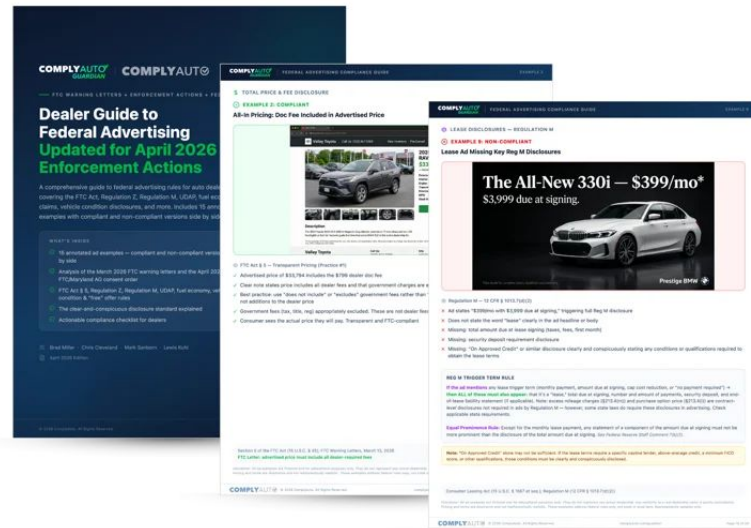
1. **Contact ComplyAuto and see how our Guardian product can help.** Guardian utilizes AI to ensure that all your ads are scanned and reviewed for compliance with federal law as well as all 50-state advertising laws. It is the only tool of its kind, and the most powerful defense that dealers have to protect against advertising claims.
2. **Conduct a comprehensive audit of all current advertising** to confirm that advertised prices reflect all mandatory fees and charges (Guardian can help);
3. **Review any price promotions, rebates, or discount programs** to ensure
 - a. Only part of the advertised price if available to all consumers - break out and explain
 - b. For all limited rebates - all eligibility conditions are clearly and conspicuously disclosed;
4. **Examine financing-contingent pricing** to confirm compliance with applicable disclosure requirements;
5. **Review add-on product practices** to ensure no mandatory products are excluded from advertised prices, and;
6. **Train sales and finance staff** on compliant pricing disclosure practices; and
7. **Decide, fee by fee:** include it in the advertised price or stop charging it as a separate line. There is no third option. Where your state requires a fee to be shown separately, disclose it beside the all-in price.

Download the ComplyAuto Dealer Guide to Federal Advertising

- Updated to ensure compliance with standard set forth in the FTC's recent enforcement actions and warning letters to over 97 auto groups.
- Covers the FTC Act, Regulation Z, Regulation M, UDAP, fuel economy claims, vehicle condition disclosures, and more.
- Includes 19 annotated ad examples with compliant and non-compliant versions side by side.



Scan the QR Code to download the guide or visit:
<https://share.hsforms.com/2F6o3ntKSRmaCf5EXAafBGwd8yhnn>





Questions?

We're here to help! Questions?



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Schedule a demo

10,000+ active
dealers across all
50 states

44/50 state
dealer association
endorsements

COMPLYAUTO 