



## NEWS RELEASE

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## Box.com Ordered to Pay Fines and Fees for Automatic Renewal Violations

The cloud-storage provider, Box.com has been ordered to pay \$274,000 in penalties, costs, and restitution in a civil law enforcement case alleging customers were automatically charged for ongoing subscriptions without their express consent, the Los Angeles County District Attorney's Office announced today.

A task force of local prosecutors, including the District Attorney's Office and led by the Santa Monica City Attorney and Santa Barbara County District Attorney's offices, found that Box, Inc.'s site was automatically renewing customer payments without their express prior consent as required by federal and state law.

Under a judgement negotiated with the Redwood City company and signed last week in Santa Barbara County Superior Court, the company was fined \$216,000 in penalties and was ordered to have full transparency with consumers about automatically renewing their cloud-storage accounts. The company now must:

- Clearly and conspicuously disclose the renewal terms;
- Get consumers' consent, through a separate check box (or similar mechanism) that does not include other terms and conditions;
- Send a clear summary of the renewal terms after consumers pay; and
- Allow consumers to cancel easily.

The judgment also orders Box to pay \$24,000 for investigative costs—all of which will be evenly divided among the prosecutors' offices that brought the case. In addition, Box must pay \$34,000 to the Consumer Protection Prosecution Trust Fund.

Online "subscriptions" and other automatically recurring charges often come after "free trials," where consumers need to cancel in time to avoid the charges.

Federal and state law requires businesses to make these auto-renewals clear to consumers and to get their “express, affirmative consent” – before they collect any money.

The California Auto Renewal Task Force (CART) investigates businesses to look for violations of California and federal statutes regulating auto renewal contracts. The members of CART also include the district attorneys of San Diego, Santa Clara and Santa Cruz counties.

Box cooperated with the prosecutors to reach this resolution and has already taken steps to correct its violations.

Deputy District Attorneys Seza Mikikian and Duke Chau of the Consumer Protection Division handled the case on behalf of our office.

#### **[About the Los Angeles County District Attorney's Office](#)**

Los Angeles County District Attorney Jackie Lacey leads the largest local prosecutorial office in the nation. Her staff of nearly 1,000 attorneys, 300 investigators and 800 support staff members is dedicated to protecting our community through the fair and ethical pursuit of justice and the safeguarding of crime victims' rights.