

# Free Trial Scams in Nova Scotia



Consumer Protection Nova Scotia

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Oct 25 · 4 min read

## What is a Free Trial Scam?

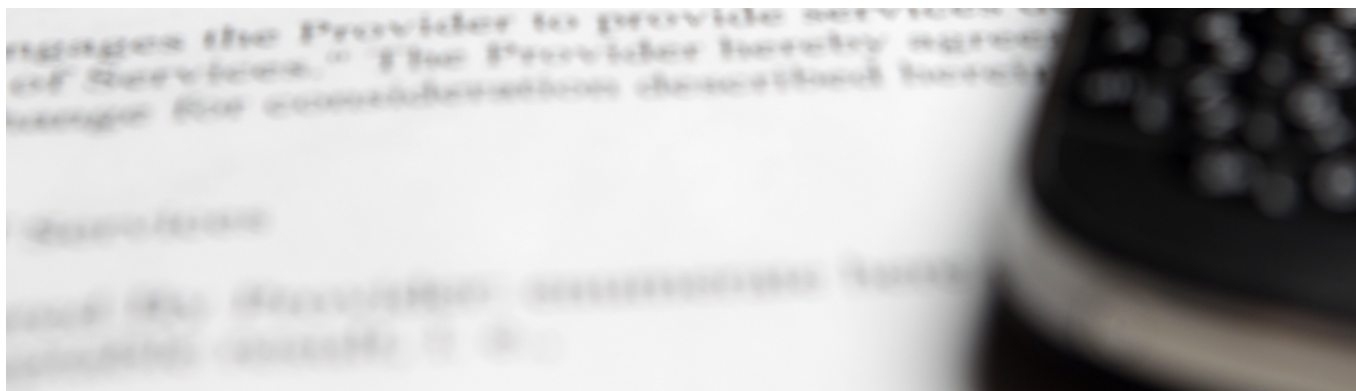
Thousands of consumers have been impacted by free trial scams, also known as subscription traps. The scams offer free trials over a period of time, often 30 days, to products like health supplements, beauty products, weight loss pills, or pharmaceuticals.

Consumers come into contact with these trials through pop-up surveys or advertisements displayed on established websites, social media, online communities, or dating sites.

To receive a free product trial, consumers are typically asked to provide a credit card number to cover shipping costs. At this point in the transaction, they unknowingly agree to pay recurring fees that are buried in the terms and conditions of the trial. If the service is not cancelled within the trial period, consumers are automatically enrolled in a subscription and continue to receive products. At the same time, their credit card is charged a subscription fee that can total hundreds of dollars each month.

Charges will continue until the merchant is contacted and the subscription is cancelled.





### **How to Protect Yourself from a Free Trial Scam:**

- Research the company. Read reviews from other customers, ideally on multiple websites. Some companies will set up fake review websites and create phony celebrity endorsements. To be certain, look for a company listing on the Better Business Bureau.
- Find the terms and conditions of the offer. Don't sign up for a trial if you can't locate or understand the terms and conditions. Pay special attention to cancellation policies, return policies, or mention of charges.
- Watch out for pre-checked boxes. If you sign up for a trial online, look for any checked boxes on the application or payment form. The checkmark may give the company permission to send additional products or enroll customers in subscriptions.
- Beware of advertisements online. Banner ads or promotional materials that appear online are not always affiliated with the website you are visiting.
- Mark your calendar. Know when free trials expire so that you can decide to cancel or continue with a subscription before you are automatically enrolled.
- Review your credit card statements. Check your account regularly for unauthorized charges and contact your credit card company if any appear.

### **How to Respond if you are a Victim of a Free Trial Scam:**

1. Gather all evidence about the fraud. Keep copies of documents, receipts, emails, text messages, or shipping envelopes that document the process.

2. Contact your financial institution and credit card provider. Speak to your financial institution about placing flags on your account and report the incident to the credit bureaus Equifax and TransUnion.
3. Change passwords linked to any online accounts that may be impacted. This includes online banking, social media, and online payment accounts.
4. Contact the Canadian Anti-Fraud Centre. Fraudulent activity can be reported online at [www.antifraudcentre.ca](http://www.antifraudcentre.ca) or by phone at 1-888-495-8501.
5. Report the incident. Many social media, e-commerce, and dating sites provide users with a “report an ad” option. Let site administrators know about the free trial scam.

### **Know Your Rights As A Consumer**

In Nova Scotia, Internet sales contracts are governed by the *Consumer Protection Act* and the *Internet Sales Contract Regulations*. Below is a summary of information that relates to consumers' rights when entering or cancelling Internet sales contracts.

#### ***Internet Sales Contracts and the Disclosure of Information***

Consumers should receive an accurate description of the goods or services being sold along with information related to cancellation, return, or refund policies. They should also have access to the terms, conditions, and methods of payment, as well as the amount of each payment. Finally, consumers should receive a copy of the Internet sales contract from the supplier.

#### ***Cancelling an Internet Sales Contract***

Consumers may notify a supplier of their intent to cancel an Internet sales contract by email, mail, and phone. If you are a victim of a free trial scam, it is recommended that you provide cancellation notice to the supplier in writing and keep a copy for your records.

#### ***Submitting a Request to Reverse Credit Card Charges***

Financial institution or credit card issuers require information from consumers reporting free trial scams or subscription fees. Before contacting these institutions, consumers

should have the credit card used to pay for the subscription on hand. They will also be asked for the supplier's name, the date they entered the Internet sales contract, a description of services, the dollar amount charged, the reason for cancellation and the date the supplier was contacted regarding cancellation.

### ***Multi-Level Marketing***

Health supplements and beauty products are frequently sold by multi-level marketers as well. If you're concerned that you've signed up to be an entrepreneur as well as a customer, read our blog entry on multi-level marketing and pyramid sales.

To learn more about your rights as a consumer, please visit the Consumer Awareness site (<https://novascotia.ca/sns/access/individuals/consumer-awareness.asp>) maintained by Access Nova Scotia.

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