



Explaining Junk Fees

How Companies Scam Consumers

What are junk fees?

Junk fees are **deceptive charges designed to confuse consumers**, hide the full price, or exploit their limited options. Some common junk fees include excessive overdraft fees, fees to pay your bill, resort fees at hotels, airline family seating fees, and restaurant living wage fees.

How do junk fees hurt consumers?

The prevalence of junk fees is widespread, **collectively costing Americans nearly \$65 billion a year**. It's estimated that some Americans are paying over \$1,000 per year.

How can you protect yourself from junk fees?

Although the widespread nature of junk fees can be overwhelming, here are some **useful tips to help minimize the damage**.

- Don't hesitate to walk away from the transaction if you are uncomfortable with any additional fees.
- Prior to making any payments, signing documents, or providing agreements, ensure you have thoroughly read and understood everything.
- Keep copies of all relevant documents, such as receipts, agreements, emails, and texts.
- If you come across something you find unclear, always inquire about the purpose of the fee involved. Obtaining written clarification is preferable.

What actions are being taken to root out junk fees?

The Biden Administration is **reining in junk fees**, including:

- Pushing banks to eliminate surprise overdraft fees and bounced check fees, which has already saved consumers over \$3 billion.
- Moving to reduce excessive credit card late fees from roughly \$30 to \$8, saving consumers as much as \$9 billion a year.
- Requiring internet companies to disclose their monthly prices, fees, and internet speeds.
- Holding airlines accountable through banning fees for parents to sit with their child, requiring the full price of a ticket to be disclosed upfront, and publishing an online dashboard to compare prices and policies.

Some states are also following the Biden Administration's example and passing their own laws to reduce junk fees. In California, lawmakers are leading legislation to reveal hidden fees and limit add-on charges in rental cars, rental housing, event ticketing, and lodging.

Congresswoman Katie Porter supports actions to **increase pricing transparency, reduce costs, and hold corporations accountable**.