FTC Price Advertising Update: What Wisconsin Dealers Need to Know (Service Fees & Compliance)

Video Presentation Text : FTC Price Advertising

Hi, everyone. I'm Sue Miller with the Wisconsin Automobile & Truck Dealers Association.

I want to take a few minutes to walk through an important update on vehicle price advertising — specifically service fees and other add-on charges — and what recent action by the Federal Trade Commission means for Wisconsin dealers.

There's been a lot of discussion, and understandably some questions, about how federal enforcement guidance interacts with Wisconsin advertising rules. Our goal today is to give you clear, practical guidance on how to reduce risk and stay compliant.

Historically, Wisconsin dealers have followed state advertising law when advertising vehicle prices.

Under Wisconsin rules, a dealer may exclude a service fee from the advertised price as long as the exclusion is clearly and conspicuously disclosed. That framework has been in place for years and has been widely relied upon.

However, recent federal activity means dealers should take a fresh look at how prices are being advertised.

Earlier this year, the Federal Trade Commission sent warning letters to 97 dealerships nationwide regarding potential price advertising concerns.

These letters were not findings of violations and did not impose penalties. Instead, they outlined how the FTC currently evaluates price advertising under its authority to address unfair or deceptive practices.

According to the FTC, the advertised price of a vehicle should reflect the price a consumer can reasonably expect to pay, aside from required government charges such as tax, title, and registration.

In that context, the FTC has indicated that dealer-imposed fees and pre-sale add-ons, including service fees and other required products, should be included when advertising the price of a vehicle.

The FTC has also communicated to national dealer groups that it intends to apply this approach even in states where price advertising is addressed by state law.

That's where things become especially important for Wisconsin dealers.

While Wisconsin's Trans 139 rule permits dealers to exclude service fees from the advertised price, the FTC's current enforcement position emphasizes whether the advertised price accurately reflects the amount a customer will be expected to pay.

From a compliance standpoint, that federal interpretation carries weight.

So what should dealers take from this?

The simplest and most practical guidance right now is this: **Don't make customers do math.**

If a price is advertised, the FTC expects that price to include all dealer-required charges associated with purchasing that vehicle — excluding only tax, title, and registration.

That means:

- Required service fees should be included
- Required pre-installed add-ons should be included
- The advertised price should match the price the customer sees before taxes and government fees

Clear, straightforward pricing is the focus.

This approach aligns with the FTC's emphasis on transparency and reduces the risk that an advertised price could be viewed as misleading even if disclosures are otherwise compliant under state law.

From a risk-management perspective, including required fees in the advertised price is the most defensible position while federal enforcement priorities remain as they are.

We will continue to monitor developments at both the federal and state levels and will keep dealers informed if there are changes or further clarification.

For now, remember:

Clear pricing reduces compliance risk.
Transparent advertising builds trust.
And above all — don't make the customer do math.

Thank you for your time. If you have questions or ideas for a future short video topic, please feel free to contact me at (608) 251-8024 or by email at smiller@watda.org.