



First, until mid-2018, Defendant sent consumers misleading advertisements that tout communications from persons Defendant identified as potentially fraudulent users of Match.com and led consumers to believe that the communications are from persons interested in establishing a dating relationship with them. Second, until mid-2018, Defendant exposed consumers to the risk of fraud by providing recent subscribers access to communications that Defendant knew were likely to have been sent by persons engaging in fraud. Third, until mid-2019, Defendant guaranteed certain consumers a free six-month subscription renewal if they fail to “meet someone special” but failed to disclose the requirements of its “guarantee” adequately. Fourth, Defendant has misled consumers with a confusing and cumbersome cancellation process that causes consumers to believe they have canceled their subscriptions when they have not. Fifth, until mid-2019, when consumers disputed charges relating to any of these practices and lose the dispute, Defendant denied consumers access to paid-for services.

#### **JURISDICTION AND VENUE**

4. This Court has subject ma



12. Defendant's online dating service websites provide consumers a forum where they can contact and communicate with other like-minded people over the Internet, typically for the express or implied purpose of developing romantic relationships.

#### Background

13. Defendant and other online dating service providers allow consumers access to databases of other enrolled consumers to find potential romantic partners, typically based on certain criteria. These criteria include age, gender, sexual orientation, and education. To facilitate finding a compatible person, providers typically enable consumers to interact with one another, often by utilizing Internet-based communications such as email, instant messages, and video or telephone chat.

14. To use an online dating service, consumers must typically first create profiles that contain information about themselves. Within these profiles, consumers are able to upload pictures and to provide descriptive and personal information that is viewable by other consumers using the service.

15. Online dating services, including Defendant's, are often misused to facilitate fraud or to promote dubious or unlawful products or services to consumers. Most notably, online dating services are used to find and contact potential romance scam victims. In these scams, the perpetrator poses as a suitor after establishing a trusting relationship with a consumer, deceives the consumer into giving or loaning the perpetrator money.

16. Consumers have incurred substantial injury from romance scams. Indeed, consumers' losses reported to the FTC and the FBI between 2015 and 2017 totaled an estimated \$884 million. This figure likely underreports the true scale of consumer harm because many victims do not report this type of fraud. In addition, because perpetrators of romance scams

manipulate their victims to exploit their trust and goodwill, these crimes cause significant emotional distress and injury to consumers beyond monetary losses.

#### Defendant's Match.com Dating Service

17. Consumers can purchase Match.com subscriptions in 1-, 3-, 6-, or 12-month packages, and these packages automatically renew for terms equivalent to the original subscription length. Alternatively, consumers may establish free “nonsubscriber” user profiles that allow them to use limited services at no cost. On occasion, consumers may also take advantage of temporary “free trial” offers, which allow consumers to use services that are otherwise generally available only to paid subscribers.

18. Consumers using Match.com create online profiles with photographs and other personal information and can view the profiles of other Match.com users. Consumers create Match.com profiles and purchase Match.com subscriptions to interact with and to establish dating relationships with the members. Consumers using Match.com cannot distinguish nonsubscribers' profiles from subscribers' profiles.

19. Between 2013 and at least mid-2018, consumers who were considering purchasing a Match.com subscription were generally aware that as many as 25-30 percent of Match.com members who registered each day were using Match.com to perpetrate scams. These scams include romance scams, stealing consumers' personal information through “phishing,” promoting dubious or unlawful products or services, and extortion scams, in which a scammer will induce a consumer to send the scammer compromising videos or pictures of the consumer that the scammer then uses to extort money from the consumer by threatening to send the materials to the consumer's friends or family.

## Defendant's Use of Communications from Legitimate Users to Generate Deceptive Advertisements and Sell Subscriptions

20. Nonsubscribers' ability to communicate with other Match.com users is restricted. Generally, nonsubscribers have been able to send limited communications, such as "likes" and, until May 2018, "favorites" and "winks," to other users, but not any communications with personalized messages. Subscribers, in contrast, have been able to send other users personalized "emails" and, until April 2017, "instant messages."

21. Nonsubscribers are also unable to read personalized communications they receive from Match.com users or to view the identities of users that interact with them through likes or favorites. Instead, Defendant sends nonsubscribers advertisements notifying them of these communications and encouraging them to upgrade to paid subscriptions so that they can view and respond to these communications, and otherwise use all of Match.com's available features.

22. Consumers are often unaware that in many instances, communications received through Match.com are not from users interested in establishing dating relationships, but are instead from persons seeking to perpetrate a scam. For example, in some months between 2013 and 2016, more than half of instant messages and favorites that consumers received originated from accounts that Defendant identifies as "fraudulent," meaning that Defendant determined the Match.com user was likely to be perpetrating some form of scam.

23. Defendant used these fraudulent communications to induce consumers to subscribe to Match.com. When consumers received these communications, they also received accompanying advertisements from Defendant encouraging them to subscribe to Match.com in order to view the content of the communication and the identity of the sender. These advertisements did not disclose whether Defendant had identified the Match.com user as likely to

attempt to defraud the consumer receiving the message or as requiring further review by Match's fraud review process due to the likelihood that the user is engaging in fraud.

24. Specifically, when nonsubscribers have received likes, favorites, emails, and instant messages on Match.com, they have also





30. When consumers contact Defendant to complain about subscribing to Match.com only to receive a notification that a sender's account is "unavailable," Defendant has replied, "Please be assured, Match.com does not send members misleading notifications, e-mails or winks professing romantic interest. We have much respect for our members to ever compromise their trust. If you have received communications from members with profiles that are not immediately available, the members may have temporarily hidden their profile."

31. Between at least 2013 and mid-2017, Defendant tracked the number of fraud-generated personalized advertisements sent to non-subscribers and those advertisements' effect on Match.com's subscriber numbers.

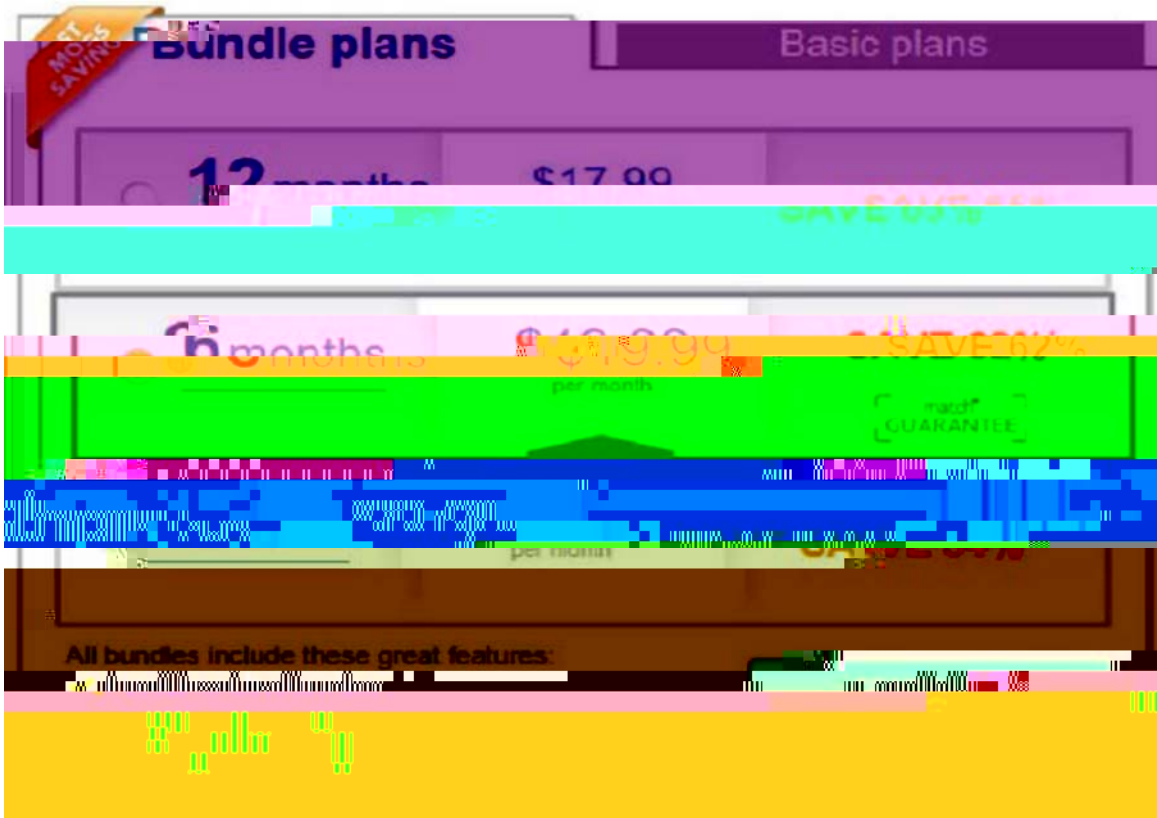
32. Hundreds of thousands of consumers subscribed to Match.com shortly after receiving a fraudulent communication. In fact, Defendant has c

34. Between 2013 and mid-2018, however, Defendant delivered email communications from fraud-flagged users to subscribers while withholding them from subscribers until it had completed its fraud review. For example, a user Defendant flagged as potentially fraudulent had sent three emails to subscribers and three emails to nonsubscribers, Defendant would have withheld the three emails sent to subscribers until its fraud review was complete while allowing the three emails sent to nonsubscribers to reach their recipients.

35. Without this practice, the vast majority of these fraud-flagged Match.com users

Defendant's Use of Deceptive Guarantees to Promote Match.com Subscriptions

38. Consumers interested in using Defendant's online dating services can purchase a subscription from the Match.com website. Until 2019, consumers who visit the Match.com website were offered a "match GUARANTEE" if they purchased a six-month subscription:



39. When consumers hovered their cursors over the "match GUARANTEE" hyperlink, Defendant promised a free six-month subscription to any consumer who purchased a six-month paid subscription but did not "meet someone special" during the first six months:

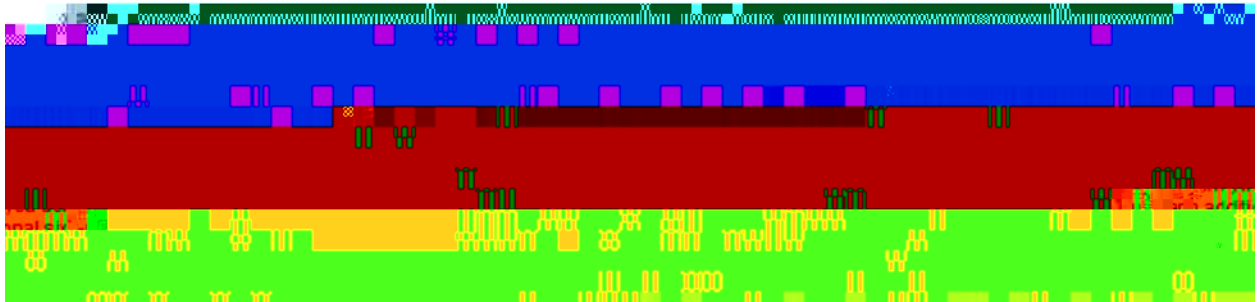


40. Although Defendant's offer did not disclose that the guarantee is subject to any additional terms or conditions, consumers who clicked "Learn more" were directed to a rules page that provided several requirements that the consumer had to satisfy to receive the guarantee.

41. According to the "Learn more" page, consumers had to sign up for a six-month subscription, create a truthful public profile with a primary photo, initiate or respond to communications with at least five unique Match.com members each month, and comply with the guarantee program rules:

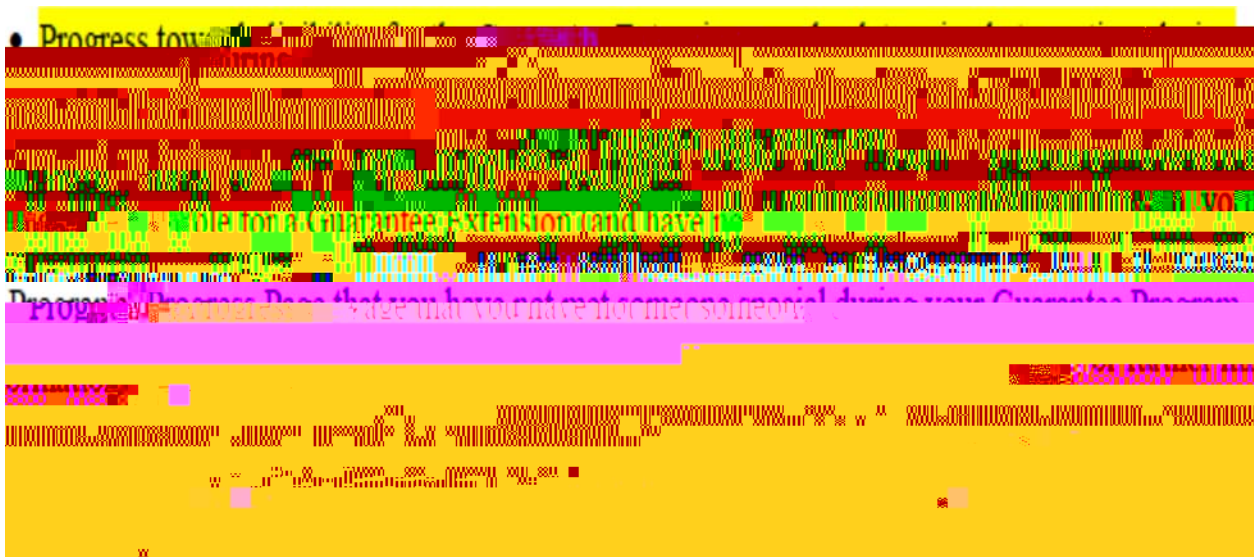


42. Underneath this description, Defendant provided a lengthy “Program Rules” section. This section provided six bolded, individually numbered eligibility rules that explained the requirements further, including both maintaining a public profile photo that is approved by Match.com and contacting five unique Match.com subscribers each month. For example, the rules clarify that to satisfy the primary photo requirement, consumers must submit a photo and have it approved by Defendant within the first seven days of purchasing the guarantee:



43. After the numbered list of rules, the page contained several unnumbered paragraphs. Despite containing neither numbers nor conspicuously set off language, these paragraphs contained additional requirements related to consumers' ability to comply with Defendant's Match guarantee program rules.

44. Consumers who continued reading after the numbered list of requirements would find that Defendant's website included a "progress page" tracking their compliance with the guarantee's rules that consumers must access to comply with the offer's terms:



45. Consumers who view the progress page were reminded that they were required to create a public profile with a photograph and to start a conversation with at least five Match.com members each month, but not that they must provide an approved photo within the first seven days of subscribing or that the members they contact must be subscribers:

46. In numerous instances, however, consumers were unaware of the existence of the progress page and did not understand the requirements of the guarantee.

47. Consumers who continued reading after the numbered list of requirements and the progress page description would also find an addi

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58. Thousands of consumers have complained about Match.com's cancellation procedures. They have also claimed that Defendant has billed them after they believed they effectively canceled their Match.com subscriptions.

59. Defendant's executives have acknowledged that Match.com's cancellation process is "convoluted and confusing." Defendant's head of customer service stated in 2016, for example, that "it's been the same complaint for the past decade that I've seen with Match . . . It takes up to 7 or 8 clicks to complete the flow to turn off [subscriptions] if you can even figure out how to do it."

#### Defendant's Terminating Accounts in Response to Billing Disputes

60. Because of Defendant's deceptive advertising, billing, and cancellation practices, consumers often raise billing disputes with Defendant. In numerous instances, consumers dispute Defendant's charges through their financial institutions.

61. When consumers dispute these charges, Defendant contests the disputes. Until mid-2019, when Defendant prevailed in a billing dispute, Defendant often failed to provide consumers access to their Match.com accounts to use subscription services that the consumers paid for. Instead, Defendant terminated the consumers' accounts and deleted their profiles.

62. In fact, Match.com's Terms of Use warn that if Defendant "successfully disputes the reversal [of charges] and the reversed funds are refunded, you are not entitled to a refund or to have your account or

charge. Thus, consumers who disputed a charge do not the dispute often had remaining time in their 3-, 6-, or 12-month subscriptions and have been banned from accessing the services they paid for.

64. Based on (a) Defendant's long history of continuous conduct of the type described above; (b) Defendant's continued use of the practices challenged above—including delivering communications from fraud-tipped accounts sent to nonsubscribers while withholding them from subscribers—after learning of the Commission's investigation; (c) Defendant's continued use of the personalized advertisements, guess offers, cancellation practices, and account termination practices described above; and (d) the ease with which Defendant can engage in or resume similar conduct, the FTC has reason to believe that Defendant is violating or is about to violate laws enforced by the Commission.

#### VIOLATIONS OF THE FTC ACT

65. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts or practices in or affecting commerce."

66. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

67. Acts or practices are unfair under Section 5 of the FTC Act if they cause or are likely to cause substantial injury to consumers that consumers cannot reasonably avoid themselves and that is not outweighed by countervailing benefits to consumers or competition. 15 U.S.C. § 45(n).

#### Count I Misrepresentation Regarding Users of Defendant's Service

68. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of its online dating service, Defendant has represented, directly or

indirectly, expressly or by implication, that communications received by consumers using Match.com are from people interested in establishing a dating relationship with those consumers.

69. In truth and in fact, in numerous instances in which Defendant has made the representation set forth in Para

indirectly, expressly or by implication, that consumers would receive a free six-month subscription if they purchased a six-month Match.com subscription and did not “meet someone special” during that initial six-month period on Match.com.

79. Therefore, Defendant's practices as described in Paragraph 77 above constitute unfair acts or practices in violation of the FTC Act, 15 U.S.C. §§ 45(a) and 45(n).

#### VIOLATIONS OF THE RESTORE ONLINE SHOPPERS' CONFIDENCE ACT

80. In 2010, Congress passed ROSCA, 15 U.S.C. §§ 8401-05, which became effective on December 29, 2010. Congress passed ROSCA because "[c]onsumer confidence is essential to the growth of online commerce. To continue its development as a marketplace, the Internet must provide consumers with clear, accurate information and give sellers an opportunity to fairly compete with one another for consumers' business." Section 2 of ROSCA, 15 U.S.C. § 8401.

81. Section 4 of ROSCA, 15 U.S.C. § 8403, generally prohibits charging consumers for goods or services sold in transactions effected on the Internet through a negative option feature, as that term is defined in the Commission's Telemarketing Sales Rule ("TSR"), 16 C.F.R. § 310.2(u), unless the seller (a) clearly and conspicuously discloses all material terms of the transaction before obtaining the consumer's identifying information, (b) obtains the consumer's express informed consent before making the charge, and (c) provides a simple mechanism to stop recurring charges. See 15 U.S.C. § 8403(1)–(3).

82. The TSR defines a negative option feature as "an offer or agreement to sell or provide any goods or services, a provision under which the consumer's silence or failure to take an affirmative action to reject goods or services or to cancel the agreement is interpreted by the seller as acceptance of the offer." 16 C.F.R. § 310.2(w).

83. Pursuant to Section 5 of ROSCA, 15 U.S.C. § 8404, violation of ROSCA is treated as a violation of a rule promulgated under Section 18 of the FTC Act, 15 U.S.C. § 57a.

Count V

Failure to Provide a Simple Mechanism for Consumers to Stop Recurring Charges

84. In numerous instances, in connection with charging consumers for goods or services sold in transactions effected on the

ed to Stop Recurring Charges on credit card, debit card,



§ 701 (amending the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461), as amended, and as implemented by 16 C.F.R. § 1.98(d), authorizes this court to award monetary civil penalties of not more than \$42,530 for each violation of ROSCA. The Defendant's violations of ROSCA were committed with the knowledge required by Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).

89. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 5 of ROSCA, 15 U.S.C. § 8404, authorize this Court to grant such relief as the Court finds necessary to redress injury to consumers resulting from Defendant's violation of ROSCA, including the rescission or reformation of contracts and the refund of money.

#### PRAYER FOR RELIEF

90. Wherefore, Plaintiff FTC, pursuant to Sections 5(a), 5(m)(1)(A), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 45(m)(1)(A), 13(b), and 57b, and Section 5 of ROSCA, 15 U.S.C. § 8404, and the Court's own equitable powers, requests that the Court:

- a. Enter a permanent injunction to prevent future violations of the FTC Act and ROSCA by Defendant;
- b. Award monetary civil penalties from Defendant for every violation of ROSCA;
- c. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendant's violations of the FTC Act and ROSCA, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and
- d. Award Plaintiff the costs of bringing this action, as well as such other and

Respectfully submitted,

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