In the News:

Amazon to refund millions of Prime customers in $2.5 billion FTC settlement

The Federal Trade Commission accused Amazon of using "deceptive" tactics to sign customers up for Prime subscriptions that were difficult to cancel.

Mary Walrath-Holdridge, Jessica Guynn and Bailey Schulz USA TODAY

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Situation

In June of 2023, the Federal Trade Commission (FTC) filed an antitrust lawsuit against Amazon, alleging that the company enrolled millions of consumers in Prime subscriptions without their consent and that the subscriptions were hard to cancel

Documents were found indicating that Amazon executives and employees knew about the issues with the Prime enrollment and cancellatoin process

Amazon and FTC went to court on September 24, 2025.

Amazon argued that its practices exceed industry transparency standards and that it spends millions to improve customer experiences



Company’s Response

September 25, 2025
Amazon’s Statement

"Amazon and our executives have always followed the law and this settlement allows us to move forward and focus on innovating for customers. We work incredibly hard to make it clear and simple for customers to both sign up or cancel their Prime membership, and to offer substantial value for our many millions of loyal Prime members around the world. We will continue to do so, and look forward to what we’ll deliver for Prime members in the coming years."

Amazon agrees to pay
$1.5 billion to customers

Although Amazon said it has done nothing wrong, it agreed to pay $1.5 billion in civil penalities and $1.5 billion in consumer relief for roughly 35 million impacted customers

“Amazon and our executives have always followed the law and this settlement allows us to move forward and focus on innovating for customers” - Amazon’s Senior Manager of Policy Communications Mark Blafkinsaid

What should’ve been done

September 25, 2025
Amazon’s Statement

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Empathy

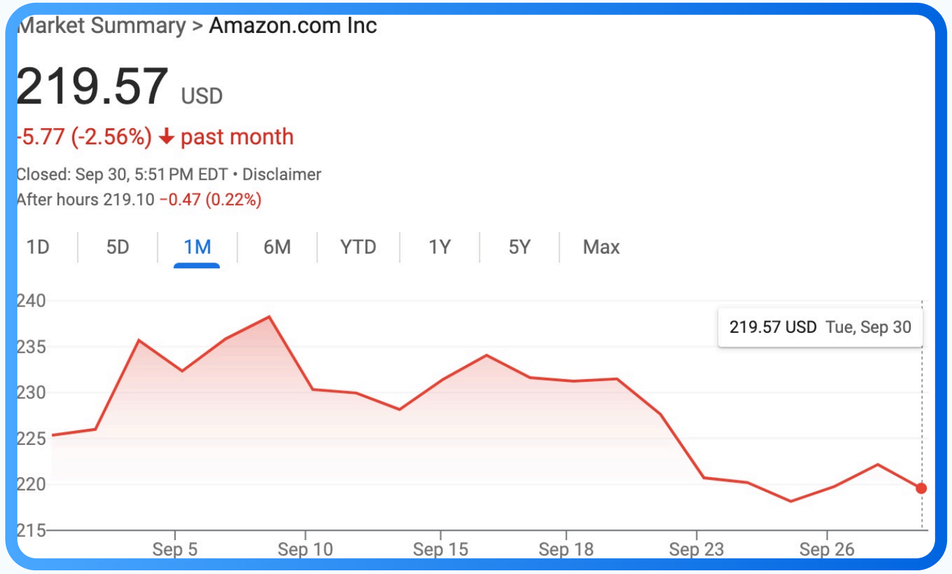
- Add empathy to the statement
  - Ex: “We are sorry to whomever has been greatly affected by this issue and hope to fix

Accountability

- Seems like they aren’t taking accountability
  - Ex: “We see the flaws in our system and hope to fix these issues to make it easier for our consumers to subscribe and unsubscribe easier”

Impact on Reputation

- People will still use Amazon services because of how convenient the company's services is
- Nothing much will change due to the company's already controversial reputation
- Might see a dip in its stocks. The company's stock has been in constant decline over the past month







Thank You