

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of Budget Rent-A-Car System, Inc., File No. 062 3042

The Federal Trade Commission has accepted an agreement to a proposed consent order with Budget Rent-A-Car System, Inc. (“Budget”), one of the nation’s largest rental car agencies.

The proposed consent order has been placed on the public record for thirty (30) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement’s proposed order.

This matter concerns deceptive practices by Budget with respect to an automatic, flat “EZ Fuel” fee it charges to renters who drive fewer than 75 miles, regardless of whether they return their rental with a full gas tank, unless they present a receipt. Budget has failed to adequately disclose the EZ Fuel fee or how renters can have the fee reversed.

The complaint alleges that Budget engaged in deceptive practices relating to its EZ-Fuel program. The complaint alleges that Budget has falsely represented that, if consumers return their rental vehicle with a full gas tank, they will not have to pay any fuel-related charge, fee, or cost. In numerous instances, however, consumers who drive their vehicle fewer than 75 miles will have to pay the EZ Fuel fee, regardless of whether they return the vehicle with a full gas tank, unless they present a gas receipt.

The complaint further alleges that Budget failed to disclose and failed to disclose adequately that consumers who drive their rental vehicle fewer than 75 miles and refuel can have the EZ Fuel fee reversed only if they present a fuel receipt. In addition, Budget failed to disclose that consumers without corporate accounts would have to present their fuel receipt inside at the rental counter after returning their rental vehicle and checking out on the return lot. These facts would be material to consumers in their rental transaction. The failure to disclose these facts, in light of the representations made, was a deceptive practice.

The proposed order contains provisions designed to prevent Budget from engaging in similar acts and practices in the future. Part I prohibits Budget from misrepresenting (A) that renters who return their vehicle with a full tank of gas will not incur any fuel-related charges; (B) any fuel-related charge, fee, cost, or requirement; or, (C) any charge, fee, or cost, or term or condition, relating to the rental of any vehicle.” Part II of the proposed order requires that Budget disclose, clearly and conspicuously, at the time of rental transaction: (A) any fuel related charges, fee, or costs; (B) any material requirements related to the fuel-related charge; and (C) the manner, if any, in which the renter can avoid such fuel-related charges. Finally, Part III of the proposed order prohibits Budget from making any representation about the benefits, costs, or parameters of any fuel-related option unless it discloses clearly and conspicuously, and in close proximity to the representation, any material terms or conditions relating to that fuel option.

These conduct provisions prohibit the deceptive practices alleged in the complaint, but do not prohibit Budget from imposing fuel-related charges, so long as such charges are disclosed as required by the proposed order.

Parts IV through VII of the proposed order are reporting and compliance provisions. Part IV requires Budget to retain documents relating to its compliance with the order. Part V requires dissemination of the order now and in the future to persons with responsibilities relating to the subject matter of the order. Part VI ensures notification to the FTC of changes in corporate status. Part VII mandates that Budget submit compliance reports to the FTC. Part VIII is a provision “sunsetting” the order after twenty (20) years, with certain exceptions.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to modify the terms of the proposed order in any way.