

MEMO TO PRESS

Bait-and-Switch

Deceptive Hotel Fees are Costing Consumers

“When it comes to protecting Missouri consumers and going after bad actors, some of the best work we do is based on ideas from Missourians...”

– U.S. Senator Claire McCaskill, previous Chairman of the Senate’s Consumer Protection panel

Claire McCaskill has a history of successfully marshalling Missouri input when tackling a national consumer protection challenge—from [credit reporting errors](#), to [aggressive sales of medical equipment](#).

In July, McCaskill asked consumers to contact her with stories about their experiences with so-called [“resort fees”](#) charged by hotels, which often hide the true price consumers can expect to pay for their stay. She also began urging the Federal Trade Commission to investigate and take steps to end this deceptive practice...

UNITED STATES SENATOR
CLAIRE McCASKILL
An Independent Voice for Missouri

Dear John,

Unfortunately, many of you know this scenario all too well: you save for a vacation, budget what you expect to be the cost of your hotel stay, only to get the bill and see fees you never agreed to.

It's frustrating and disingenuous. That's why I'd like to hear about your experiences with these hidden fees, as I work to eliminate them.



[If you have experienced deceptive, expensive hotel "resort fees" that misrepresent the true cost of a stay, visit my website, and use the "Submit Your Scam" web tool to tell me your story.](#)

CLAIRE McCASKILL
MISSOURI

United States Senate
WASHINGTON, DC 20510

July 16, 2015

Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairwoman Ramirez:

Two years ago the Federal Trade Commission raised concerns about the practice of hotels utilizing mandatory resort fees to misrepresent the true price consumers can expect to pay for a hotel stay. Since that time the practice has only grown yet the Commission has taken no enforcement actions to date. I urge the Commission to reprioritize this issue that continues to adversely affect consumers, and take action to end this deceptive practice.

Mandatory resort fees are not included in the advertised rate for a hotel room but are charged when a consumer checks in or out of a hotel. These fees can range from \$5 to more than \$100 a night and can constitute a significant percentage of a hotel bill. Hotels that charge the fees argue that they are intended to cover the cost of services such as the pool, gym, coffee, newspapers, and other amenities, but resort fees often have no connection to the actual cost of services rendered. Worse yet, consumers have no choice but to pay these fees, even if they do not use the amenities the fees ostensibly cover. It seems clear that resort fees are being used to mask the true cost of a hotel stay so it is no wonder that a significant portion of the traveling public, even seasoned travelers, continues to be caught unaware.

For families and small businesses these mandatory resort fees are particularly harmful. American families work hard to save enough money for a well-deserved vacation. But many continue to be surprised by mandatory fees that were not prominently displayed or were undisclosed altogether. Small businesses also have a difficult time accounting for mandatory fees that are not part of the room rate. To ensure truth in advertising for families and small businesses, if a fee is mandatory and cannot be waived, it should simply be added in to the advertised room rate.

These non-optional fees are [not included in the advertised rate for a hotel room](#), but are charged when a consumer checks in or out of a hotel. The fees can range from \$5 to more than \$100 a night—sometimes constituting a significant percentage of a hotel bill—and are particularly prevalent in large tourist destinations.

Hotels charging mandatory “resort fees” argue that the fees are intended to cover the cost of services such as the pool, gym, coffee, newspapers, and other amenities, despite often having no connection to the actual cost of services rendered. Consumers have no choice but to pay these fees, even when not using the amenities the hotel claims the fees cover.

So what did Missourians say about hotel fees...?

They said a lot.

Past calls by McCaskill for consumer stories typically generated responses in the dozens. But in just two weeks following the call for mandatory hotel fee stories, her office received **more than 220 responses and stories**.

They shared many of the same experiences.

- Many consumers were unaware of the additional fees until check-in or check-out, indicating that the **fees were either not disclosed at the time of booking or were so discreetly disclosed they went unnoticed**.
- Many consumers were frustrated with being required to pay “resort fees” to cover things such as pools, business centers, or meals **whether or not the consumers utilized those services and whether or not those services were even available for use**. Some were successful in having the fees removed upon request.
- Many consumers complained that even if fees were disclosed during the booking process, the fact that the fees weren’t included in the advertised price made it **difficult to compare prices between hotels** particularly on third-party online travel agency (OTA) websites such as Expedia, Orbitz and Priceline.
- **Las Vegas, Hawaii, Florida and New York were most often cited** as destinations where consumers encountered “resort fees,” although the practice is not limited to those locations. Consumers also cited Tennessee, Indiana, Connecticut and even in-state stays within Missouri.
- More than with past consumer complaint submissions, a disproportionate number of responses were from self-described retirees who indicated these fees make it **harder for seniors to plan for and afford travel**.
- Although most consumers acknowledged that they expected taxes to be added to their bill at the end of their hotel stay, many were **frustrated with what they viewed as exorbitant local taxes**.

Some sample stories:

From Webster Groves, Mo.:

“I asked what the fees were for and was told that they cover the cost of the ‘resort’ amenities such as the spa and workout room. I asked them to remove the fee since we would not be using those amenities, but they said the fee was not optional. I once encountered a separate fee for the safe that is in the room. This fee was added automatically to your bill, but they would remove it at checkout if you asked. If you did not know to ask or forgot to ask, you were charged for the safe whether or not you used it...”

From Saint Joseph, Mo.:

“... We went to Las Vegas and were charged a resort fee of \$25 per day and the pool was closed. And I asked the hotel not to charge me the fee since they had no resort facilities and they refused...”

From Ballwin, Mo.:

"... When questioned, they explained that fee allows them to give us free access to their business center, exercise room and internet. Previously there was no charge for business center or exercise room....internet was free at some properties, but generally optional for about \$15/day. Now, no option.....you pay whether you use those things or not - which we do not! Also note that these properties advertise FREE INTERNET.....but they are charging the mandatory resort fee to cover that freebie. False advertising???"

From Valley Park, Mo.:

"... I am a conservative so normally I don't agree with you on many issues, but I definitely agree with you on this issue regarding the extra fees hotels charge... The way <the booking service> works is that when you book a hotel... they immediately charge your credit card and then your hotel is paid for (including all taxes) unless, of course, you incur extra charges (i.e. mini bar, meals, movies, etc.). When I went to the hotel to check in - they charged me an extra 'Tourism Fee' which was \$15 per night. I was trapped. I could not cancel my reservation because I already paid for it ... so I had no choice but to pay the extra money to the hotel. They literally trapped me. I will never stay there again. I even filed a complaint with the BBB..."

From Saint Louis, Mo.:

"... On more than one occasion I have pre-paid for a hotel stay through a discount website... and when I checked in I was told there was a daily 'resort fee' that wasn't included in my prepaid rate and had to be paid at checkout. It's possible that the website said in the fine print that an additional resort fee would be charged, but if it was there, I sure didn't notice it. In my opinion, if it is a mandatory fee, it should be required to be included in advertised rates. Period..."

From Kansas City, Mo.:

"Resort ... charged us \$15 a day per room (2) after we checked out! Fought them but was told it was policy..."

"It's clear to me that action is needed to protect consumers, and I intend to do just that. Obviously nothing short of steps by Congress will force hotels to start treating consumers honestly."

-McCaskill