

FTC Warning Letters

Dealer Checklist for Transparent Advertising

The FTC recently sent warning letters to 97 dealership groups across the country; reinforcing a clear message: advertisements that tend to confuse or mislead consumers will not be tolerated. Even without new rules, existing law already prohibits advertisements that are deemed "unfair" or "deceptive."



Here are the 6 specific issues identified as problematic by the FTC in the warning letters (but please note that the FTC said this is a non-exhaustive list, and there are many more compliance obligations):

<p>1</p> <p>Advertising prices that do not reflect all non-government required fees (like taxes)</p>	<p>2</p> <p>Advertising prices that factor in rebates or discounts that not everyone will qualify for</p>	<p>3</p> <p>Advertising prices that do not include the down payment</p>
<p>4</p> <p>Advertising prices conditioned upon using dealer financing</p>	<p>5</p> <p>Requiring the purchase of other items at an additional cost to get the advertised price</p>	<p>6</p> <p>Advertising unavailable or non-existent vehicles</p>

Use this checklist to review your dealership's current practices against the specific problem areas referenced in the warning letters to determine if you could be in the FTC's cross-hairs.

Pricing & Advertising Review

- Advertised prices reflect what a consumer can actually pay (excluding only required government fees)
- No required fees or costs are introduced later in the process that weren't reflected upfront
- Pricing is consistent across website, digital retailing tools, and in-store quotes
- Advertised prices match final deal terms (no unexpected increases)

Fees & Add-Ons

- Required add-ons are included in the advertised price and clearly handled in a compliant way
- No products or services are presented as optional if they are effectively required
- Fee structures are consistent across locations and properly disclosed

Rebates and Discounts

- Rebates or discounts are not assumed in the advertised price unless universally available
- Conditions (financing, eligibility, loyalty, etc.) are clearly disclosed
- Pricing does not depend on dealer-arranged financing without clear explanation

Inventory & Availability

- Advertised vehicles are actually available for purchase
- Listings are updated quickly when vehicles are sold or unavailable
- Expiration dates or timing conditions are clear where applicable

Disclosures & Presentation

- Disclosures are clear, conspicuous, and easy to find
- Key terms appear near the price or offer they relate to
- Disclosures are not buried in fine print, at the bottom of a webpage, or hidden behind links
- The overall impression of the ad matches the actual offer

Cross-Channel Consistency

- Website, third-party listings (Cars.com, etc.), and ads reflect the same pricing approach
- Window stickers and in-store materials align with advertised pricing
- Digital retailing tools reflect the same structure and fees
- Third-party platforms are monitored for accuracy

Process & Training

- Sales, marketing, and F&I teams are trained on compliant advertising practices
- Employees are not introducing undisclosed conditions during conversations
- Policies exist for social media and individual employee advertising
- Internal reviews or audits are conducted regularly

Documentation & Monitoring

- Pricing changes are tracked and documented
- Historical advertised pricing can be referenced if needed
- Deal jackets align with advertised offers
- Regular audits are conducted across listings and transactions



A practical next step

While the FTC's warning letters don't answer every open question, they do raise expectations around pricing accuracy, transparency, and consistency. Dealers that proactively review their practices now will be in the best position to reduce risk and build trust with their consumers.

Strengthen your approach with KPA

KPA helps dealerships optimize their advertising compliance through training, monitoring, audits, and technology designed to support more transparent and consistent processes.



Talk to KPA today about reviewing your advertising and pricing approach.