



RIVERSIDE COUNTY DISTRICT ATTORNEY
NEWS RELEASE
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**AMAZON SETTLES CONSUMER PROTECTION LAWSUIT
RELATING TO REFERENCE PRICE ADVERTISING**

RIVERSIDE – Riverside County District Attorney Mike Hestrin announced today, March 25, 2021, that his Consumer Protection Unit, working with the Santa Cruz, Alameda, Santa Clara, Yolo and San Diego District Attorney’s Offices, has obtained a civil judgment in a consumer protection lawsuit against e-commerce retailer, Amazon.com.

As part of the settlement, Amazon will pay a total of \$2 million in penalties, costs, and restitution to the state’s Consumer Protection Trust Fund.

The District Attorneys’ complaint alleges that some Amazon reference price advertisements were either misleading or potentially misleading, to consumers making purchasing decisions. Amazon.com commonly uses reference prices – often called “Was” or “List” prices – to advertise savings to consumers.

For example, a product advertised at \$19.99 adjacent to a reference price stated as “Was ~~\$29.99~~” or “List Price ~~\$29.99~~.” A “Was” price is the price at which Amazon previously offered the product. “List” price advertisements suggest to consumers the price at which the product is commonly offered or sold by another seller, supplier or the product’s manufacturer. The District Attorneys determined that there were issues with how Amazon determined these reference prices and whether words like “Was” or “List” were used in a manner misleading to consumers.

The Stipulated Final Judgment requires Amazon to make changes and revisions to its “List” and “Was” pricing disclosures to explain the way it determines and validates its reference prices. These changes and revisions include a hyperlink to bring consumers to clear definitions of the meaning of “Was” and “List” price advertisements, so consumers understand the nature of the advertised savings.

Amazon worked promptly and cooperatively throughout the District Attorneys’ investigation and has already implemented changes to its website and pricing algorithms consistent with the Final Judgment.

The case was filed in San Diego County and the Final Judgment was signed by San Diego County Superior Court Judge Katherine A. Bacal on March 24, 2021.

The case was handled in Riverside County by Deputy District Attorney Timothy Brown of the DA’s Consumer Protection Unit.

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