Navigating the 2026 FTC Dealer Advertising Crackdown

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In March 2026, the Federal Trade Commission sent warning letters to 97 auto dealership groups nationwide about “illegal” advertising practices, putting the industry on notice that advertised vehicle prices must reflect the true price consumers are required to pay. This is the most aggressive step taken by the FTC with respect to dealer advertising, and combined with several recent high-profile *(and high-dollar-penalty)* enforcement actions, it indicates that the FTC plans to take further action to enforce the law against dealers who do not reform their advertising practices immediately.

A MUCH MORE AGGRESSIVE ENFORCEMENT POSTURE

The FTC’s current focus is on whether the price advertised to consumers is the price they can actually pay to purchase the vehicle, excluding only required government charges such as tax, title, and registration. Advertisements that promote an attractive price but later add mandatory fees or products become enforcement targets.

TOTAL PRICE MUST MEAN TOTAL PRICE

While the FTC has detailed more than this, its clear focus is on price advertising. Dealers must ensure the most prominent advertised price includes all mandatory dealer-imposed charges, including doc fees, reconditioning, inspection, CPO fees, destination charges, market adjustments, and required accessories or add-ons. Every consumer should be able to purchase the vehicle for that total price, excluding required government charges. The FTC has clearly stated that this requirement preempts state laws, even where state law allows the exclusion of certain dealer fees, such as doc fees.

This total-price standard applies across all advertising and sales channels, including VDPs, third-party listings, social media, email, direct mail, radio, etc.

REBATES AND CONDITIONAL DISCOUNTS

Since the advertised total price must be available to all consumers, conditional rebates or finance-contingent incentives may not be used to reduce the most prominent advertised price unless every consumer qualifies for that incentive. Dealers may, however, separately list conditional incentives with clear eligibility requirements. This avoids creating the impression that every customer can obtain a price that is actually available only to a subset of buyers.

VEHICLE AVAILABILITY

The FTC is also concerned that advertised vehicles may be unavailable when a consumer arrives at the dealership to purchase them. Sold vehicles must be promptly removed from dealer websites and third-party marketplaces. In-transit vehicles should be clearly identified near the vehicle description and price with an expected available date stated and should not imply immediate availability.

OEM and co-op ads should also be reviewed. Even when content comes from an OEM or vendor, the dealership may face risk if pricing or availability claims do not meet these requirements.

WHAT SHOULD DEALERS DO NOW?

Dealers must ensure that all their ads are compliant with these practices and other federal or state advertising requirements. ComplyAuto’s Guardian advertising compliance software can help by automatically scanning ads and reviewing them for federal and state advertising issues — including unique New Jersey requirements — and flagging problems before they become enforcement concerns. Guardian also supports inventory compliance with recall monitoring, Buyers Guide automation, and vehicle privacy/data removal tools for trade-ins and loaners. Contact ComplyAuto today to learn more about Guardian’s limited-time low-price offer. nj car

For more information, please visit complyauto.com or contact NJ CAR Programs Coordinator Gail Caputi at (609) 760-2043 | gcaputi@njcar.org.

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