



Attorney General Doug Peterson

News Release

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AG Peterson Sues Hilton for Charging Deceptive Resort Fees and Misleading Nebraska Consumers

AG Alleges Hotel Chain Deceived Consumers About the True Price of Hotel Rooms

LINCOLN – Today, Attorney General Doug Peterson filed a lawsuit against Hilton, a multinational hotel company, for hiding the true price of hotel rooms from consumers and charging hidden resort fees to increase profits. The Attorney General alleges that Hilton’s deceptive and misleading pricing practices and failure to disclose fees harmed consumers and violated Nebraska’s consumer protection laws. The Attorney General’s lawsuit seeks to force Hilton to advertise the true prices of its hotel rooms up front, provide monetary relief to harmed Nebraska consumers, and pay civil penalties.

“For years, Hilton has misled consumers in Nebraska regarding the true cost of certain Hilton hotel rooms,” said Attorney General Peterson. “They failed to heed warnings from the Federal Trade Commission and the mounting complaints from their own customers.”

As consumers have increasingly turned to hotel booking sites to comparison shop across brands, the hotel industry has become highly price-competitive. To lure consumers, some hotels advertise daily room rates that are lower than the true total price consumers will have to pay for a room. Then, when consumers book the room, the hotels add mandatory fees, often called “resort fees,” “daily mandatory charges,” or “urban destination fees” on top of advertised rates. By charging these fees, Hilton increased profits without appearing to raise prices.

Hilton Dopco, Inc., also known as Hilton Domestic Operating Company, Inc., is a Delaware corporation headquartered in McLean, Virginia, and is one of the largest hotel companies in the world. Hilton owns, manages, and franchises approximately 5,700 hotels and approximately 923,000 hotel rooms in 113 countries and territories. Hilton offers hotel rooms through its own website and through other hotel booking websites like Priceline and Expedia.

“So with today’s lawsuit, on behalf of all Nebraska consumers, I ask the court to order Hilton to make necessary and meaningful changes to its business practices – but most importantly, to be transparent about its prices,” General Peterson stated.

The Attorney General alleges that since at least 2012 Hilton has violated Nebraska’s Consumer Protection Act and Uniform Deceptive Trade Practices Act and harmed Nebraska consumers by:

- **Hiding the true price of hotel rooms:** Hilton conceals the true total price of hotel rooms by advertising one rate, then charging mandatory “resort fees,” “daily mandatory charges,” or “urban destination fees” on top of the advertised price. At least 78 Hilton properties in the United States currently charge these hidden fees, which range from \$15 to as much as \$45 per room per night, and consumers only find out about these fees after they begin to book a room.
- **Failing to clearly disclose all booking fees:** The room prices Hilton lists on its own website do not include mandatory resort fees and these fees are not disclosed up front. Consumers do not learn the total price of their hotel rooms until they begin the booking process, and resort fee disclosures are often hidden in obscure areas, confusingly worded, or presented in smaller print than the advertised rates. This leads consumers to believe they will be paying less for a hotel room than the true total cost. It also makes it extremely difficult for consumers to gather all the information they need to compare prices and make informed choices.
- **Misleading consumers about what resort fees actually pay for:** In some instances, Hilton makes confusing or contradictory representations about why they are charging resort fees and what services or amenities consumers are actually paying for.

In November 2012, the Federal Trade Commission (FTC) warned the hotel industry that their pricing practices around resort fees may violate federal consumer protection laws by misrepresenting the true price of hotel rooms. Hilton was aware of this warning.

This lawsuit follows an investigation into the hotel industry’s pricing practices by the Attorneys General in all 50 states and the District of Columbia. The Attorney General is seeking a court order to force Hilton to advertise the true prices of its hotel rooms up front, pay restitution to Nebraska consumers who paid deceptive resort fees, and pay civil penalties for violating Nebraska’s consumer protection laws.

To obtain information about how to protect yourself as a consumer, file a consumer complaint, or report a scam, please visit the Nebraska Attorney General’s Office, Consumer Protection website at www.protectthegoodlife.nebraska.gov or call (800) 727-6432.

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A copy of the Attorney General’s complaint is available at <https://bit.ly/32Fdk2i>.

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