

CONSUMER PROTECTION

Evaluating Free Trials and Subscriptions

Detailed practice, calculation, decision-making, and assessment

GRADES 9-12	TIME 2 x 42 min	GROUPING I / pairs / whole	PRODUCT Plan
YOUR CHALLENGE Read renewal terms, calculate monthly and annual costs, estimate cost per use, audit charges, and create a cancellation and recordkeeping plan.			

Smart Consumers Compare, Verify, and Protect

A free trial can become a paid subscription if the consumer does not cancel under the offer's terms. Recurring charges can be convenient, but the consumer must understand the amount, frequency, renewal date, cancellation method, refund rule, and how price changes are communicated.

Term	Student-friendly meaning
Free trial	Limited period with no initial charge under stated terms.
Auto-renewal	Continued billing unless cancellation occurs.
Negative option	Billing continues when the consumer does not take the required action to stop it.
Billing cycle	Time between recurring charges.
Cancellation confirmation	Record showing a cancellation request was completed.
Cost per use	Total cost divided by actual uses.
CLASSROOM USE All people, employers, figures, brackets, and documents in this packet are fictional. Never place a real Social Security number, employer ID, bank number, or tax document in classroom work.	

Part 1 - Read a Fictional Subscription Offer

The headline says “Free for 14 days.” Read the smaller terms before deciding.

Term	Fictional wording	Cost effect	Question
Trial	No charge for 14 days		
Renewal	\$24.99 every month until canceled		
Annual option	\$239.88 paid upfront		
Cancellation	Must cancel before renewal date		
Refund	No refund after a renewal charge		
Price change	Notice sent to account email		

What is automatic about the offer? Which date and method must be recorded before enrollment?

Part 2 - Calculate Subscription Costs

Assume no taxes or price changes.

Scenario	Calculation	Total cost
Cancel before trial ends		\$0
Keep monthly for 6 paid months		
Keep monthly for 12 paid months		
Choose annual option		
Annual savings vs 12 monthly payments		

Calculate all totals. Does a lower annual cost prove the annual option is best? Explain.

Part 3 - Calculate Cost Per Use

Riley expects different use levels over one year.

Plan/use	Annual cost	Uses	Cost per use
Annual plan - weekly use	\$239.88	52	
Annual plan - monthly use	\$239.88	12	
Six monthly payments - 18 uses		18	

Calculate cost per use. For the six-month plan, first calculate six monthly payments.

Part 4 - Audit a Subscription Statement

Riley finds these fictional charges. Identify expected, unexpected, or needs investigation.

Charge	Evidence	Classification	Action
April 2 - \$24.99	Trial ended April 1		
May 2 - \$24.99	No cancellation record		
June 2 - \$29.99	No price-change notice found		
June 5 - \$4.99 add-on	No assent remembered		

Create a safe dispute sequence: check terms, preserve records, contact the company, monitor the account, and use the payment provider’s official dispute process when appropriate.

Part 5 - Write a Subscription Control Plan

Design a system that prevents forgotten renewals and protects records.

Control	My plan
Trial end date	
Renewal amount/frequency	
Cancellation deadline	
Reminder dates	
Cancellation method	
Confirmation record	
Monthly statement review	
Unexpected-charge response	

Write 150-200 words. Include a decision on monthly versus annual payment and explain the flexibility trade-off.
