



NEWS RELEASE

www.marincounty.org/news

For Immediate Release

July 13, 2020

District Attorney Teams Up to Win \$1M Settlement

Marin, S.F. successful in judgment against Care.com for unlawful practices



Contact:
Lori Frugoli

DISTRICT ATTORNEY

Marin County Civic Center
3501 Civic Center Drive
Suite 145
San Rafael, CA 94903
415 473 6450 T
CRS Dial 711

lfrugoli@marincounty.org

[DA webpage](#)

Andres H. Perez

DEPUTY DISTRICT ATTORNEY

Marin County Civic Center
3501 Civic Center Drive
Suite 145
San Rafael, CA 94903
415 473 6450 T
CRS Dial 711

aperez@marincounty.org

[DA webpage](#)

San Rafael, CA – [Marin County District Attorney](#) Lori E. Frugoli has announced a \$1 million settlement with Care.com after an investigation discovered unlawful business practices relating to auto-renewal memberships and background checks on caregivers.

Frugoli's office, represented by Deputy District Attorney Andres H. Perez, prosecuted the matter with the Office of the District Attorney for the City and County of San Francisco. The settlement resulted in a judgment filed in Marin County Superior Court and signed by Judge James T. Chou. The judgment orders Care.com to pay \$1 million and includes a permanent injunction prohibiting future unlawful conduct.

Care.com, headquartered in Massachusetts, offers a digital platform to assist families in searching for, managing, and paying for family care needs as well as providing caregivers access to employment opportunities. Care.com's services have been offered through free and paid memberships providing varying levels of services.

The DAs alleged that paid Care.com memberships were subject to automatic renewals, meaning the membership would automatically renew at the end of its term, causing recurring credit card charges, and continue to renew indefinitely until cancelled.

The complaint further alleged, in part, that Care.com failed to: sufficiently disclose that memberships were being sold on an auto-renewal basis; obtain their customers' affirmative consent to auto-renewal terms; and provide a simple mechanism for customers to stop the recurring charges.

The DA staffs also investigated Care.com's representations regarding the scope of sex offender searches conducted on prospective caregivers as part of background check services offered to customers for a separate fee. In particular, the complaint alleged Care.com made false representations on its website that its background checks included a search of the National Sex Offender Registry, a database maintained by

-more-

the FBI and accessible only by law enforcement, and that purchasers of Care.com's highest and most expensive level of background checks were receiving a more robust background check than lower-priced offerings.

"Choosing the right caregiver for a loved one is one of the most important and stressful decisions families will ever make, and my office will continue to ensure that businesses providing caregiver-related services are transparent and forthright when making representations to the public," Frugoli said.

Salient terms of the judgment provide that Care.com shall:

- pay \$700,000 in civil penalties;
- pay \$300,000 in restitution to consumers who purchased Care.com's highest level of background checks;
- provide customers with three months of no-cost membership if the customer previously cancelled or downgraded their membership claiming they were unaware of the auto-renewal terms of their membership when they signed up;
- make clear and conspicuous disclosures regarding the terms of any auto-renewal plans prior to a customer entering into any such agreement;
- send reminder notices to customers prior to any upcoming auto-renewal charges;
- make cancellations more convenient for consumers;
- be prohibited from representing that their background checks include information from the National Sex Offender Registry; and
- make disclaimers that sex offender searches are subject to limitations and may not reflect an individual's entire sex offender history.

Civil penalties from this and similar settlements are used by the DA's Office to further enforce consumer protection laws.

###