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For Immediate Release

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NakedWines.com Settles Consumer Protection Lawsuit Alleging Automatic Renewal Violations

San Diego County District Attorney [Summer Stephan](#) announced today that Nakedwines.com, Inc. settled a consumer protection lawsuit alleging that Naked Wines violated provisions of California’s Automatic Renewal Laws. As part of the settlement, Naked Wines entered into an injunction prohibiting future violations of renewal laws and, without admitting liability, agreed to pay \$650,000 in civil penalties and costs.

The lawsuit was filed in San Diego Superior Court by the District Attorneys for San Diego, Alameda, Napa, Shasta, and Sonoma counties. The prosecution team alleged that Naked Wine’s “Wine Angel” program failed to adequately inform consumers that they were enrolling in a subscription that would charge \$40 a month that members could use to purchase select wines. The prosecution team also alleged that the company’s “Wine Genie” product – an automatically-renewing monthly subscription for pre-selected wine shipments – similarly failed to comply with automatic renewal laws. In addition, the complaint alleges that both programs’ post-payment acknowledgments did not have all the requisite disclosures mandated under the law, and that their cancellation processes failed to supply an easy-to-use mechanism to stop recurring charges.

“California’s strict automatic renewal laws are designed to ensure that consumers are not misled when signing-up for subscription-based services or product deliveries,” said District Attorney Summer Stephan. “This is another example of our consumer protection team working successfully with their counterparts across the state to achieve compliance with these important laws.”

The settlement is the latest in which the San Diego County District Attorney has participated as part of its ongoing effort to ensure that businesses offering automatically renewing subscriptions or shipments of product comply strictly with the state’s automatic renewal laws. Further, since July, amendments to the law require that merchants offering automatically renewing subscriptions or shipments of product online must now make certain that:

- Consumers can cancel online.
- Consumers who wish to cancel online have access to a prominently displayed direct link in the customer account or a pre-formatted email that the consumer can use to cancel.
- The consumer can cancel immediately.
- Companies can no longer require consumers to engage further steps, such as answering questions or completing surveys as a condition of cancelation, or otherwise make it difficult to complete the cancelation process.

San Diego Superior Court Judge Timothy Taylor entered a final court judgment on the parties' stipulated settlement on October 6, 2022.

Naked Wines cooperated with the prosecution team and has taken steps to ensure its web disclosures and processes comply with California's Automatic Renewal Laws.

Deputy District Attorney Stephen M. Spinella with the Consumer Protection Unit handled this case for the San Diego County District Attorney's Office.

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About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.

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