CLIENT ALERTS & INSIGHTS

Five Stars, Zero Tolerance: FTC Turns Up Enforcement Under Consumer Review Rule

APRIL 6, 2026

Authors: Ruddy S. Abam, Michael D. Meuti, Michael B. Silverstein

Featured Practices: Litigation, Consumer Protection & Class Actions, False Advertising & Unfair Competition

Key Takeaways

- The FTC is now prioritizing enforcement of its Consumer Review and Testimonials Rule, issuing warning letters to companies using fake reviews, undisclosed incentives or misleading testimonials, and demanding immediate corrective action.
- Civil penalties can reach $53,088 per violation, and the FTC is demanding responses within days. The agency is targeting company-wide policies and practices as well as individual posts.
- Companies should promptly audit their review and testimonial practices, eliminate sentiment-based incentives, ensure clear disclosures, and establish rapid response and compliance protocols to avoid costly enforcement actions.

The Federal Trade Commission has made one point decidedly clear: the Consumer Review and Testimonials Rule is not a background compliance issue-it is an active enforcement priority.

The FTC closed out 2025 by issuing formal warning letters to nearly a dozen companies for allegedly engaging in review and testimonial practices that violate 16 C.F.R. Part 465 (the "Rule").

The Commission issued demands (the "Warning Letters") for immediate remediation, requiring businesses to confirm in writing, within five days, that they have taken corrective steps, and cautioning that continuing to use false reviews, fake online engagement and material misrepresentations may result in civil penalties of up to $**53,088 per violation**.

For businesses that rely on consumer reviews, testimonials, influencer content or social-media marketing, these Warning Letters signal heightened scrutiny. The FTC has shifted from guidance and education to active enforcement, demanding prompt corrective action and signaling that civil penalties are in play. The Warning Letters mark the FTC's first public use of the Rule as an enforcement tool.

The Rule Is Not New. Heightened Enforcement Is.

While the Rule took effect on October 21, 2024, the FTC spent its first year doing quiet work: setting expectations and letting the complaint pipeline mature. From the outset, the Commission explained that codifying specific review-related practices as unfair or deceptive would allow the agency to move faster and more efficiently in enforcement actions, increasing deterrence through more direct access to civil penalties under the Rule. The December 2025 Warning Letters reflect that enforcement design in practice. Rather than offering forward-looking best practices, the Letters function as ready-made compliance checklists-identifying conduct that the Commission considers per se unlawful and underscoring that the Rule already carries the "full force and effect" of potential federal litigation.

In doing so, the Commission isolated six categories of prohibited conduct as enforcement priorities.

1. **Fake or False Reviews and Testimonials - 16 C.F.R. § 465.2**

- **Prohibited.** Creating, selling, procuring or disseminating consumer reviews or testimonials that materially misrepresent (i) whether the reviewer actually exists; (ii) whether the reviewer used or experienced the product or service; or (iii) the accuracy of the reviewer's stated experience.
- Liability attaches when the business **knew or should have known** the content was fake or false.
- The prevalence of generative AI reviews, brokered influencer testimonials, and scripted endorsements untethered to real consumer experiences are increasingly of interest to the FTC.

2. **Incentives Conditioned on Review Sentiment - 16 C.F.R. § 465.4**

- Offering compensation or other incentives contingent on a particular sentiment (positive or negative review). Rewarding (e.g., gift card or discount) only positive feedback may implicitly steer reviewers toward 5-star ratings and draw the Commission's attention.
- Importantly, merely disclosing an offer or incentive does not itself cure potential sentiment-conditioning violations.

3. **Undisclosed Insider Reviews and Testimonials - 16 C.F.R. § 465.5**

- Officers and managers may not review their own business without **clear and conspicuous** disclosures (unless the relationship is otherwise obvious).
- Businesses can also be liable for soliciting or hosting undisclosed reviews from their employees, agents or relatives without clear disclosure of the "material relationship."
- The Warning Letters indicate the Commission's expectation that businesses conduct immediate audits and remove noncompliant reviews and testimonials.

4. **Company-Controlled "Independent" Review Sites - 16 C.F.R. § 465.6**

- Misrepresenting a company-controlled website as “independent” or as providing neutral consumer reviews. Websites must conspicuously disclose if they are controlled by a manufacturer or seller of the product.
- Fictitious disclaimers about independent reviews or opinions are unlikely to cure a violation when the representations are in fact false.

5. **Review Suppression and Gatekeeping - 16 C.F.R. § 465.7**

- Using legal threats or intimidation to stifle or remove negative reviews; and claiming that displayed reviews reflect most or all consumer submissions while suppressing reviews based on ratings or negative sentiment.
- Delegating moderation of reviews to a third-party vendor does not shift liability from the principal business.

6. **Fake Indicators of Social Media Influence - 16 C.F.R. § 465.8**

- Buying or selling fake followers, views or engagement metrics to materially misrepresent the true commercial influence of a product or service, when the business knew or should have known the indicators were fake.
- The Commission treats fabricated credibility signals-reviews and social engagement metrics-as distortive of consumer decision-making.

Taken together, these categories show where scrutiny is tightening. Practices that businesses may have regarded as routine or harmless-from influencer outreach to employee involvement in reviews-are precisely the areas the FTC is now advancing to priority enforcement with civil-penalty exposure.

A Tougher Enforcement Posture in Practice

The Warning Letters illustrate a familiar but sharpened approach:

- **Compressed timelines**. Five business days to identify designated compliance owners (persons in charge of policies and practices) and to document remediation steps leaves little room for delayed responses.
- **Enterprise focus**. The Commission is looking beyond individual posts to policies, training, vendor oversight and audit mechanisms, seeking policy-level fixes-not only one-off takedowns or platform-specific adjustments.
- **Formal notice as leverage**. Once a company is on written notice, continued violations may carry significantly higher risk.

Conclusion

For both legal and marketing teams, operational readiness requires:

- Designating compliance owners and engage legal counsel to draft response templates before a letter arrives.
- Auditing how reviews, testimonials and social-media content are moderated, displayed and represented.
- Eliminating sentiment-conditioned incentives and retraining teams on implicit conditioning.
- Adopting clear disclosure policies, training and rapid-remediation processes.
- Confirming that review standards are documented and accurately described to consumers.
- Reviewing affiliate and vendor relationships for risks tied to fake metrics and third-party moderation.