

Consumer Reports: Hidden cable TV fees may cost you \$450 extra annually

October 7 2019, by Jefferson Graham, Usa Today



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If you've ever wondered how your \$100 cable bill grows to new heights, Consumer Reports has the answer. Add-on fees, usually disguised from the public, add \$450 to your cable bill every year, the product testing and consumer research company says in a report out Thursday.



An investigation by the organization of nearly 800 <u>cable</u> bills found hidden fees in fine print on top of the advertised rates.

"Cable companies are notorious for advertising a low price but charging much more by adding a long list of confusing fees to monthly bills," says Jonathan Schwantes, senior policy counsel for Consumer Reports.

"These sneaky fees are a real budget-buster that enable <u>cable companies</u> to jack up their rates and disguise the true cost <u>consumers</u> pay each month."

Most firms have an advertised price to reel customers in. Spectrum in Los Angeles has an advertised price of \$89.97 for new subscribers to get internet, cable and <u>phone service</u>. U.S. TODAY tried that offer, and after adding the fees for two DVRs and cable boxes, and the "broadcast fee" to watch local cable channels, the final tally is \$131.95.

On top of that, Spectrum tells potential consumers that the broadcast TV and TV box fees will go up this month.

On its website, Spectrum blames the fee on the local channels, but Schwantes says the broadcast fee is company-mandated and should be included in the advertised price.

For many years, Consumer Reports notes, cable bills included a base package price, state and local taxes and a few government-imposed regulatory fees that operators were allowed to pass on to consumers. The price that consumers were billed largely reflected the advertised price.

"That changed about ten years ago, when cable companies began to charge a base rate plus a range of new line-item fees that go by terms like Broadcast TV Fee, Regional Sports Surcharge, HD Technology Fee, and Network Access and Maintenance Fee," according to CR's report.



CR found that cable companies pocket \$28 billion a year in imposed fees that aren't mandated by the government and that these fees cost subscribers \$37 per month and add 24% to the cost of the bill.

"Pricing for cable service should be fair and transparent, so we can find a plan that fits our budget without having to worry about getting stuck paying hidden fees," Schwantes says. "Congress should require cable providers to include all <u>company</u> and government-imposed fees in their advertised <u>prices</u> to make it easier to comparison shop and find the most affordable package."

Consumer Reports launched a website, What the Fee.com, to highlight these fees and charges.

What are consumers to do? Schwantes recommends cutting the cord and eliminating cable TV service. "Once you do that, the fees disappear."

To continue watching local channels, you'll need an antenna, and you can choose from several net-delivered cable TV alternative services, including YouTube TV, Hulu with Live TV and PlayStation VUE. Each has contract-free monthly plans for cable channels costing about \$50.

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Citation: Consumer Reports: Hidden cable TV fees may cost you \$450 extra annually (2019, October 7) retrieved 16 April 2024 from https://techxplore.com/news/2019-10-consumer-hidden-cable-tv-fees.html

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