Senator Elizabeth Warren claims TurboTax ‘relentlessly’ upsells customers in letter to FTC

Senator Elizabeth Warren (D-MA) has written a letter to the Federal Trade Commission, saying that TurboTax “continues to relentlessly upsell” customers while also directing them away from services that would otherwise be free.

As noted in the letter, Warren’s staff analyzed TurboTax’s services using a sample taxpayer and found that the company attempted to upsell the customer eight times during the tax filing process. Warren writes that in “several cases,” these solicitations “appear to be efforts to mislead customers into thinking that they must pay the extra fees in order to file their taxes when that is not the case.” Some show up as full-screen prompts, forcing users to scroll to the bottom to deny the upgrade.

In one instance, Warren’s team found that TurboTax highlighted its $89 tax filing package as “the right option” for their sample taxpayer, leaving the free option at the bottom of the page. After choosing just one upgrade, Warren’s staff found that their sample taxpayer with “simple” filing requirements had to pay an extra $69 to report her unemployment income and educator expenses, plus $64 to file Massachusetts state tax returns.

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gray-bd dark:[&>a]:shadow-underline-gray”>Image: Elizabeth Warren

That makes for a grand total of $133 — a sum people wouldn’t have to pay through the IRS’s free Direct File service, Warren argues. The IRS is currently testing its Direct File service in 13 states, including Arizona, California, Massachusetts, New York, Alaska, Florida, New Hampshire, Nevada, South Dakota, Tennessee, Texas, Washington, and Wyoming.

“Given Intuit’s ongoing anti-taxpayer practices, it is outrageous that the company continues to fight the FTC lawsuit and lobby against the IRS Direct File program,” Warren writes. “I applaud your work to crack down on Intuit’s false advertising and junk fees, and urge you to continue your efforts to protect taxpayers from these schemes.”

You can read Warren’s full letter below.

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