



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

For Release

Cash Advance Company Cleo AI Agrees to Pay \$17 Million As Result of FTC Lawsuit Charging It Deceives Consumers

FTC complaint charges that Cleo misleads consumers about amounts and timing of available cash advances and obstructs efforts to cancel subscriptions

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Online cash advance company Cleo AI has agreed to pay \$17 million to settle the Federal Trade Commission's allegations that the company deceived consumers about how much money they could get and how fast that money could be available. The [complaint](#) , filed in federal district court along with the proposed [settlement order](#) , also alleges that Cleo made it difficult for consumers to cancel Cleo's subscription service.

"The Complaint lays out how Cleo misled consumers with promises of fast money, but consumers found they received much less than the advertised hundreds of dollars promised, had to pay more for same day delivery, and then had difficulty canceling," said Christopher Mufarrige, Director of the FTC's Bureau of Consumer Protection.

The complaint charges that:

- Cleo's ads promised consumers access to hundreds of dollars in cash advances, but almost no one received anything close to the advertised amounts.

- Cleo's ads promised consumers access to same-day or instant advances. In reality, subscribers had to pay an additional fee for this service. And even after paying the fee, they could have to wait until the next day for their money.
- Cleo made it difficult for consumers to cancel subscriptions. Consumers said they were charged monthly fees despite repeated requests to cancel, and were told they could not cancel their subscription until outstanding cash advances were paid.

One consumer cited in the complaint said, "There's no other way for me to say it. I need my money right now to pay my rent. I have no other option I can't wait 3 days. I can't wait 1 day I need it now. I would never have used Cleo if I would have thought I would ever be in this situation."

Another consumer said, "I just subscribed and paid for IMMEDIATE 35 dollars. Now I go on here and it says up to 24 hrs. I have my son today and he needs food and I need gas to go get it. I can't wait 24 hours, or I wouldn't have bothered."

The proposed settlement order would prohibit Cleo from misleading consumers about any material terms of its advances, including the amount of money available to a consumer and any fees consumers will be charged. It would require Cleo to clearly and conspicuously disclose the terms of any subscription; to get consumers' express, informed consent before charging them for a subscription; and provide a simple way for consumers to cancel.

The \$17 million payment from Cleo would be used to provide refunds to consumers harmed by the company's practices.

The Commission vote authorizing the staff to file the complaint and stipulated final order was 2-0. The FTC filed the complaint and proposed settlement order in the U.S. District Court for the Southern District of New York.

NOTE: The Commission files a complaint when it has "reason to believe" that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. Stipulated final orders have the force of law when approved and signed by the District Court judge.

The staff attorneys on this matter are Adam Saltzman and Sally Tieu of the FTC's Bureau of Consumer Protection.

The Federal Trade Commission works to promote competition and [protect and educate consumers](#). The FTC will never demand money, make threats, tell you to transfer money, or promise you a prize. Learn more about consumer topics at [consumer.ftc.gov](#), or report fraud, scams, and bad business practices at [ReportFraud.ftc.gov](#). Follow the [FTC on social media](#), read [consumer alerts](#) and the [business blog](#), and [sign up to get the latest FTC news and alerts](#).

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