



## FORCED ARBITRATION: MORE OUTRAGEOUS THAN EVER

Corporate bad actors have long relied on fine-print forced arbitration clauses to avoid accountability when they violate the law and rights of consumers, workers, and small business owners. In recent years, [corporations have come up with new ways to weaponize forced arbitration to hide wrongdoing](#), and even to hinder people from effectively using arbitration. Congress must pass the Forced Arbitration Injustice Repeal (FAIR) Act to halt the continued encroachment of forced arbitration on our constitutional rights.

- **Infinite arbitration clauses can trap unsuspecting consumers.** Large corporations are increasingly using ultra-broad arbitration clauses that they assert govern all claims against them, including claims against their affiliates and claims that are not related to the original terms and conditions.

**2024 cases against Disney and Uber are chilling examples.** In early 2024, after a doctor died from an allergic reaction in one of its park restaurants, [Disney](#) attempted to force her widower's wrongful death claim out of court and into arbitration, relying on the forced arbitration clause in a streaming service agreement he had signed years earlier. Only after extensive public backlash did Disney agree to stop its attempt to compel arbitration. Also in 2024, a New Jersey appellate court ruled that [Uber](#) could force a couple who had been seriously injured during a ride into arbitration because their daughter had agreed to a change in Uber's terms and conditions when she used the Uber Eats app a year earlier.

- **Pre-arbitration dispute resolution clauses add extra hurdles.** In addition to standard forced arbitration clauses, some corporations now use onerous "pre-dispute dispute resolution" clauses that require harmed consumers to [take additional time-consuming steps](#), such as first attempting to resolve the dispute with the company and then filling out a complaint form, before they can even go to arbitration.
- **Corporations have attempted to change the rules in the middle of a dispute even when consumers try to arbitrate.** Notably, after consumers banded together to bring claims against it, ticketing and event promotion company [Live Nation](#) retroactively and unilaterally modified its terms and conditions to change the arbitration rules it set and its chosen arbitration provider to be

significantly more disadvantageous to consumers. The lower courts ruled that the new forced arbitration clause was too onerous to be enforced. While the [Supreme Court](#) upheld the courts' decision, Live Nation wasted years delaying justice for ticket buyers.

- **Bad actors avoid accountability by delaying arbitration proceedings.** Our courts are free except for nominal filing fees. Under most arbitration forum rules and arbitration agreements, corporations must pay the bulk of arbitration fees. But some companies refuse to pay the fees, even when they have agreed to, blocking the arbitration from proceeding. As a result, harmed individuals and businesses can be left without fair recourse.
- **New rules set for mass arbitrations.** Mass arbitrations emerged as a way to protect groups of consumers who suffered similar harms, such as being charged the same fee, but were bound by class action bans and forced arbitration clauses. Corporations are rewriting their rules to drag out proceedings and make it more biased in their favor. In 2024, [major arbitration providers](#) set new rules or updated their rules that would effectively shift more of the costs of arbitration away from corporations and towards individuals