

## Booking Holdings Strikes \$9.5M ‘Junk Fee’ Settlement with Texas



**Norwalk, Connecticut — August 19, 2025** – Booking Holdings Inc.—parent company of Booking.com, Priceline, and Kayak—has agreed to a \$9.5 million settlement with the State of Texas over allegations of deceptive hotel pricing practices. The settlement resolves claims that the company misled consumers by advertising artificially low room rates without disclosing mandatory fees upfront.

### Key Settlement Details

- **Most substantial state-level action yet:** Texas Attorney General Ken Paxton called this the largest “junk fee” settlement secured against a hotel or online travel agency by any U.S. state.
- **Offense: Drip pricing:** Booking was accused of listing base room prices without mandatory resort, amenity, destination, and utility fees—which then appeared later during checkout—creating a misleading “bait and switch” effect.
- **Redress and reform:** The agreement requires Booking to clearly display all fees at the beginning of the booking process.
- **No admission of wrongdoing:** Booking has not conceded any fault, expressing satisfaction with the resolution and reaffirming its commitment to transparency.
- **Payments breakdown:** According to San Antonio court filings, \$8 million will go to the Supreme Court Judicial Fund and \$1.5 million toward state legal costs.
- **Final approval granted:** The settlement was formalized by Texas District Judge Norma Gonzales in San Antonio.

### Why It Matters

This case underscores mounting legal pressure against “junk fees” in the travel and hospitality sector. It follows earlier actions in 2023 against hotel chains like Marriott, Hilton, and Choice Hotels, also targeted by Paxton for similar practices.

Furthermore, the resolution aligns with the **Federal Trade Commission’s “Junk Fees Rule,”** which mandates full upfront price disclosure from travel and event providers.