



SUMMARY OF THE CASE

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2. Doxo is a third party bill payment platform that advertises that consumers can
paying bill (b) (5) - (r) 5 eeamTd [(p6/p,32.64(r)5.1(p)2i(a)3.45 (o)2 (.1 (n)2 (se)5.9 (p)2)2 (s.1 (n (p)tly

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1 example of such a negative option.

2 DEFENDANTS

3 10. Defendant Doxo, Inc. is a Washington corporation with its principal place of
4 business at 101 Stewart Street, Suite 800, Seattle, WA 98101. Doxo transacts business in this
5 District and throughout the United States. At all times relevant to this Complaint, acting alone or
6 in concert with others, Doxo has advertised, marketed, distributed, or sold bill payment services
7 to consumers throughout the United States.

8 11. Defendant Steve Shivers is the Chief Executive Officer and founder of Doxo.
9 At all times relevant to this Complaint, acting alone or in concert with others, he has formulated,
10 directed, controlled, had the authority to control, or participated in the acts and practices of
11 Doxo, including the acts and practices described in this Complaint. Shivers resides in this
12 District and, in connection with the matters alleged herein, transacts or has transacted
13 business in this District and throughout the United States.

14 12. Defendant Roger Parks is the Vice President, Business Development and co-
15 founder of Doxo. At all times relevant to this Complaint, acting alone or in concert with others,
16 he has formulated, directed, controlled, had the authority to control, or participated in the acts
17 and practices of Doxo, including the acts and practices described in this Complaint. Parks
18 resides in this District and, in connection with the matters alleged herein, Parks has
19 transacted business in this District and throughout the United States.

20 COMMERCE

21 13. At all times relevant to this Complaint, Defendants have maintained a substantial
22 course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act,
23 15 U.S.C. § 44.

24 DEFENDANTS' BUSINESS ACTIVITIES

25 14. Doxo operates a bill payment platform for consumers to pay their bills through its
26 app or website. The majority of Doxo's customers land on Doxo's website after searching online

1 for ways to pay their biller.

2 Doxo's Misrepresentations That It Is an Official Payment Channel and That Consumers
3 Would Pay the Amount on Their Bill

4 15. Consumers looking to pay a bill online often try to reach the biller's payment site
5 using a search engine. To find the biller's site, the consumer might enter into a search engine the
6 biller's name and some variant of "bill pay" or "pay online." A customer seeking to pay a bill
7 from the medical testing company Labcorp, for example, might search for "Labcorp payment
8 online bill pay." After entering the search terms, the consumer sees the following:

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1 search on more than two dozen Labcorp-related words or phrases, including “labcorp,” “labcorp
2 billing,” “labcorp pay bill,” “labcorp payment,” and “labcorp pay my bill.”

3 27. Often, the ads are placed so that Doxo “intercept[s],” in the words of one
4 consumer, people explicitly attempting to reach their biller’s payment website. Doxo has, for
5 instance, placed ads in response to searches for “~~www~~ [sic] billing,”
6 “www.labcorp.com,” “labcorp.com,” “lapcorp [sic] com billing,” “www.labcorp.com billing,”
7 “lab orp [sic] com billing,” “labcorp.com/billing,” “labcorp.combilling [sic],” and
8 “www.labcorp.com/billing.”

9 28. The titles—i.e., the large text that consumers read when deciding whether to click
10 a link—trick consumers into thinking that Doxo ads and weblinks represent their desired
11 destination. In most cases, the headline, crafted by Doxo, mentions only the name of the biller,
12 not Doxo. A consumer who searches for “www.labcorp.com/billing” for example, often sees as
13 the first result a Doxo ad with the headline, “Labcorp ~~Make~~ Your Payment Online.”

14 29. On the landing page that consumers reach after clicking an ad or other link,
15 Doxo’s use of the biller’s name (the most conspicuous text on the page), contact information,
16 and sometimes even its logo reinforces the misimpression that Doxo is consumer’s biller, or at
17 a minimum, the biller’s chosen payment platform.

18 30. Doxo’s misrepresentation is also bolstered by its many statements during the
19 payment process indicating that it has direct information concerning consumers’ bills. For
20 example, as recounted above, Doxo frequently informs consumers that their bill information is
21 “validated” by Doxo, that it offers “[r]eal-time payment tracking” and can apprise customers of
22 due dates, and that payments are made “directly” to their billers. In truth, in the large majority of
23 cases, Doxo cannot “validate[]” consumers’ bills or alert them to due dates because it has no
24 information about consumers’ bills other than what consumers themselves provide. Doxo cannot
25 “track[]” consumers’ most urgent concern when a biller will actually credit their payments.
26 (As a Doxo internal document states, “We don’t know when payments are posted, and we should

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1 info in”; that “Doxo did not provide a true total of processing fees . . . until [they] submitted
2 payment”; that they “did not know until it was too late that there was a sizable service charge”;
3 that “after you put in all your info they hit you with a . . . fee”; and **thate** were “massive”
4 fees **that** they were not “told about up front.” As one consumer stated: “After they make you
5 sign up, create password, go through security protocols and right before clicking PAY NOW . . .
6 BAM !!! . . . only then they let you know that there’s an extra charge.”

7 42. As noted above, Doxo’s misrepresentations have tricked consumers into paying
8 millions of dollars in unnecessary add-on fees. But consumers’ complaints made directly to
9 Doxo reveal that in some cases, consumers suffer additional harms. Many consumers discover
10 that Doxo is not an official payment channel only when their payment never arrives at their
11 biller. Consumers have spent hours trying to track down payments, often calling Doxo in great
12 distress, concerned that they ~~have~~ been the victim of a scam. They have received warning letters
13 from bill collectors for medical bills they already paid. They have been charged late fees and
14 fines. They have worried their license would be suspended due to non-payment of tolls, and that
15 they would be penalized for non-payment of income or property taxes. They have missed child
16 support payments. They have had their water, gas, internet, and electricity turned off and their
17 car insurance lapse. And they have double paid their bills (once to Doxo, once to the biller) to
18 avoid service cutoffs—all for payments that Doxo promised them would be made “directly” to
19 their billers.

20 43. Defendants Shivers and Parks have received direct notice of consumer
21 complaints. Parks has personally responded to consumers who reported they were misled by
22 Doxo, and Shivers was directly informed that consumers frequently raised similar complaints. In
23 April 2020, for example, Shivers told a subordinate that he wanted to use a chatbot to “deflect[]”
24 consumers from speaking to a live customer support agent. In response, the subordinate
25 informed Shivers that many consumers were contacting Doxo because of “confusion with us
26 being the biller,” “late fees,” and “utilities getting turned off.”

1 44. In July 2020, Parks responded to an inquiry from a state attorney general's office
2 regarding Doxo's advertising and billing practices. Parks acknowledged under oath that Doxo
3 received complaints from consumers regarding "the relationship between Doxo and a [biller]."

4 45. In February 2021, Parks was informed via email that a credit card company had
5 terminated Doxo's access to its network based in part on consumer complaints that Doxo had
6 "intercept[ed] payments online to upcharge the [c]ustomers." Parks negotiated directly with the
7 credit card company to regain access to the network without any changes to Doxo's ads or
8 payment flows.

9 46. In March 2021, Shivers responded to an investigation into Doxo by a second
10 attorney general's office. Shivers's responses, under oath, stated that the company had received
11 58 complaints from state agencies regarding its practices.

12 47. In March 2022, a North Carolina local news station reported that consumers,
13 misled by the "wording on [Doxo's] website," paid Doxo instead of their intended biller, a state
14 toll authority. A toll authority spokesperson stated that consumers had been charged \$100,000 in
15 late fees due to Doxo's delayed payments. Instead of proposing any changes to Doxo's
16 practices, Parks responded to the report by accusing the toll authority spokesman of defamation
17 in an email later forwarded to Shivers.

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1 Doxo Has Received Additional Warnings That It Is Deceiving Consumers

2 54. As part of a 2021 compliance review, employees of a search engine concluded
3 that Doxo's advertising headlines—for example, "Only a Q L Q H
4 relationship" between Doxo and the biller and suggest that "Bill Pay is a service provided by [the
5 biller]."

6 55. One employee remarked that Doxo's ads were "super misleading": "the copy
7 makes it seem like you are working with a trusted brand that [Doxo] already ha[s] a relationship
8 with vs. a middle man." Another employee observed that Doxo's ads placed "brand term at the
9 top which makes you think you are on an authorized site." Summarizing Doxo's conduct, the
10 employee stated, "[t]he thing that kills me is they know exactly what they are doing" (emphasis
11 in original).

12 56. At the time of its compliance review, the search engine had received complaints
13 from more than 1,500 companies reporting that Doxo was using their trademarks without
14 permission. A search engine employee noted that the company was "among the highest
15 trademark complaint receivers."

16 57. Based on their review, compliance personnel found that Doxo had violated
17 several of the search engine's policies. Specifically, they concluded that Doxo's ads and URLs
18 were misleading, that Doxo's use of billers' names and logos falsely implied a relationship with
19 the biller, and that Doxo had failed to disclose terms in a clear and conspicuous manner.

20 58. Search engine employees shared their findings with, among other Doxo
21 employees, Defendant Parks, who in turn informed Defendant Shivers.

22 59. Shivers and Parks were directly involved in discussions regarding what changes
23 to make in response to the search engine's findings, and both discussed proposed changes with
24 search engine employees. Shivers and Parks proposed that Doxo leave its ads and webpages for
25 each biller unchanged unless the biller complained to the search engine multiple times. Today,
26 Doxo ads and payment flows are substantially identical to the ones identified as "super

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1 reason to believe that Defendants are violating or are about to violate laws enforced by the
2 Commission

3 VIOLATIONS OF THE FTC ACT

4 74. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts
5 or practices in or affecting commerce.”

6 75. Misrepresentations or deceptive omissions of material fact constitute deceptive
7 acts or practices prohibited by Section 5(a) of the FTC Act.

8 Count I

9 Deceptive Representation That Doxo Is an Official Payment Channel

10 76. In numerous instances in connection with the advertising, marketing, promotion,
11 or provision of bill payment services, Defendants have represented directly or indirectly,
12 expressly or by implication, that Doxo is an official payment channel for consumers’ billers.

13 77. Defendants’ representations as described in Paragraph 76 are false or misleading

14 78. Therefore, Defendants’ representations as described in Paragraph 76 constitute
15 deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

16 Count II

17 Deceptive Representation Regarding Payment Amount

18 79. In numerous instances in connection with the advertising, marketing, promotion,
19 or provision of bill payment services, Defendants have represented directly or indirectly,
20 expressly or by implication, that consumers will pay the amount on their bill.

21 80. Defendants’ representations as described in Paragraph 79 are false or misleading

22 81. Therefore, Defendants’ representations as described in Paragraph 79 constitute a
23 deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

24 VIOLATIONS OF THE GLB ACT

25 82. Section 521 of the GLB Act, 15 U.S.C. § 6821, became effective on November
26 12, 1999. Section 521(a)(2) of the GLB Act, 15 U.S.C. § 6821(a), prohibits any person from

PRAYER FOR RELIEF

Wherefore, the FTC requests 2.76 .8yt (h)-16 (ET /12 0L)-5 ourh:EF

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