

# Rent-to-Own Operators Settle Charges that They Restrained Competition through Reciprocal Purchase Agreements

**FTC alleges that agreements by Aaron’s Inc., Buddy’s Newco, LLC, and Rent-A-Center, Inc. reduced competition, lowered quality and selection of products**

**FOR RELEASE**

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Rent-to-own operators [Aaron’s Inc.](#), [Buddy’s Newco, LLC](#), and [Rent-A-Center, Inc.](#) have agreed to settle FTC charges that they negotiated and executed reciprocal purchase agreements in violation of federal antitrust law.

The complaints allege that from June 2015 to May 2018, [Aaron’s](#), [Buddy’s](#), and [Rent-A-Center](#) each entered into anticompetitive reciprocal agreements with each other and other competitors. These agreements swapped customer contracts from rent-to-own, or RTO, stores in various local markets. An outcome was that one party to the agreement closed down stores and exited a local market where the other party continued to maintain a presence. These reciprocal agreements likely led to store closures that may not have occurred otherwise, resulting in reduced competition for quality and service in the remaining stores, according to the complaints. In addition, many consumers travel to their designated store to make their regular payments in person. If their store closes, these customers must travel to the next-closest location, which may significantly increase their travel time and costs.

These agreements also explicitly required the selling party not to compete within a specified territory, typically for a period of three years.

“These agreements affected consumers who already had few options for furnishing a home on a limited budget,” said Ian Conner, Director of the FTC’s Bureau of Competition. “The FTC’s orders get rid of the agreements, reopen affected markets to competition, and bar these companies from doing this again.”

The FTC’s consent agreements prohibit the three RTO companies and their franchisees from entering into any reciprocal purchase agreement or inviting others to do so, and from enforcing the non-compete clauses still in effect from the past reciprocal purchase agreements. The three RTO companies must also implement antitrust compliance programs, notify the Commission in the event of certain changes in corporate governance, and grant the Commission access to company facilities as needed to ensure compliance with the order. Finally, due to prior board-level relationships between Aaron’s and Buddy’s, these firms are barred from having any of their representatives serve as a board member or officer of a competitor, and from allowing any competitor’s representative to serve on their boards.

Further details about the consent agreements are set forth in the [analysis to aid public comment](#) for this matter.

The Commission vote to issue the complaint and accept the proposed consent order for public comment was 3-2. Chairman Joseph J. Simons and Commissioner Noah Joshua Phillips issued a [joint statement](#). Commissioner Rohit Chopra issued a [dissenting statement](#).

The FTC will publish the consent agreements package in the [Federal Register](#) shortly. Instructions for filing comments appear in the published notice. Comments must be received 30 days after publication in the Federal Register. Once processed, comments will be posted on [Regulations.gov](#).

NOTE: The Commission issues an administrative complaint when it has “reason to believe” that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of up to \$43,280.

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