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CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

**CITY OF CHICAGO FILES CONSUMER PROTECTION LAWSUITS AGAINST
DOORDASH AND GRUBHUB FOR ENGAGING IN DECEPTIVE AND UNFAIR BUSINESS
PRACTICES**

*Complaints allege that the meal delivery companies deceived consumers and
shortchanged restaurants already reeling from the pandemic shutdown*

CHICAGO – Mayor Lori E. Lightfoot, Acting Business Affairs and Consumer Protection (BACP) Commissioner Kenneth Meyer, and Corporation Counsel Celia Meza today announced that the City of Chicago has filed two lawsuits against meal delivery giants Grubhub and DoorDash. These lawsuits are the result of a collaborative investigation led by BACP and the City's Law Department. They are the first comprehensive law enforcement actions against meal delivery companies in the United States.

The lawsuits assert claims under the Chicago Municipal Code for engaging in deceptive and unfair business practices that harm restaurants and mislead consumers. They seek injunctive relief in the form of greater transparency and other key conduct modifications, restitution for restaurants and consumers hurt by these predatory tactics, and civil penalties for violations of the law.

"As we stared down a global pandemic that shuttered businesses and drove people indoors, the defendants' meal delivery service apps became a primary way for people to feed themselves and their families, as well as support local restaurants," said Mayor Lightfoot. "It is deeply concerning and unfortunate that these companies broke the law during these incredibly difficult times, using unfair and deceptive tactics to take advantage of restaurants and consumers who were struggling to stay afloat."

The complaints allege that DoorDash and Grubhub's misconduct has been ongoing for years and continues to this day. Specifically, both DoorDash and Grubhub:

- Advertise order and delivery services from unaffiliated restaurants without their consent, leaving restaurants to repair reputational damage and resolve consumer complaints caused by Defendants.
- Lure consumers into a bait-and-switch with deceptively small delivery fees upfront, only to charge misleading fees at the end of the transaction. This increases the total cost of delivery by as much as six times the amount initially advertised.



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- Hide that menu prices on their platforms are often significantly higher than the prices available if ordering directly from the restaurant.

Other misconduct is specific to each company. Grubhub's exploitative tactics have included:

- Publishing deceptive "routing" telephone numbers that Grubhub represented as the restaurant's direct number, and regularly charging commissions even when calls to these numbers did not result in an order.
- Creating and maintaining "impostor websites" for restaurants, which look like the restaurant's actual website but route unsuspecting consumers to Grubhub.
- Launching deceptive, promotional campaigns to "save restaurants" during the pandemic, while forcing participating restaurants to extend their contracts, cover the cost of the promotions, and pay Grubhub its full commission on all orders.
- Violating the City's emergency cap of 15% on restaurant commissions.

DoorDash's specific misconduct has included:

- Misleading consumers to believe they were tipping drivers directly, when in fact the customer "tip" was used to subsidize DoorDash's own payment to its drivers.
- Imposing a misleading "Chicago Fee" of \$1.50 on every order in the City, deceptively implying the fee was required by, or paid to, Chicago—when in fact DoorDash was the sole beneficiary.

At the height of the 2020 lockdown, approximately half of Chicago's 7,500 restaurants had closed either temporarily or permanently. The Federal Reserve estimated that approximately 44,000 restaurant workers in the Chicago area lost their jobs in 2020. Meanwhile, sales for meal delivery service platforms have soared since pandemic-related health restrictions forced restaurants to close or severely limit indoor dining. From 2019-2020, year-over-year total orders placed with meal delivery service platforms have more than tripled nationally – from 263 million to 816 million. As Defendants' business surged, their predatory practices persisted.

"We discovered that Grubhub and DoorDash have been engaging in deceptive and misleading business practices that harm consumers and exploit restaurants. These practices continued unabated during the pandemic when restaurants were struggling to survive," said Acting BACP Commissioner Kenneth Meyer. "We heard from the hospitality industry and Chicago's consumers about these unfair practices and this action demonstrates we will hold non-complying businesses accountable."

The City is represented in these lawsuits by in-house counsel from the Affirmative Litigation Division in its Department of Law and by the law firm of [Cohen Milstein Sellers & Toll PLLC](#).



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The Grubhub complaint and DoorDash complaint were filed today. If any Chicago restaurant or consumer wishes to inform the City about their experience with meal delivery companies, they can do so by emailing mealdelivery@cityofchicago.org.

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