

BUSINESS INSIDER

SoulCycle is being sued over a clever policy that infuriates customers



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REUTERS/Shannon Stapleton

A fitness instructor leads a SoulCycle class at the company's Union Square location in New York, April 13, 2011.

As SoulCycle prepares to go public, it has been [hit with a proposed class-action](#) lawsuit claiming it "robs customers" by requiring them to buy certificates for classes with "unreasonably short expiration periods."

The lawsuit — which accuses SoulCycle of a "relentless effort to maximize its profits" — details the story of California customer Rachel Cody, who paid \$30 for a certificate good for a future class.

Her pass expired before she could make it to SoulCycle, she claims.

SoulCycle offers later expiration dates when customers buy pricier packages for multiple classes, as opposed to a single class.

The lawsuit also brings up how SoulCycle's popularity comes into play. With classes at peak times filling up rapidly, it can become difficult to get into classes, thereby posing more of a risk of wasting classes.

The periods until class packages expire — none of which are longer than a year — violate

the [Credit Card Accountability and Disclosure Act](#), according to the lawsuit.

Given that customers must purchase "certificates" in order to receive classes, the lawsuit likens these packages to gift certificates, which are not allowed to have expiration dates shorter than five years under the law.

Many customers have complained about the policy on review websites such as Yelp.

"My single biggest pain point: the class EXPIRES without advanced notice," a New York City [customer noted](#). "If you pre-purchase a single class or a series of classes, they will expire (single class expires within 30 days, series of 5 within 45 days). At \$30 a class, I feel like there should be more of a notice before the classes expire since we're all busy people who have to juggle various deadlines."

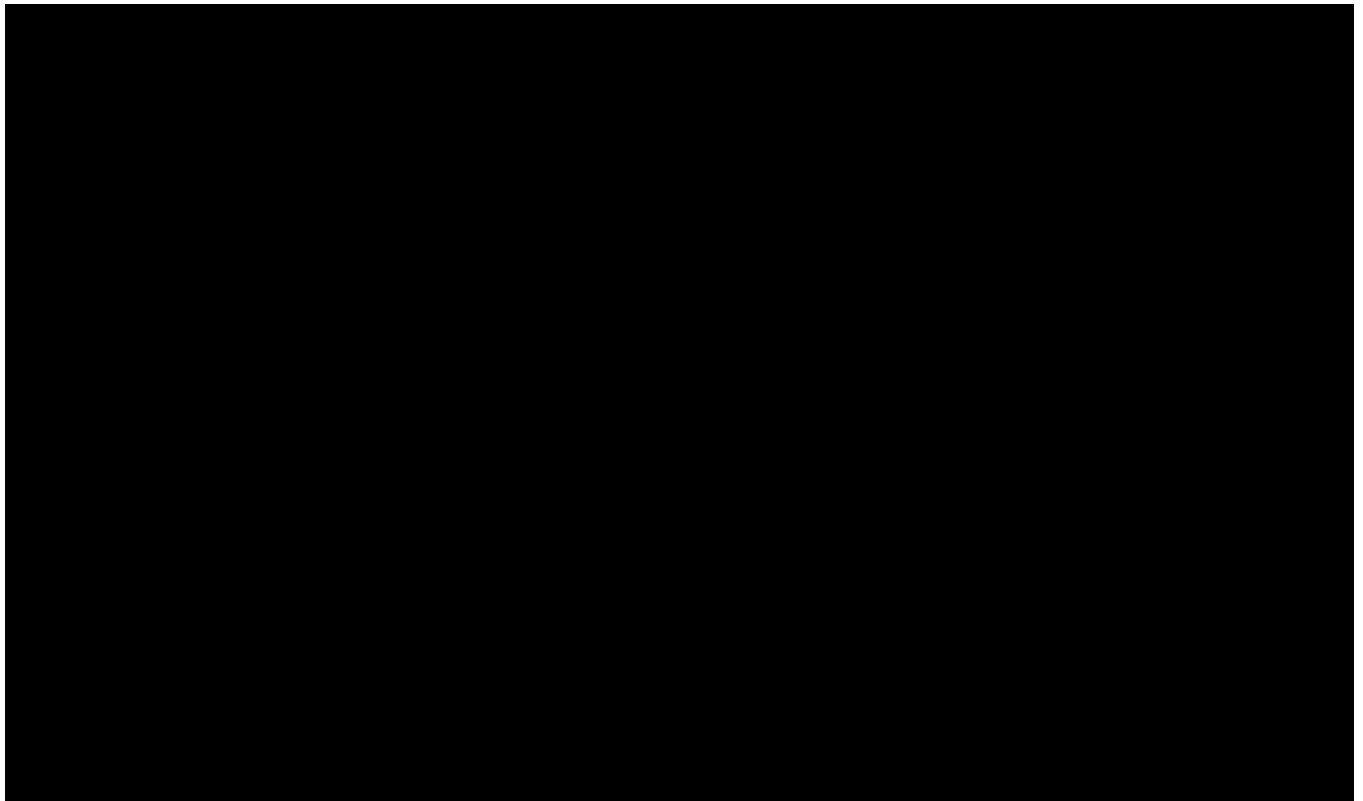
"SoulCycle's deliberate use of expiration dates harms and deceives customers throughout the United States," Daniel Hipkind, one of the lawyers who's involved in the lawsuit, said in a press release. "SoulCycle's expiration dates rob customers of their money, creating illegal profits for SoulCycle."

The lawsuit hopes to refund the money of customers who have had class certificates expire.

"We believe thousands of people across America have been unable to use the certificates SoulCycle forces customers to purchase based on unlawful and unreasonable expiration dates. Customers have lost hundreds or even thousands of dollars because of SoulCycle's illegal acts," Hipkind said.

SoulCycle is declining to comment on news stories, citing the quiet period before its IPO.

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