N.Y. Fitness Chain Sued For Charging Membership Fees During Coronavirus Shutdown: 'Height Of Corporate Greed'

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A New York area fitness chain is being sued after continuing to charge membership fees despite being shut down amid the spread of the <u>coronavirus</u>.

A customer has filed suit against New York Sports Clubs claiming that she was charged her normal monthly membership fees even as the facilities were shut down to stop the spread of the coronavirus. As <u>Bloomberg</u> reported, the suit accuses parent company Town Sports International Inc. of making it "virtually impossible" to cancel memberships. The suit, which has been filed as a class action, said that the practice of continuing to charge membership fees while clubs are closed is "the height of corporate greed."

"People around the country are feeling enormous financial strain due to 'shelter-in-place' regulations, business closures, abrupt mass layoffs and the recent market collapse," the legal complaint read. "As a result, numerous gyms chains have on their own accord announced that membership charges will be suspended. TSI has not -- and this conduct is the height of corporate greed, lack of empathy and putting profits before people."

The report noted that the company operates close to 100 gyms in the tri-state area. All facilities have been indefinitely closed in accordance with state and federal guidelines regarding COVID-19 and with the New York City area in virtual lockdown, the report noted.

Across the country, a number of businesses have struggled with how to handle pre-paid and subscription services that are now indefinitely suspended. As <u>USA Today</u> noted, teams from the NBA, NHL, and Major League Baseball have held off on refunding customers holding tickets for games that were postponed, sticking to their normal ticket policies for suspended or rained-out games by keeping the money as credit for another game when the leagues resume.

That has left a number of angry customers, the report noted, especially as they feel the financial squeeze from lost work.

"People are out here unable to get basic necessities and @StubHub refuses to issue refunds until @MLB 'cancels' games that tickets have been purchased for," a Twitter user complained. "I'm not getting what I paid for and in times like these, your companies need to do better. Do the right thing!"

It was not clear when New York Sports Clubs locations would re-open, but the New York area is expected to have several more weeks of a surge in <u>coronavirus</u> cases, as the metro area has become the epicenter for the outbreak in the United States.