# [DE] Cologne Regional Court declares Netflix price increases unlawful

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*Sandra Schmitz-Berndt*
*Institute of European Media Law*

On 15 May 2025, the *Landgericht Köln* (Cologne Regional Court – *LG Köln*) ruled in the second instance (case 6 S 114/23) that price increases for monthly usage fees may not be made unilaterally by a provider, but require the customer's express consent.

In the case at hand, a user had sued the streaming service provider Netflix for imposing three subscription price increases and demanded a refund of the overpayments. Price increases in December 2017, June 2019 and May 2021 meant that the price of the premium subscription originally purchased for EUR 11.99 per month had risen to EUR 17.99 per month. Contrary to the opinion of the *Amtsgericht Köln* (Cologne District Court) in the first instance, the regional court ruled that the plaintiff was not obliged to pay the higher price. It found that no agreements to increase the price had been concluded and that the original subscription had not been unilaterally amended in a valid way.

The court ruled that, in order to be effective, a contract amendment needed to be sufficiently specific and accepted by the customer. The use of a pop-up window with the option to click an "Agree to price increase" button did not fulfil these requirements. The price change was actually dependent on the customer's will, i.e. it needed to be voluntary. However, in a text box accompanying the "Agree to price increase" button, Netflix made it clear that the monthly price would be increased on a certain date. The amount and start date of the price increase had therefore already been fixed and the customer did not need to be involved. In its terms of use, Netflix also reserved the right to change the subscription prices at its reasonable discretion. In this regard, the court stated that, in a case where a provider had reserved a unilateral right to amend the contract in accordance with its general terms and conditions, the customer could all the more assume that an "Agree to price increase" button would merely implement this right and bring it to the customer's attention. Therefore, the customer had not declared effective acceptance of an offer, but had merely expressed the belief that they were obliged to do so.

Consequently, the validity of the price increase depended on whether the price adjustment clause in Netflix's general terms and conditions allowed the original contract to be unilaterally amended. The court initially found that the price

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adjustment clause unreasonably disadvantaged customers as it only allowed price increases and not price reductions. Furthermore, the contractual relationship – as was usual with streaming services – could be cancelled at short notice, meaning that there was no compelling reason for the clause and therefore no legitimate interest on the part of the provider. Netflix could react to cost increases by means of a change of contract notice and could not free itself from the risk of having to face competition by making a new offer in the context of a change of contract notice at its customers' expense. Prices were also not dependent on short-term, highly volatile markets such as electricity or gas, meaning that flexible pricing via such a clause was not justified. The price adjustment clause was therefore deemed invalid.

The Cologne Regional Court's decision is one of a number of decisions on the streaming service provider's price adjustment clauses, none of which have withstood a review of its general terms and conditions.

Previously, in November 2023, the *Kammergericht Berlin* (Berlin Court of Appeal), in injunction proceedings brought by consumer associations against Netflix's price adjustment clause, had ruled that unilateral intervention in a negotiated contract via such a clause was only permissible if there was a legitimate interest. In this case, however, there was no such interest for the aforementioned reasons. The *Bundesgerichtshof* (Federal Court of Justice), which also dealt with the matter in January and February 2025 following Netflix's appeal against the decision not to admit its appeal and its appeal for a hearing (case no. III ZR 407/23), emphasised that customers were unreasonably disadvantaged if price adjustment clauses allowed a provider to increase the initially agreed price without limitation beyond passing on specific cost increases, thus not only avoiding a reduction in profit but also generating additional profit.

In the specific case before the Cologne Regional Court, Netflix was obliged to reimburse the overpayments to its customer.

### *Entscheidung des LG Köln vom 15.5.2025*

https://nrwe.justiz.nrw.de/lgs/koeln/lg_koeln/j2025/6_S_114_23_Urteil_20250515.html

*Decision of the Cologne Regional Court of 15 May 2025*

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