



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
4330 EAST WEST HIGHWAY BETHESDA, MD 20814
COMMISSIONER MARY T. BOYLE

Commissioner Mary T. Boyle Statement on Peloton's Agreement to Pay Major Civil Penalty

January 5, 2023

Today's settlement agreement with Peloton Interactive, Inc. (Peloton) – requiring payment of more than \$19 million in civil penalties – is a significant milestone for CPSC and for the consumers we protect. Closely tracking the maximum penalty amounts permitted by statute, the settlement leaves no doubt about the Commission's dedication to robust enforcement: breaking the law has consequences.

The settlement, approved by the Commission subject to the public comment process, holds Peloton accountable for endangering consumers. The agreement's terms resolve charges that Peloton knowingly failed to report to CPSC that its Tread+ treadmill contained a defect or created an unreasonable risk of serious injury or death. Peloton was well aware of this hazard and took no action to contact CPSC or warn the public as it accumulated more than 150 reports of people, pets, and objects being pulled under the rear of the Tread+ treadmill, including an incident resulting in the death of a child. The settlement also resolves charges that even after a recall was in place, Peloton knowingly distributed recalled products in violation of the Consumer Product Safety Act. Going forward under the agreement, Peloton is required to implement a compliance program to address product safety, with oversight at the highest levels of the company and mandatory annual reports to the CPSC.

As our FY 2023 Operating Plan makes clear under an amendment I included, civil penalty assessments will continue to be an important priority for the Commission in the coming year. Raising the maximum penalties allowable by statute should also be high on the agenda of the consumer protection community. Egregious behavior of this kind should not be dismissed by companies as a mere cost of doing business. Civil – and potentially criminal – penalties are essential to ensure that the interests of consumers are given their due. The Commission is committed to using all of our tools to enforce the law.