

INTRODUCTION TO BBB STATISTICAL COMPILATION - 2005

WHO WE ARE

The Better Business Bureau system is comprised of 179 local BBB offices and branches throughout the U.S. and Canada, the Council of Better Business Bureaus (CBBB), located in Arlington VA and the Canadian Council of Better Business Bureaus (CCBBB) in Toronto ON.

The Better Business Bureau is a private, non-profit organization. Bureaus are not government or law enforcement agencies. Local BBBs are supported by over 375,000 community businesses that voluntarily agree to abide by standards of ethical marketplace interaction with the public. Local Better Business Bureaus are entitled to use the BBB name and logo through their membership in either the U.S. Council of Better Business Bureaus or the Canadian Council of Better Business Bureaus. Both CBBB and CCBBB provide service and support to local BBB offices. Both Councils are funded, in part, by 318 leading edge companies and local Bureaus.

WHAT WE DO

The BBB system provides services to consumers, businesses and charities. It provides BBB experience reports on companies, assists in resolving disputes, monitors advertising, sets standards for charitable giving and provides consumer and business information to assist in making wise purchasing decisions. Reports on BBB members and non-members are made available to the public free of charge through www.bbb.org. Local Bureaus provide dispute resolution services such as conciliation, mediation

and/or arbitration for consumers and businesses. The BBB system also assists businesses in a self-regulatory mechanism to foster truth and accuracy in advertising. Other programs, such as *BBBOnLine* Reliability and Privacy (www.bbbonline.org), promote consumer trust on the Internet. Additionally, the BBB Wise Giving Alliance (www.give.org) is an advisory service of CBBB that sets standards for charitable organizations and distributes information on the programs, fund-raising practices and finances of thousands of soliciting organizations. In addition, the BBB system provides consumer and business shopping tips through publications, on its Web sites, and in public outreach.

In the calendar year 2005, the Better Business Bureau system supplied nearly 90 million instances of service to its customers: the consuming public, business community and charitable organizations. Over 41.4 million company reports, of which nearly 50% were obtained from local BBB Web sites. The BBB system assisted consumers and businesses in 1.1 million marketplace disputes. Of these disputes 37,500 offers of BBB mediation or arbitration were extended to the parties to resolve the issues. In addition, the public received 10 million web confirmations of reliability and privacy through a BBB safe shopping seal displayed on over 26,000 eligible company Web sites. Over 2.2 million requests were made by the public for reports on national charities.

Statistical Activity for U.S. and Canadian BBB System

Company Report Requests U.S. Total 39,139,195 Canada Total 2,317,139	41,456,334
BBBOnLine Company Reliability & Privacy Seal Confirmations	9,981,141
BBB Wise Giving Alliance Charity Report Requests	2,222,880
General Assistance & Industry Information U.S. Total 32,776,532 Canada Total 1,767,419	34,543,951
Investigations Conducted by local BBBs U.S. Total 3,025 Canada Total 76	3,101
Complaints processed U.S. Total 758,923 Canada Total 22,532 (Includes 37,458 Mediations & Arbitrations)	781,455
Complaint Counseling & Referrals U.S. Total 252,388 Canada Total 8,655	261,043
BBB AUTO LINE cases	37,682
Local and National Advertising Review	11,137
BBB Services to Business, Charities & the General Public TOTAL	89,298,724

Better Business Bureau Services

Most **company report requests** are inquiries from the public seeking to check out the BBB's experience on individual companies and organizations before making purchases, investments, or donations to charities. **In 2005, the BBB system issued over 41.4 million company reports to the public – online and offline.**

The BBB also provides **general information** on shopping wisely and avoiding questionable promotions. In addition, BBBs assist the public by offering business and consumer education through its Web sites, brochures and community outreach. **In 2005, the BBB system assisted the public by providing general industry tips and consumer information in over 34.5 million instances.**

Better Business Bureaus offer **the public general complaint counseling and referrals to appropriate agencies** to assist in dispute resolution. BBBs may advise the public on how best to obtain a positive outcome to the matter, or suggest they contact company management or another agency that may help provide a solution. **During 2005, the BBB system assisted the public with complaint counseling and referrals in over 261,000 instances.**

Complaints processed by the BBB from consumers and businesses include those mailed to BBBs, taken by telephone or filed online. Complaints are presented to the business for response and resolution. The BBB helps resolve

disputes through conciliation, mediation and arbitration. **In 2005, over 1.1 million complaints were handled by local BBBs. Of those, 67.3% were filed online by the public.**

BBBOnLine® Reliability and Privacy (www.bbbonline.org) The BBBOnLine programs provide the public an easy way to distinguish reliable companies' Web sites and online services by awarding seals to those companies that meet responsible online business practices. **In 2005, the public received nearly 10 million online confirmations of "safe shopping" reliability and privacy posted on over 26,000 company Web sites.** These businesses pledged a commitment to resolve any online complaint disputes and adhere to ethical online business practices through the BBBOnLine® Reliability Program. Additionally, the public received confirmation from company Web sites that the business is dedicated to fair treatment of personal information by participating in domestic and international BBBOnLine® Privacy programs.

BBB Wise Giving Alliance

The BBB Wise Giving Alliance (WGA) (www.give.org) received **over 2.2 million online and offline requests from the public for reports on charities located in the U.S.** The Alliance, an affiliate of the Council of Better Business Bureaus, reports on nationally soliciting charitable organizations that are the subject of donor inquiries. These reports include an evaluation of the subject charity in relation to voluntary BBB charity standards.

BBB AUTO LINE (www.dr.bbb.org)

The Better Business Bureau system administers BBB AUTO LINE to help participating automobile manufacturers and individual customers resolve disputes concerning alleged manufacturing defects. This program handled **over 37,000 cases between manufacturers and their customers in 2005.** For a list of program participants, see <http://lemonlaw.bbb.org/>.

BBB System Advertising Review

The Bureau system reviews, makes recommendations and reports on local and national advertising in the U.S. and Canada. This includes cases whereby local Bureaus have requested local businesses to substantiate, modify or discontinue misleading advertising claims. Advertising disseminated on a national level or broad regional basis is reviewed by the National Advertising Division (NAD) (www.nadreview.org), Children's Advertising Review Unit (CARU) (www.caru.org) and National Advertising Review Board (NARB). Together, local Bureaus and the national advertising units of CBBB handled **over 11,000 cases in 2005.**

Local Investigations

Bureaus conducted over 3,100 investigations on companies and promotions to assist in providing the public an ethical marketplace in which to do business. Many investigations are conducted in tandem with governmental law enforcement agencies.

**UNITED STATES BBBS
2005
TOP TEN REQUESTED REPORTS**

- 1. Mortgage Companies**
- 2. Roofing Contractors**
- 3. Moving Companies**
- 4. Work At Home Advertisers**
- 5. General Contractors**
- 6. New Car Auto Dealers**
- 7. Home Builders**
- 8. Construction & Remodeling Svc.**
- 9. Auto Repair & Service**
- 10. Swimming Pool Contractors**

**UNITED STATES BBBS
2005
TOP TEN COMPLAINTS**

- 1. Cellular Phone Service & Supplies**
- 2. New Car Dealers**
- 3. Furniture Stores**
- 4. Internet Services**
- 5. Internet Shopping**
- 6. Collection Agencies**
- 7. Banks**
- 8. Telephone Companies**
- 9. Credit Card Companies**
- 10. Auto Repair & Service**

**CANADIAN BBBS
2005
TOP TEN REQUESTED REPORTS**

- 1. Moving Companies**
- 2. Roofing Contractors**
- 3. New Car Dealers**
- 4. Used Car Dealers**
- 5. Auto Repair & Service**
- 6. General Contractors**
- 7. Work At Home Advertisers**
- 8. Auto Body & Paint Companies**
- 9. Plumbing Contractors**
- 10. Paving Contractors**

**CANADIAN BBBS
2005
TOP TEN COMPLAINTS**

- 1. Cellular Phone Service & Supplies**
- 2. Movers**
- 3. New Car Dealers**
- 4. Furniture Stores**
- 5. Telephone Companies**
- 6. Internet Shopping Services**
- 7. Florists**
- 8. Roofing Contractors**
- 9. Internet Services**
- 10. Health Clubs**

ABOUT THIS REPORT

The following report provides specificity on the major inquiry and complaint categories by type of business or industry, including numbers of company reports requested and complaints processed. It also provides the complaint settlement indices. **In 2005 the overall average settlement rate for complaints filed with Better Business Bureaus was 68.7%.**

DEFINITIONS FOR CLOSED COMPLAINT CATEGORIES

The following terminology used in this report reflects how the BBB system evaluates and closes consumer to business and business to business disputes, as reflected in Tables I, II and III.

Settled: Settled complaints are comprised of disputes where the company resolved the issues of a dispute; or made reasonable efforts to resolve the matter through conciliation. In addition, some complaints may be considered settled although the complainant remains dissatisfied. In those situations the Bureau has made a determination that the company has

made fair and reasonable efforts to resolve the matter. In many cases the company has agreed to mediate or arbitrate the dispute but the complainant declines the offer.

Arbitrated and mediated complaints are considered settled disputes as well. Failure to abide by an arbitrator's decision or mediated settlement is, however, considered "not settled."

Not Settled: Complaints that are not settled are those instances where the company did not respond to the complaint, or where the BBB believes that the company did not adequately address the issues nor make a reasonable offer to resolve the dispute. Complaints are also considered not settled when the complaint has been the subject of BBB arbitration or mediation, but the company did not participate in the process even if required to do so or fails to comply with an arbitration decision or mediated settlement agreement.

Unable to Pursue: Bureaus are not able to pursue or process some complaints against companies if the company could not be located or has gone out of business.