

INTRODUCTION TO BBB STATISTICAL COMPILATION - 2006

WHO WE ARE

The Better Business Bureau system is comprised of 178 local BBB offices and branches serving communities 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 (CBBB) or the Canadian Council of Better Business Bureaus (CCBBB). Both CBBB and CCBBB provide service and support to local BBB offices. Both Councils are funded, in part, by nearly 300 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 2006, the Better Business Bureau system supplied over 105 million instances of service to its customers: the consuming public, business community, and charitable organizations. Over 49 million company reports were requested by the public. The BBB system assisted consumers and businesses in 1.1 million marketplace disputes. Of those disputes, local BBBs offered mediation or arbitration in over 43,000 instances to assist the parties to obtain resolution if conciliation fails. In addition, the public received over 17 million web confirmations of reliability and privacy through a BBB safe shopping seal displayed on over 32,000 eligible company Web sites. Nearly 2 million requests were made by the public for reports on national charities.

2006 Statistical Activity for U.S. and Canadian BBB System

Company Report Requests U.S. Total 46,516,934 Canada Total 2,676,473	49,193,407
BBBOnLine Company Reliability & Privacy Seal Confirmations	17,077,532
BBB Wise Giving Alliance Charity Report Requests	1,981,859
General Assistance, Counseling & Industry Information U.S. Total 33,309,920 Canada Total 2,535,950	35,845,870
Investigations Conducted by local BBBs U.S. Total 10,899 Canada Total 90	10,989
Complaints closed U.S. Total 1,123,139 Canada Total 35,971 (Includes 43,204 Mediations, Arbitrations and Dispute Settlement hearings)	1,159,110
BBB AUTO LINE cases	37,434
Local and National Advertising Review	10,154
BBB Services to Business, Charities & the General Public TOTAL	105,316,355

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 2006, the BBB system issued over 49.1 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 2006, the BBB system assisted the public by providing general industry tips and consumer information, referrals and counseling in over 35.8 million instances.**

Complaints from consumers and businesses processed and closed by the BBB include those mailed to BBBs, taken by telephone, or filed online. Complaints are presented to the business for response, information, and resolution. The BBB helps resolve disputes through conciliation, mediation and arbitration. **In 2006, over 1.1 million complaints were handled by local BBBs.**

BBBOnLine® Reliability and Privacy (www.bbbonline.org) 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 2006, the public received over 17 million online confirmations of “safe shopping” reliability and privacy posted on over 32,000 company Web sites.** These businesses pledge 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 nearly **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**

2006. For a list of program participants and information on eligibility, visit <http://www.dr.bbb.org/autoline/index.asp>.

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 10,000 cases in 2006.**

Local Industry Investigations

Bureaus conducted nearly 11,000 investigations on companies and promotions in 2006. Many investigations are conducted and publicly reported in tandem with governmental law enforcement agencies to provide the marketplace an ethical foundation on which to do business.

**UNITED STATES BBBS
2006
TOP TEN REQUESTED INDUSTRY
REPORTS**

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

**UNITED STATES BBBS
2006
TOP TEN INDUSTRY
COMPLAINTS**

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

**CANADIAN BBBS
2006
TOP TEN REQUESTED INDUSTRY
REPORTS**

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

**CANADIAN BBBS
2006
TOP TEN INDUSTRY
COMPLAINTS**

- 1. Furniture Retailers**
- 2. Moving Companies**
- 3. New Car Dealers**
- 4. Internet Services**
- 5. Internet Shopping Services**
- 6. Roofing Contractors**
- 7. Health Clubs**
- 8. Cellular Telephone Svc & Supplies**
- 9. Telephone Companies**
- 10. Paving Contractors**

ABOUT THIS REPORT

The following tables provide 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 2006, the overall average settlement rate for complaints filed with Better Business Bureaus in the US and Canada was 72.2%.**

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 are considered settled although the complainant remained dissatisfied with the outcome. In those situations, the Bureau made a determination that the company had made a fair and reasonable effort to resolve the matter. In many

cases the company agreed to mediate or arbitrate the dispute but the complainant declined the offer.

Arbitrated and mediated complaints are considered settled disputes. 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 effort to resolve the dispute. Complaints are also considered not settled when neither party is willing to work together to resolve the complaint issues. Additionally, complaints are considered "not settled" if the company agrees to mediate or arbitrate disputes but fails to follow through on its commitment 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.