

INTRODUCTION

WHO WE ARE

The Better Business Bureau system is comprised of 180 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 by over 350 leading edge companies and local Bureaus.

WHAT WE DO

The BBB system provides services to both consumers and businesses. It provides reliability reports on businesses, assists in resolving disputes, monitors advertising, sets standards for charitable giving and provides consumer and business information to assist the public and businesses in making wise purchasing decisions. Local business 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, fundraising practices and finances of thousands of soliciting organizations. In addition, the BBB system provides consumer and business shopping tips through publications, its Web site, and speaking engagements.

In the calendar year 2004, the Better Business Bureau system in the United States and Canada supplied over 59.8 million instances of service to its customers: the consuming public and business community. Over 35.5 million company reliability reports were issued to the public, of which over 16.8 million were obtained from local BBB Web sites. Bureaus also assisted consumers and businesses in resolving nearly 1 million disputes. In addition, the public received over 6.1 million confirmations for online BBB assurance of “safe shopping” at over 20,000 company Web sites to enhance confidence in online commerce. Over 2.3 million requests were made by the public for reports on national charities.

Statistical Activity for U.S. and Canadian BBB System

Company Reliability Report Requests U.S. Total 34,512,656 Canada Total 1,302,022	35,814,678
BBBOnLine Company Reliability & Privacy Seal Confirmations	6,172,770
BBB Wise Giving Alliance Charity Report Requests	2,389,003
General Information Requests U.S. Total 6,399,756 Canada Total 579,795	6,979,551
General Assistance & Industry Information	7,487,856
Complaints processed U.S. Total 960,094 Canada Total 25,632	985,726

BBB AUTO LINE cases	28,702
Local and National Advertising Review	12,527
BBB Services to Business & the General Public TOTAL	59,870,813

Better Business Bureau Services

Most company report requests are inquiries from the public seeking to check out the reliability of individual companies and organizations before making purchases, investments, or donations to charities – local and national. **In 2004, the BBB system issued over 35.8 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 2004, the BBB assisted the public by providing general industry tips and consumer information in over 14.5 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 2004, the BBB system assisted the public with complaint counseling and referrals in nearly 7 million 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 2004, over 985,000 complaints were handled by local BBBs. Of those, 614,128 complaints - 62.3% - 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 company Web sites and online services by awarding seals to those companies that meet responsible online business practices. In 2004, the public received online confirmation from **over 5.2 million company Web site visits whereby the**

business pledged a commitment to resolve any online complaint disputes and adhere to ethical online business practices through the BBBOnLine® Reliability Program. Additionally, in over 886,000 instances, the public received confirmation from company Web sites that the business was dedicated to fair treatment of personal information by participating in domestic and international BBBOnLine® Privacy programs.

BBB Wise Giving Alliance

In addition, the BBB Wise Giving Alliance (WGA) (www.give.org) received **nearly 2.4 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 automobile manufacturers and individual customers resolve disputes concerning alleged manufacturing defects. This program handled **over 28,000 cases between manufacturers and their customers in 2004.**

For a list of program participants, see <http://lemonlaw.bbb.org/>.

Local and National Advertising Review

The Bureau system reviews, makes recommendations and reports on local and national advertising in the U.S. This includes cases whereby local U.S. Bureaus have requested area businesses to substantiate or modify misleading advertising claims. Advertising disseminated on an international 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 12,500 cases in 2004.**

UNITED STATES BBBS

TOP TEN REQUESTED REPORTS

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

TOP TEN COMPLAINTS

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

CANADIAN BBBS

TOP TEN REQUESTED REPORTS

- 1. Moving Companies**
- 2. Roofing Contractors**
- 3. Long Distance Phone Services**
- 4. Work At Home Companies**
- 5. New Car Auto Dealers**
- 6. Computer Dealers**
- 7. Multi Level Selling Companies**
- 8. General Contractors**
- 9. Plumbing Contractors**
- 10. Used Car Dealers**

TOP TEN COMPLAINTS

- 1. Moving Companies**
- 2. New Car Dealers**
- 3. Furniture Retailers**
- 4. Cellular Phone Companies**
- 5. Roofing Contractors**
- 6. Internet Services**
- 7. Auto Repair & Service**
- 8. Computer Dealers**
- 9. Paving Contractors**
- 10. General Contractors**

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 2004 the overall average settlement rate for complaints filed with Better Business Bureaus was 69.1%.

DEFINITIONS FOR CLOSED COMPLAINT CATEGORIES

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

Settled: Settled complaints are comprised of disputes where the company resolved all the issues of a dispute; or made every effort to resolve the matter through conciliation. In addition, some complaints may be considered settled although the consumer remains dissatisfied. In those situations the Bureau has made a determination that the company has done everything it could do to resolve the matter – in many cases agreeing to mediate or arbitrate but the consumer refuses all reasonable offers.

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

Not Settled: Complaints that are not settled are those that the complainant indicated the company's response to the complaint did not resolve the matter ("unresolved"); or the company did not respond to the complaint ("no response"). In addition, complaints not settled include those instances where the BBB believes that the company did not adequately address the issues nor make a good faith 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 the decision.

Unable to Pursue: Bureaus are not able to pursue or process some complaints against companies if the company could not be located (mail returned, phone disconnected, etc.), if the company has gone out of business, or the matter has already been adjudicated by a court of law or previously settled.