

Better Business Bureau®
BBBOnLine®
Code of Online Business Practices

Introduction

1. The following Code of Online Business Practices is designed to guide ethical "business to customer" conduct in electronic commerce. These guidelines represent sound online advertising and selling practices that the Better Business Bureau ("BBB") and BBBOnLine believe will boost customer trust and confidence in online commerce.

2. This Code serves two purposes:
 - a. First, the Code provides desirable standards for e-commerce generally. Adherence to the provisions of this Code will be a significant contribution toward effective self-regulation in the public interest. We urge online businesses to comply with the Code and to establish the necessary management procedures that will assure success.
 - b. Second, it is the underpinning for the [BBBOnLine Reliability Program](#) and all Reliability participants must agree to follow it and to dispute resolution, at the customer's request, for unresolved disputes involving products or services advertised or purchased online. Online businesses that are or become Reliability participants will be able to demonstrate to the public their commitment to the Code's good business practices by displaying the Reliability Seal.

3. The Code contains practical, performance-based guidelines, rather than dictating methods for achieving the goals that could interfere with particular business models. While the Code establishes goals for the online business, it does not dictate how these goals should be reached, leaving those decisions up to the online business that knows its business model best. As such, the Code is designed to allow online businesses to take advantage of evolving technology and to foster innovation while adhering to principled business practices that provide truthful and accurate information to online customers.

4. The Code uses the term "should" in recognition that this is a voluntary code. However, all provisions are recommended for implementation by the online business community.

5. BBB and BBBOnLine encourage online businesses, to the extent they target particular geographic markets or countries with their online advertising or marketing, to consider the targeted geographical markets' or countries' regulatory requirements. However, the Code does not address whether the laws, if any, of any particular

jurisdiction apply to online advertising or transactions. Online businesses are therefore advised to make a determination that their practices are in compliance with applicable laws.

6. E-commerce is developing at a rapid pace and BBB and *BBBOnLine* recognize that this Code may need to be modified over time to keep it current with developing technology, new business models, and customer needs. BBB and *BBBOnLine* are committed to review the Code and update it as needed.

7 Terms:

- a) **Online Advertiser:** A person or entity acts as an “online advertiser” when it promotes its own goods or services on the Internet. Therefore, code provisions referring to online advertisers apply when the business is acting as an online advertiser for a particular activity. If in certain situations an online advertiser acts as an online merchant (see definition below), then in those situations, it must also comply with the online merchant Code requirements.

(Click here for examples: Examples of advertising promotions include: banner ads that lead to a website that promotes products; billboard ads; sponsorships, information sites that promote a good or service offered by the online business. The following would not be considered examples of an advertising promotion: an unpaid comment by an unaffiliated individual on a bulletin board about a product or service or an independent online news story about a product or service.)

- b) **Online Merchant:** A person or entity acts as an “online merchant” when it offers its own goods and services online and accepts online orders. A business may act as an online merchant in certain situations but not in others. Therefore, Code provisions referring to online merchants apply when the business is acting as an online merchant for a particular activity. All online merchants are also online advertisers and as such, should adhere to online advertiser Code provisions as well.

(Click here for examples: For example, an auction site is an online merchant to the extent it offers its own goods for sale or charges a fee for the use of its auction facilities but is not acting as an online merchant when others use its site to auction off their goods or services.

Other examples of business models that fall within the definition of an online merchant include: a business that offers goods and services for sale through its website; a promotion site that offers a contest; an online music store that sends electronic MP3 files to purchasers; or an online subscription service that charges a monthly access fee.)

- c) **Purchase:** For purposes of this Code, the term “purchase” is intended to be used broadly and is meant to include other transactions, including but not limited to, leasing, licensing or barter.

Principles for Ethical Business to Customer Conduct

The following statements represent the five principles upon which this Code is based. These principles should be read in conjunction with the supporting details that are available through the adjacent hyperlinks.

Principle I: Truthful and Accurate Communications.

Online advertisers should not engage in deceptive or misleading practices with regard to any aspect of electronic commerce, including advertising, marketing, or in their use of technology. ([Click here for details](#))

Principle II: Disclosure.

Online merchants should disclose to their customers and prospective customers information about the business, the goods or services available for purchase online, and the transaction itself. ([Click here for details](#))

Principle III: Information Practices and Security.

Online advertisers should adopt information practices that treat customers' personal information with care. They should post and adhere to a privacy policy based on fair information principles, take appropriate measures to provide adequate security, and respect customers' preferences regarding unsolicited email. ([Click here for details](#))

Principle IV: Customer Satisfaction.

Online merchants should seek to ensure their customers are satisfied by honoring their representations, answering questions, and resolving customer complaints and disputes in a timely and responsive manner. ([Click here for details](#))

Principle V: Protecting Children.

If online advertisers target children under the age of 13, they should take special care to protect them by recognizing children's developing cognitive abilities. ([Click here for details](#))

Principle I. Truthful and Accurate Communications.

Online advertisers should not engage in deceptive or misleading trade practices with regard to any aspect of electronic commerce, including advertising, marketing, or in their use of technology.

A. Online advertisers should adhere to the [Better Business Bureau's Code of Advertising](#). Online advertisers should engage in truthful advertising. They should not make deceptive or misleading representations or omissions of material facts.

1. Online advertisers should be able to substantiate any express or reasonably implied factual claims made in their advertising or marketing and should possess reasonable substantiation prior to disseminating a claim.
2. Online advertisers should disclose their advertising or marketing to be such if failure to do so would be misleading.
 - a) For example, if material information in an advertisement appears misleading because it is difficult to distinguish between editorial content and advertising, the advertising should be labeled as such.
 - b) Likewise, online advertisers should not disguise advertising as technical or desktop functionality when doing so would mislead customers into clicking on the advertisement thinking that they were actually performing a technical function.
3. If online advertisers make price comparisons, they should disclose the basis for, or the geographic area that constitutes, the market area. In all cases, online advertisers should either disclose the date when the comparison was made or if they offer ongoing claims, keep the substantiation current.

(Click here for explanation and examples: In the offline world, the price comparison market area, if not stated, is generally considered to be bounded by the distribution radius of the publication, for example, a local newspaper. However, in cyberspace, the distribution reach is global regardless of whether or not the online advertiser intends to be global and therefore, price comparisons need to be handled differently. In order for price comparisons to be accurate and useful to the customer in e-commerce, online advertisers should state the boundary or the basis for the comparison. For example, if online advertisers want to indicate that their product prices are lower than other comparable products of representative advertisers found in the Washington, DC. metropolitan area, the advertisers should reference that geographic area when making the price comparison. Additionally, while advertisements in offline publications are naturally dated in relation to the date of the publication, they are not necessarily so in cyberspace. Accordingly, advertisers should disclose the date the comparison was made or ensure that the comparison remains accurate if it is ongoing.)

4. Online advertisers should cooperate with any bona fide, industry self-regulatory advertising programs where such programs exist to resolve any advertising disputes.

(Click here for examples: Examples of such advertising self-regulatory programs include: in the United States, the National Advertising Division (“NAD”) and the National Advertising Review Board (“NARB”), which are part of the strategic alliance called the National Advertising review Council, comprised of the Council of Better Business Bureaus, the American Association of Advertising Agencies, the Association of National Advertisers, and the American Advertising Federation; in Europe, the European Advertising Standards Alliance, etc.)

- B. Online advertisers should use Internet technology to promote the customer’s knowledge of the products or services being offered and should not use technology to mislead customers.

(Click here for explanation: Internet technology allows for unique opportunities for online advertisers to describe their products in innovative and creative ways. Advertisers should take advantage of these opportunities but should not use technology to mislead customers about themselves, their products or services, or about the transaction itself.)

1. Online advertisers should not mislead online customers by creating the false impression of sponsorship, endorsement, popularity, trustworthiness, product quality or business size through the misuse of hyperlinks, “seals”, other technology, or another’s intellectual property.

(Click here for examples: Examples of such misleading practices include an online advertiser misleadingly linking to other businesses using their logos in such a way that suggests to customers that those businesses are affiliated with the advertiser; creating an online “sponsorship” page that lists well-known businesses to create the misimpression that those businesses have sponsored the advertiser’s web site if they have not; or using third-party “seals” to mislead customers about the advertiser’s participation in any self-regulatory programs.)

2. Online advertisers may use hyperlinks to add to or supplement information about goods or services but should not misleadingly use hyperlinks or information provided via a hyperlink to:
 - a) contradict or substantially change the meaning of any material statement or claim,
 - b) create the false impression of affiliation,
 - c) create the false impression that the content, merchandise or service of another’s business is their own.

(Click here for examples: Examples of such misuse of hyperlinks include an online advertiser stating that the total cost of a product is \$100 on the product information page and then using a hyperlink to indicate that the cost is actually \$300; or an online advertiser using a hyperlink to link to a watch manufacturer in such a way to misleadingly suggest that it is an authorized seller for the watch manufacturer when this is not the case.)

3. Online advertisers should only use search terms or mechanisms that fairly reflect the content of their site.

(Click here for examples: Examples of using search terms or mechanisms in a misleading way include an online advertiser using words in meta-tags hidden on the web site that are very popular search terms but are unrelated to their business or the content of the site (using “sex” for a grocery store) or using the name of the business’s competitor in a meta-tag. Both of these practices would result in the online advertiser’s web site misleadingly appearing on the results page of a customer’s web search.)

4. Online advertisers should make sure that any third-party “seals” or endorsements that incorporate links to self-regulatory or ethical standard programs are functional so that customers can easily verify membership in the seal program and determine its purpose, scope, and standards. Any online advertiser that participates in any third-party self-regulatory or ethical standard or seal program should do so in conformity with that program’s instructions regarding the display, activation, and uses of the seal or endorsement. If an express or implied claim is made through the use of a seal or text, the online advertiser should provide customers with the opportunity to understand the details behind the program, including the program’s claims, scope and standards.

(Click here for explanation and examples: It is important for online advertisers that are involved in legitimate third-party self-regulatory programs to assist consumers in determining that they are indeed legitimate. For example, if a seal program requires the online business to provide a “click-to-check” mechanism so that customers can determine the validity of the seal, the online business should do so. Additionally, to the extent that a self-regulatory program provides the online business with a seal that makes a claim, for example that the site is a “safe shopping” site, the online business should provide information to support that claim either by providing a hyper-link to the self-regulatory program itself or providing information about the program and a means for a customer to contact that program with questions or concerns. These steps are necessary to help develop customer trust in e-commerce.)

5. Online advertisers should not knowingly link to, or accept affinity or royalty payments from, deceptive, fraudulent, or illegal sites.
6. Online advertisers should not deceptively interfere with a customer’s browser, computer, or any appliance the customer uses to access the Internet.

(Click here for example: For example, an online advertiser should not deceptively disable the back button of the customer's browser or appliance or otherwise interfere with a visitor's ability to exit a site.)

Principle II. Disclosure.

Online merchants should disclose to their customers and prospective customers information about the business, the goods or services available for purchase online, and the transaction itself.

A. All information required by this Code should meet the following standards:

1. It should be clear, accurate, and easy to find and understand;
2. It should be readily accessible online and can appear via a noticeable and descriptive hyperlink or other similarly effective mechanism;

(Click here for explanation and examples: A noticeable and descriptive hyperlink means a link that is identifiable as such, appropriately titled for the content available through the link and, noticeable to the customer from a relevant web page. For example, a link entitled “warranties” would be noticeable and descriptive if the information contained therein explained the warranty information related to the product being offered and the link itself was available on the product information page. A link entitled “other” or “legal provisions” would not be noticeable and descriptive if the information contained therein provided the site’s privacy policy and did not appear on either the home page or a page that collected personally identifiable information.)

3. It should be presented such that customers can access and maintain an adequate record of it;

(Click here for explanation and examples: Customers should be able to retain a copy of material information either by printing or storing it on their hard drive. Online merchants should not prevent customers from being able to keep a record of material information.)

4. And, if the information relates to the goods or services available for purchase online or the transaction itself, it should be accessible prior to the consummation of the transaction.

(Click here for explanation and examples: In order for customers to be able to make informed transaction-related decisions, they should be able to access material information prior to completing a transaction. An online merchant should not try to hide material information from customers by making it difficult for them to access material information prior to completion of a transaction.)

B. Information About the Business:

1. Online merchants should provide, at a minimum, the following contact information online:
 - a) legal name,

- b) the name under which it conducts business,
- c) the principle physical address or information, including country, sufficient to ensure the customer can locate the business offline (Click here for examples: For example, a business operated out of the home might provide either an accurate mailing address or the address for an agent for service of process but should always include the city, state and country where the merchant operates),
- d) an online method of contact such as e-mail,
- e) a point of contact within the organization that is responsible for customer inquiries, and
- f) a telephone number unless to do so would be disruptive to the operation of the business given its size and resources and then, the merchant should maintain a working listed phone number.

2. Online merchants that register an Internet domain name should provide complete and accurate information to the authorized Internet registrar with which they register and should use the appropriate top-level domain for the type of business registered.

(Click here for explanation and examples: The requirements under this section “Information about the Business” take as their premise that online merchants should not “hide” in cyberspace because anonymity is not appropriate for e-commerce. Businesses should provide enough information about their business so that a customer can locate and communicate with the business offline as well as online. Businesses should also provide a point of contact for customer inquiries. This does not need to be a specified individual but could be an email address labeled “customer service” or “questions?” or another such descriptive term. Online merchants should also represent themselves fairly by the top-level domain they use – for example, by only using “.org” or “.edu” if they are a non-profit or educational institution respectively.)

C. Information About Goods and Services Available for Purchase Online:

Online merchants should provide enough information available about the goods or services available online so that customers can make an informed choice about whether to purchase such goods or services.

(Click here for example and explanation: For example, online merchants should provide online information that appears on the good or service packaging and would likely be material to a customer’s decision to make the purchase. Online customers currently cannot pick up and examine products as they can in the offline world. Online merchants should not disadvantage online customers by failing to provide them with material information that, if the customers were buying the products offline, they could otherwise see.)

D. Information About the Online Transaction Itself:

Online merchants should provide enough information about the online transaction itself so that customers can make an informed choice about whether to engage in the online transaction.

1. Online merchants should disclose material information about the online transaction itself including, but not limited to:
 - a) terms of the transaction,
 - b) product availability/shipping information, and
 - c) prices and customer costs,
2. And should provide the customer with an opportunity to:
 - a) review and approve the transaction and
 - b) receive a confirmation.
3. If the online merchant chooses to provide some information in more than one language, all material information about the transaction should be available in the selected languages. Similarly, if the online merchant chooses to reach a particular population, such as the aged or handicapped, by using large font sizes or specific colors for example, all material information about the transaction should be provided in the same way.

E. Terms of the Online Transaction:

Online merchants should provide the terms of the online transaction including but not limited to:

1. Any restrictions or limitations (for example, time or geographic) they impose on the sale of the goods or services;
2. Easy-to-use payment mechanisms;
3. Return or refund policies, including how customers can make returns or exchanges; obtain refunds or credits; or cancel a transaction; and any associated time limitations or associated fees;.
4. For products, any warranties, guarantees, escrow programs or other offered terms, including limitations, conditions, if any;
5. For services, any material standards, schedules, fees, or other offered terms, including limitation and conditions;

6. For contests, sweepstakes or other similar promotions, the complete rules adjacent to, or in a hyperlink or similar technology adjacent to, the promotion itself; and
7. For ongoing transactions or subscriptions:
 - a) information about how the transaction will appear on the bill so that the customer can easily identify the business and the transaction on the bill.
 - b) easy-to-understand cancellation information, an easy to use means to cancel an ongoing subscription, and timely confirmation of such cancellation.

F. Product Availability/Terms of Shipping:

Online merchants should:

1. Note which products or services are temporarily unavailable and in those instances:
 - a) provide information about when the customer will be charged for the transaction; and
 - b) if an expected availability date is provided for unavailable products or services, have a reasonable basis for such date.
2. Have a reasonable basis for, and provide customers with, estimated shipping times (or in the case of online delivery, delivery times) (if such times are unknown at the time of the online transaction, the online merchant should provide the information via a timely follow-up e-mail but should provide the customer with the opportunity to cancel the transaction if the time indicated is unacceptable);
3. Have a reasonable basis for stated delivery claims when made;
4. Disclose any shipping, performance, or delivery limitations they impose (age, geographic); and
5. If a material delay in shipping or performance occurs, provide the customer with timely information about the delay and the opportunity to cancel the transaction.

G. Prices and Customer Costs:

Online merchants should:

1. Disclose, in a specified currency, an itemized list of the prices or fees and expected customer costs to be collected by the online merchant with regard to an online transaction, including but not limited to:

- a) price or license fee to be charged, or in the case of a barter trade, the items that will be exchanged for goods or services purchased or licensed;
 - b) expected shipping and handling charges (if such charges are unknown at the time of the online transaction, the online merchant should provide the information via a timely follow-up e-mail but should provide the customer with the opportunity to cancel the transaction if the costs are unacceptable); and
 - c) expected taxes or other government imposed fees collected by the online merchant related to the transaction, etc.;
2. Provide a generalized description of other routine costs and fees related to the transaction that may be incurred by the customer such as tariffs or routine subscription fees that may not be collected by the online merchant;
 3. Clearly identify the merchant's name and website address on any subsequent statements or other billing information; and
 4. Honor the amount authorized by the customer in any subsequent bills to the customer.

H. Provide Opportunity to Review and Approve Transaction

Prior to completion of the transaction, online merchants should provide customers with the option to review the online transaction and to confirm their intent to enter into the transaction by providing a summary that includes:

1. Information about the online transaction (as outlined in sections above);
2. The selected payment method; and
3. The option to cancel or affirmatively complete the transaction.

I. Provide Confirmation of the Sale:

Online merchants should provide customers with the option to receive a confirmation of the transaction after the transaction has been completed. The confirmation should include:

1. A line-itemed statement of what was ordered, the price, and any other known charges such as shipping/handling and taxes,
2. Sufficient contact information to enable purchasers to obtain order status updates, and
3. The anticipated date of shipment.

Principle III. Information Practices and Security.

Online advertisers should adopt information practices that treat customers' personal information with care. They should post and adhere to a privacy policy based on fair information principles, take appropriate measures to provide adequate security, and respect customers' preferences regarding unsolicited email.

A. Post and Adhere to a Privacy Policy

Online advertisers should post and adhere to a privacy policy that is open, transparent, and meets generally accepted fair information principles including providing notice as to what personal information the online advertiser collects, uses, and discloses; what choices customers have with regard to the business' collection, use and, disclosure of that information; what access customers have to the information; what security measures are taken to protect the information, and what enforcement and redress mechanisms are in place to remedy any violations of the policy. The privacy policy should be easy to find and understand and be available prior to or at the time the customer provides any personally identifiable information.

(Click here for examples: Information about privacy policies and fair information principles can be found online, including at such sites as: *BBBOnLine*, Inc. at <http://www.bbbonline.org/>; Center for Democracy and Technology at <http://www.cdt.org/>; Online Privacy Alliance at <http://www.privacyalliance.org/>; Organization for Economic Cooperation and Development at <http://www.oecd.org/>.)

B. Provide Adequate Security

Online advertisers should use appropriate levels of security for the type of information collected, maintained, or transferred to third parties and should:

1. Use industry standard levels of encryption and authentication for the transfer or receipt of health care information, social security numbers, financial transaction information (for example, a credit card number), or other sensitive information,
2. Provide industry standard levels of security and integrity to protect data being maintained by computers, and
3. Take reasonable steps to require third parties involved in fulfilling a customer transaction to also maintain appropriate levels of security.

C. Respect Customer's Preferences Regarding Unsolicited E-mail:

Online advertisers should accurately describe their business practices with regard to their use of unsolicited e-mail to customers.

1. Online advertisers that engage in unsolicited email marketing should post and adhere to a “Do Not Contact” policy -- a policy that, at a minimum, enables those customers who do not wish to be contacted online to “opt out” online from future solicitations. This policy should be available both on the website and in any emails, other than those relating to a particular order.
2. Online advertisers that engage in unsolicited email marketing should also subscribe to a bona-fide e-mail suppression list such as ones offered by Center for Democracy and Technology at <http://opt-out.cdt.org/> and the Direct Marketing Association at <http://www.e-mps.org/en/>.

Principle IV. Customer Satisfaction.

Online merchants should seek to ensure their customers are satisfied by honoring their representations, answering questions, and resolving customer complaints and disputes in a timely and responsive manner.

A. Honor Representations: Online merchants should comply with all commitments, representations, and other promises made to a customer.

B. Answer Questions: Online merchants should provide an easy-to-find and understand notice of how customers can successfully and meaningfully contact the business to get answers to their questions. Online merchants should promptly and substantively respond to the customer's commercially reasonable questions.

(Click here for explanation: It is imperative that online merchants address customer's questions in a prompt and substantive way. Providing an email address for questions that are not answered promptly or in context is not sufficient and without more, would violate the Code.)

C. Resolve Customer Complaints and Disputes: Online merchants should seek to resolve customer complaints and disputes in a fair, timely, and effective manner.

1. Online merchants should provide an easy-to-find and understandable notice of how a customer can successfully and meaningfully contact the business to expeditiously resolve complaints and disputes related to a transaction.

2. Online merchants shall have an effective and easy to use internal mechanism for addressing complaints and correcting errors. Examples include fair exchange policies, return policies, etc.

3. In the event the customer's complaint cannot be resolved, online merchants shall also offer a fair method for resolving differences with regard to a transaction by offering either an unconditional money-back guarantee or third-party dispute resolution.

a) If an online merchant offers third party dispute resolution, it should use a trusted third party that offers impartial, accessible, and timely arbitration that is free to consumers or at a charge to consumers that is not disproportionate to the value of goods or services involved in the dispute.

b) Online merchants should provide customers with easy-to-find and understandable contact information for such third parties, including a link (or similar technology) to any third party sites used for such means.

(Click here for explanation and examples: In order to ensure that customer trust and confidence develops with online transactions, online merchants need to provide

customers with the means by which they can be satisfied with regard to their online transactions. Online merchants should provide effective internal mechanisms for resolving consumers' concerns. If such mechanisms fail and the customer remains unsatisfied, the online merchants should offer either a money-back guarantee or third party dispute resolution. To the extent an online merchant offers third party dispute resolution, the program should meet the "fairness" criteria described in the text. For example, if the fee to participate in the program is a high proportion of the cost of the product in dispute, the dispute resolution program fee is not financially proportional. The effectiveness of such third party resolution mechanisms will be critical in developing customer confidence with e-commerce. Examples of such dispute resolution mechanisms include those offered by the BBB*OnLine* Reliability Seal program.

We specified that arbitration was a required method of dispute resolution to assure that the customer can obtain an impartial assessment of the case, in writing. We would certainly encourage that informal settlement devices such as conciliation and mediation also be available, as they are in BBB*OnLine*. We also recognize that non-binding arbitration or conditionally binding arbitration (under which the decision is binding on the company if the consumer elects to accept the decision, thereby making it binding on the consumer as well) is widely accepted as a valid dispute resolution mechanism because it preserves the consumer's right to seek remedies through the court system. Whether non-binding or conditionally binding arbitration is a viable dispute resolution mechanism for cross-border disputes is currently being studied by many governments and organizations and we intend to update the Code to reflect the studied solution once it becomes available.)

Principle V. Protecting Children.

If online advertisers target children under the age of 13, they should take special care to protect children by recognizing their developing cognitive abilities.

A. Online advertisers should adhere to the [Children’s Advertising Review Unit’s \(“CARU”\) Self Regulatory Guidelines for Children’s Advertising](#).

B. Specifically, online advertisers should adhere to the [Guidelines for Interactive Electronic Media](#) that apply to online activities, which are intentionally targeted to children under 13, or where the website knows the visitor is a child. These Guidelines include parental permission first requirements in the “Making a Sale” and “Data Collection” provisions.