Why does BBB give Ratings to non-Accredited Businesses?

This is a common question we get from Accredited Businesses. Some feel only ABs should get ratings – some feel only ABs should be listed at all. There are a number of reasons BBB will never limit its reporting to Accredited Businesses only:

1. **It would be bad for your customers.** Only 4,000 of the more than 50,000 businesses in our region are accredited. Reporting on less than 10 per cent of the businesses in our region wouldn’t get us very far in advancing marketplace trust with the more than 1.2 million people we serve each year. Consumers are looking for truthful, accurate and unbiased information and they come to bbb.org to get it – and that benefits you as an Accredited Business.

2. **Ratings and Accreditation are not the same thing.** When you pay your annual accreditation fee, you are NOT paying for your rating. You are paying for (among other things) the right to use the Accredited Business seal on your website, at your place of business, in your advertising and so on. The seal is the symbol of trust and we have vetted your business to ensure you are worthy of carrying that seal. The letter grade is a result of a mathematical algorithm that takes into account 16 factors ranging from time in business to history of complaints. If we have enough information to feed the algorithm, a letter grade is displayed. If we don’t, a NR or No Rating is displayed.

3. **Limiting ratings to ABs would impact our reputation – and yours.** If we only gave ratings to ABs, it would equate to buying a rating – and that’s bad for everyone. The value of your Accreditation lies in the fact you have been vetted and approved by an unbiased organization with more than 100 years of experience in neutrality. As soon as BBB loses its objectivity, it loses its value.

Q&A

One of my competitors is advertising their A+ rating even though they’re not accredited. How can you let them do this?

Just as we have the right to report an F-rated business (and we are threatened with lawsuits regularly for doing so) every business has the right to report its own rating. Because the AB seal is a trademarked image belonging to BBB, businesses are NOT, however, permitted to display the Accredited Business seal if they are not accredited.

Customers only care about the rating, not the seal

In our experience, consumers who use BBB care about the rating AND the seal. There are just over 8,000 A+ businesses in the region – only about 3,000 of them are accredited. Accreditation differentiates you within the A+ businesses. We also know that in the last 12 months, Accredited Businesses had 155,000+ more inquiries on our website than non-ABs.

I happen to know that one of my competitors is scamming people. Why do they still have an A+ rating?

We can only report what we know for sure. If your competitor has responded to all complaints, has no government actions against them, has clean advertising, all of the proper licensing and have an otherwise clean record for the past three years (our standard reporting period), their grade will reflect that. If there is evidence of substandard marketplace behavior, BBB wants to see it and will investigate and report accordingly.

Why can’t you report for longer than three years?

Across the BBB system, we decided that three years is enough time for a company that is interested in cleaning up its business practices to do so. The idea is not to punish business people for the rest of their lives, but to provide a framework for ethical enterprise and the tools to help them achieve it thus creating a more ethical marketplace – which is BBB’s vision.

A competitor of mine had an F rating and then suddenly had an A rating. How does that happen?

If a company’s letter grade suddenly improves, it’s most likely because the three-year reporting period on complaints and/or government actions ended.