



Consumer Federation of America

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Contact:
Jack Gillis, CFA, 202-737-0766

CFA REPORT FINDS CONSUMER COMPLAINT WEBSITES USEFUL TO COMPLAINANTS, SHOPPERS, AND THIRD PARTIES

Washington, DC – Today, the Consumer Federation of America (CFA) released the first report, available to the public, on the usefulness and limitations of the most popular free consumer complaint websites. The report concludes that, while these websites do not help consumers resolve their grievances, they can give complainants the satisfaction of communicating their unsatisfactory experiences to many other consumers, to the companies themselves, and to various third parties including consumer protection agencies and the press. Moreover, these websites provide useful information to shoppers about potential problems they might experience purchasing products, especially services provided by nationwide companies.

“The complaint websites provide a unique opportunity for consumers both to make their complaints heard and to learn about frequent problems experienced by other consumers,” said CFA Executive Director Stephen Brobeck, the report’s author. “We commend those who have created and maintain these websites.”

CFA created a team of consumer information and complaint experts to work with Brobeck on the report, which was researched by law student Spencer Baldwin: Peggy Haney Ingalls, retired corporate consumer affairs executive; Paul Schlaver, state consumer advocate and former consumer protection agency official; Susan Grant, CFA’s Director of Consumer Protection; Jack Gillis, CFA’s Director of Public Affairs; and his associate Julia Redmon. The team identified six free websites that were especially popular and useful: complaints.com, my3cents.com, complaintsboard.com, pissedconsumer.com, consumeraffairs.com, and ripoffreport.com.

These six sites receive tens of thousands of complaints a year and usually post all the reports, or in the case of consumeraffairs.com a representative sample, as they are submitted. The report found that it was easy for complainants to post a grievance, which they typically did in narrative form. It also concluded that it was easy for shoppers or others to search the complaint databases, which except on complaints.com, included only those posted in the past two or three years. While several sites, notably my3cents.com, allow consumers to post positive experiences with companies, few have done so.

For complainants, the websites provide the opportunity to communicate their experiences – including unsuccessful efforts to persuade a seller to resolve a problem -- to many other consumers, to third parties like consumer protection agencies which often monitor the sites, and

to large companies which typically monitor all public communications mentioning them. The report concluded, though, that there is no evidence that the websites are very useful in helping consumers resolve their complaints. To obtain this assistance, complainants should start by contacting their state or local consumer protection agency. Notifying these protection agencies, and federal agencies such as the Federal Trade Commission, allows them to take appropriate enforcement and preventive actions.

For shoppers, the websites provide a unique source of detailed information about the problems other consumers have experienced with a product or service, especially those sold by nationwide companies. When shoppers read many similar complaints about a seller or product, they can ask themselves whether they should risk making a purchase.

The report recommends that shoppers start their complaint website search with my3cents.com. This website not only apparently contains the largest number of recent complaints, but also lists the number of comments per company, offers information about complaint resolution, and is organized in a consumer-friendly way. For some types of complaints, such as those related to automobiles, a larger number of postings are found on more specialized websites.

For third parties ranging from consumer protection agencies to the news media, the websites provide a valuable source of detailed information about large companies and their products. Since several websites allow communications with complainants, they also make possible the organizing of those with similar complaints to gain redress and seek reforms. "There is much that groups of complainants could do to redress and prevent grievances," noted CFA's Brobeck. "We encourage and would support the organizing and activism of these complainants."

A copy of the report is available at the following address on CFA's website:

http://www.consumerfed.org/elements/www.consumerfed.org/File/Complaint_Website_Report2010.pdf

CFA is an association of nearly 300 non-profit organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education.