

International Consumer Protection and Enforcement Network

ONLINE REVIEWS & ENDORSEMENTS

ICPEN GUIDELINES FOR REVIEW ADMINISTRATORS



JUNE 2016



WHAT IS ICPEN?

The International Consumer Protection and Enforcement Network (ICPEN) is an organisation comprised of consumer protection authorities from around 60 countries. ICPEN's aim is to protect consumers' economic interests around the world, share information about cross-border commercial activities that may affect consumer welfare, and encourage global cooperation among law enforcement agencies.

For further information, please visit the ICPEN website at www.icpen.org.

Online Reviews and Endorsements project

On 1st July 2015, the Competition and Markets Authority (United Kingdom) assumed the Presidency of ICPEN and identified online reviews and endorsements as a focus of work for its 2015/2016 presidency year – see [here](#). These guidelines are the product of the Online Reviews and Endorsements project group brought together under the ICPEN UK Presidency.

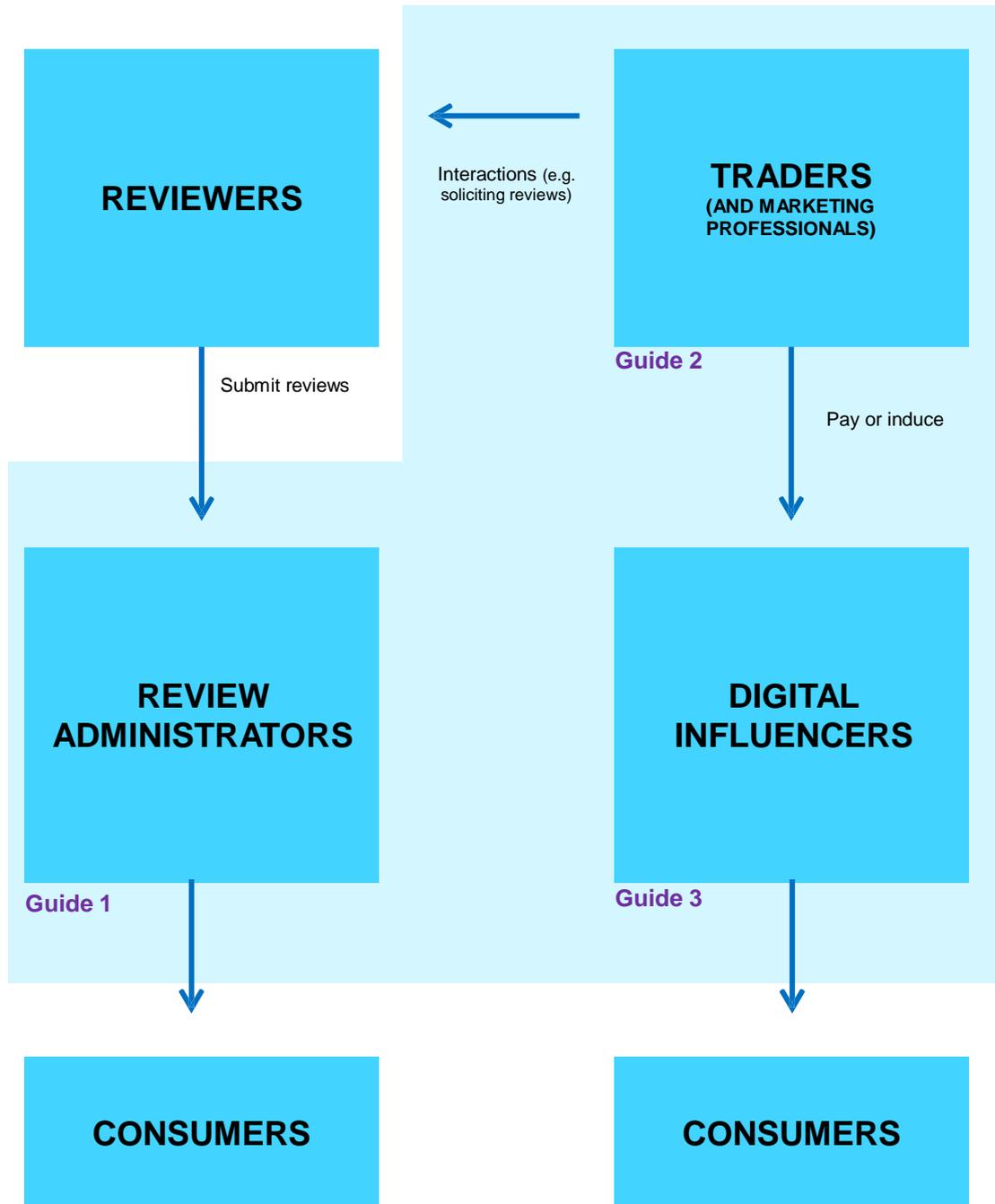
The guidelines have been developed by ICPEN members to help review administrators to collect, moderate and publish online reviews appropriately.

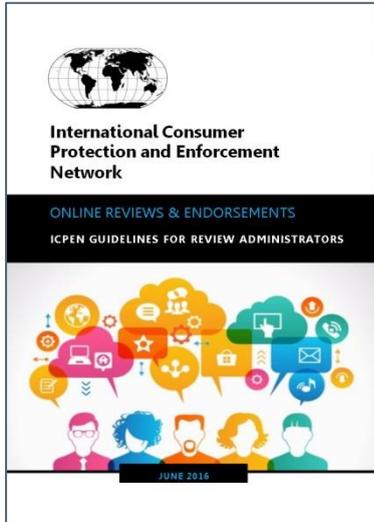
These guidelines provide general guidance to review administrators. At their core, the guidelines reflect basic truth-in-advertising principles in ICPEN member countries. However, the guidelines do not provide shelter from liability in any ICPEN member country. ICPEN enforcers must assess conduct under their national laws, on a case-by-case basis, and will remain free to take action to address any conduct which infringes their national laws, whether or not it technically complies with any aspect of these guidelines. Moreover, the guidelines cannot cover every issue associated with online reviews and endorsements or every principle of law in every ICPEN member country. Review administrators should still carry out their own assessment of the legal requirements in any country in which they operate.

This guide is part of a wider set of materials in relation to online reviews and endorsements. Specifically, the materials cover guidance for review administrators (Guide 1), traders and marketing professionals (Guide 2) and digital influencers (Guide 3) – illustrated on page 4 below. The materials provide guidance for some of the participants in the functional chain, as identified diagrammatically at page 3.



Figure 1: Online Reviews and Endorsements functional chain



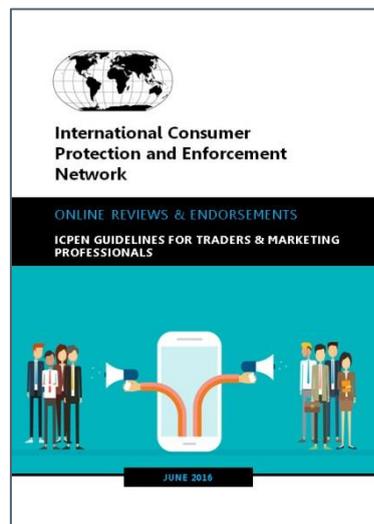


Guide 1: ICPEN Guidelines for Review Administrators

This guide provides guidance to **review administrators**. A review administrator is an organisation or individual that processes consumer reviews.

Review administrators should be guided by the following key principles:

- be equal and fair in the collection of reviews;
- be alert and proactive in the moderation of reviews; and
- be transparent in the publication of reviews.



Guide 2: ICPEN Guidelines for Traders and Marketing Professionals

This guide provides guidance to **traders and marketing professionals** on online reviews and endorsements.

Traders and marketing professionals should be guided by the following key principles:

- do not prevent consumers from seeing the whole picture of genuine, relevant and lawful reviews;
- do not write, commission or publish fake reviews;
- disclose paid-for content clearly and prominently; and
- disclose other commercial relationships where they may be relevant to the content.



Guide 3: ICPEN Guidelines for Digital Influencers

This guide provides guidance to **digital influencers**, for example bloggers, vloggers, tweeters, and contributors to online publications.

Digital influencers should be guided by the following principles:

- disclose, clearly and prominently whether content has been paid for;
- be open about other commercial relationships that might be relevant to the content; and
- give genuine views on markets, businesses, goods and services.



INTRODUCTION – THE IMPORTANCE OF ONLINE REVIEWS AND ENDORSEMENTS

Online reviews and endorsements are a growing tool used by consumers and businesses when buying and selling products and services. Participants in the sharing economy are also managing their reputations online (see the box overleaf).

Online reviews and endorsements allow consumers to easily access a wide variety of opinions on brands and products, and use them to better inform their purchasing decisions. They also provide businesses with an important source of feedback to allow them to improve their products and services.

However, if an online review or endorsement is not based on a genuine user experience, or displays elements of bias without appropriate disclosure (such as where it has been paid for or solicited without appropriate disclosure), this can have a negative impact on consumers and competition:

- consumers can be misled into taking decisions that they would not otherwise have taken (for example, purchase decisions), and consumer trust in online reviews is diminished;
- competitors who do not engage in misleading practices are penalised at the expense of traders who do, or are damaged by false reviews posted by competitors.

In light of the importance of this issue, the purpose of these guidelines is to set clear principles in relation to the **collection**, **moderation** and **publication** of online reviews.



Online Reviews in the Sharing Economy

The impact of online reviews and endorsements is increasing with the growth of the sharing economy.

In the sharing economy, individual buyers use a platform to connect to sellers, who are often also individuals. As buyers are less likely to have familiarity with an individual seller in a sharing economy transaction, they are more reliant on user reviews or endorsements.

Many sharing economy sites use so-called 'bi-directional' review methods, in which buyers are encouraged to review sellers and sellers to review buyers. In this way, online reviews can form a fundamental part of the sharing economy business model. While bi-directional review methods increase the amount of information for both buyers and sellers, they may also change results (for example, buyers and sellers might provide each other with higher or dishonest ratings to avoid tit-for-tat retaliation).

At the same time, suppliers in the sharing economy are increasingly using review platforms to market their products at the expense of more traditional forms of advertising. These suppliers tend to rely more heavily on user reviews for marketing than traditional suppliers. This in turn amplifies the importance of ensuring that reviews on sharing economy platforms are genuine, commercial relationships are disclosed, and ratings systems and evaluation scales are used fairly.



REVIEW ADMINISTRATORS AND REVIEW PLATFORMS

These guidelines provide guidance to **review administrators**.

A review administrator is an organisation or individual that processes consumer reviews. Review administrators may come in a number of different forms, including:

- entities that manufacture, distribute or supply products and services, and which obtain reviews about them;
- third parties obtaining reviews on behalf of an entity that manufactures, distributes or supplies products and services; and
- entirely independent third parties involved in the collection, moderation and display of reviews.

The platform that a review administrator uses to publish the set of reviews is referred to in these guidelines as the **review platform**. The platform may be a website or a software tool (such as an app).

KEY PRINCIPLES FOR REVIEW ADMINISTRATORS

Review administrators should be guided by the following key principles:

- **be equal and fair** in the **collection** of reviews
- **be alert and proactive** in the **moderation** of reviews
- **be transparent** in the **publication** of reviews.

GUIDELINES FOR COLLECTION OF REVIEWS

Publishing terms and conditions prior to collection

The review administrator should publish the terms and conditions under which it will collect, moderate and publish user reviews. These terms and conditions should be easily accessible to the public and should be made available to reviewers prior to placing a review. The terms and conditions should explain clearly how reviews are collected, moderated and published.



Verifying consumer reviews as authentic

Review administrators should collect contact information from authors in order to help ensure the review administrator can verify the authenticity of reviews. However, users of the service may be permitted to submit a review which does not reveal their identity to the public on the review platform.

Review administrators may wish to take steps to improve the authenticity of reviews, such as only accepting reviews from consumers who have purchased the product, or allowing site users to assess the reliability of reviewers.

Being fair in the manner of requests for reviews

When soliciting reviews, review administrators should take care to avoid encouraging some types of reviews over others. Review administrators should treat all potential reviewers equally, whether they are considered likely to give a positive or negative review.

Being fair in the use of ratings or other evaluation scales

Review administrators may request that user reviews rate a business using an evaluative criterion (such as a star rating). If so, the review administrator should not steer the review in one direction or another. For example, the review administrator should not unduly limit consumers' ability to provide businesses with negative ratings. When using rating scales, the review administrator should also disclose how many reviews the rating is based on and how it is calculated.

Disclosing where review administrators or businesses have offered incentives

Review administrators sometimes offer incentives to consumers when seeking to collect reviews, such as by providing them with a financial or other material benefit. If this is the case:

- the review administrator should not limit the incentive to the receipt of a particular class of reviews (for example, to favourable reviews); and
- on the review page of the business, the review administrator should prominently disclose that an incentive was provided to review the business.



A review administrator may also become aware while collecting reviews that a business has provided incentives for consumers to provide reviews on the review platform. If so, the review administrator, as a minimum, should prominently disclose on the page of the reviewed business that the business has provided incentives for reviews. Review administrators may also provide reviewers with the opportunity of disclosing whether they have been offered an incentive prior to submitting a review.

GUIDELINES FOR MODERATION OF REVIEWS

Maintaining procedures for identification and removal of reviews

Review administrators should maintain appropriate procedures in place to identify and remove fake reviews. Some guidance for the identification of fake reviews is provided in the text box on the next page.

Appropriately moderating reviews

Review administrators should remove, or tag as suspicious, reviews where the content is reasonably suspected of being fake, offensive or defamatory. However, review administrators should not:

- remove genuine reviews solely because a business or individual has lodged a complaint about the review;
- approach reviewers with incentives which are tied to the consumer amending or removing a review;
- apply disproportionately more rigorous checks on negative reviews than positive reviews.

Acting on trader complaints about reviews

Reviewed businesses should be given an opportunity to challenge, or object to, a user review at the same place where the review is published.

Where a reviewed business has a well substantiated reason to believe that a review is fake or otherwise breaches the review platform's terms and conditions relating to user reviews, the review platform should (following an investigation where this is established) remove the review as soon as possible. However, as noted above, review administrators should not remove genuine reviews solely because a complaint has been made about the review.



Acting to stop ‘phoenixing’ behaviour

Review administrators should implement methods to stop businesses who receive negative reviews from creating new profiles to avoid the reputational damage created by those reviews (so-called ‘phoenixing’ behaviour). These methods should be outlined in the review platform’s terms of use.

Identifying fake reviews

By their very nature, fake online reviews are often difficult to detect. In many cases, businesses that engage in fake online reviews take steps to make their conduct more difficult to identify, such as by:

- disguising fake reviews in ways that make them appear genuine;
- using overseas Internet Protocol (IP) addresses, fake identities or even the ‘dark web’ to remain anonymous;
- using companies, individuals or IP addresses which are not linked to the business to post reviews (creating distance between the business and the review);
- ‘phoenixing’ – creating new profiles to avoid any reputational damage created by negative reviews.

Despite this, review administrators and regulators have identified methods to detect fake reviews. For example, while each case will depend on its own facts, some signs that a review may be fake include where:

- the review is part of a sudden spike in reviews for a business (positive or negative);
- the review uses the same or similar language to other reviews about the business;
- the review is written from the same email or IP address as another review for the business, or the business that is reviewed, or an intermediary working for the business (such as a reputation management company);
- the review uses photos or other identifiers that are clearly fake;
- the review is written in an overly positive tone, and uses ‘marketing speak’; or
- the review is written in an overly negative tone and suggests use of another product.

In addition, review administrators can implement methods to detect phoenixing behaviour, such as conducting regular searches of user profile data to ensure users have not created multiple profiles under different names.



GUIDELINES FOR PUBLICATION OF REVIEWS

Publishing reviews in a neutral manner

Reviews should be published in an objective and neutral manner. In particular, review administrators should not:

- prevent or delay negative reviews being uploaded due to a commercial relationship with the business;
- selectively edit, reject or delete reviews of a business to influence the overall rating of the business;
- present information in a manner that creates confusion between commercial or sponsored content and genuine reviews; and
- select a positive or negative review to appear at the top of the business' reviews page due to a commercial relationship, unless the relationship is clearly disclosed to the consumer.

When consumers are conducting an initial search for products, review administrators should not use methods to ensure that certain businesses appear higher in search results than they otherwise would be due to a commercial relationship, unless the relationship is clearly disclosed.

Disclosing commercial relationships when publishing reviews

In some cases, review administrators may have a commercial relationship with a business that is being reviewed on their review platform. For example, a review administrator may receive a commission for each purchase from the business that was booked through the review platform, or it may sell advertising to the business. If this is the case, the review administrator should disclose the nature and extent of the commercial relationship in a manner that will be clear and prominent to consumers, such as on the page of the relevant business. For example:

[Review platform] receives a commission/fee for each purchase from [reviewed business] booked through this site.
[Review platform] sells advertising to [reviewed business]



ICPEN MEMBER ORE RESEARCH & GUIDANCE

Australia:

<http://www.accc.gov.au/business/advertising-promoting-your-business/managing-online-reviews>

Canada:

<http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03782.html>

Denmark:

<http://www.consumerombudsman.dk/~media/Consumerombudsman/dco/Guidelines/Guidelines%20on%20publication%20of%20user%20reviews.pdf>

France:

<http://www.afnor.org/en/news/news/2013/july-2013/a-world-first-france-adopts-a-standard-enabling-reliable-processing-all-online-consumer-reviews>

Norway:

<https://forbrukerombudet.no/english/guidelines/user-reviews-in-marketing-short-version>

United Kingdom:

<https://www.gov.uk/cma-cases/online-reviews-and-endorsements>

United States of America:

<https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-publishes-final-guides-governing-endorsements-testimonials/091005revisedendorsementguides.pdf>

<https://www.ftc.gov/tips-advice/business-center/guidance/ftcs-endorsement-guides-what-people-are-asking>

https://www.ftc.gov/system/files/documents/public_statements/896923/151222deceptive_enforcement.pdf

<https://www.ftc.gov/tips-advice/business-center/guidance/native-advertising-guide-businesses>



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