



January, 2011

## CONSUMER ADVISORY

### **RATING SITES MISLEADING AND UNRELIABLE RESOURCE FOR CONSUMERS**

*NHSCA raises concerns regarding reviews of home service contracts.*

**The National Home Service Contract Association** cautions consumers to get all the facts before relying on various Internet-based services that claim to rate home service contract providers.

Some Internet-based rating services that have begun “rating” home service contract providers, but such are based on a limited and individual perspective. The NHSCA cautions consumers to be aware of the inaccuracies of such ratings. The ratings are generally not subject to quality control or statistical analysis, and most of these services specifically state that they accept no responsibility for the quality or accuracy of their references or ratings.

It is important for consumers to be aware that many Internet ratings are generally *not based* on the number of complaints as relative to the size of a company. For example, a company with three poor reviews could have 3,000 other very satisfied customers. Unfortunately, this type of data is rarely collected or shared, and therefore proves inadequate for the consumer to truly make an informed decision. Consumers may be better served by organizations such as the *Better Business Bureau*.

Some Internet sites openly accept advertising dollars from the companies that they review. Organizations serving in the best interest of the consumer, will not accept advertising due to the conflict of interest it presents. Members of the NHSCA do not accept paid advertising from their independent network contractors. This practice allows them to maintain the highest level of standards and integrity. If a contractor does not meet performance standards, they are not retained. Consumer complaints are investigated and

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handled swiftly, assuring contract holder's concerns are addressed effectively and efficiently.

Members of the NHSCA continue to be among the most highly recommended service providers by real estate professionals everywhere. Home service contract providers of the NHSCA are regulated in all fifty states under applicable consumer protection laws and are specifically licensed or registered in nearly half the states.

Both regional and national home service contract providers support large independent contracting firms as well as small family-owned, businesses in the communities they serve. They strive to provide consumers with the best local plumbers, electricians, appliance repair and HVAC contractors a community has to offer. When a "preferred rated" contractor from an Internet rating service does not perform, the consumer has little, if any, recourse. When a local contractor dispatched by an NHSCA home service contract provider fails to meet expectations, the provider typically works with the consumer to resolve their concerns.

The **NHSCA**, a nonprofit, 501(c) (6) industry trade organization, represents the nation's premier providers of home service contracts. The industry offers contracts to repair or replace most household appliances and systems that become inoperable due to normal wear and tear. Contracts generally cover dishwashers, ovens, disposers, electrical wiring and plumbing systems and most importantly, heating, ventilation and air conditioning systems (HVAC). Many home service contract providers also offer a menu of optional items such as pool and spa equipment, well pumps and freestanding refrigerators, for an additional fee. Contracts are typically annual and renewable. Members of the NHSCA effectuate the actual diagnosis, repair or replacement through a network of independent contractors.

To learn more about the NHSCA and to find answers to the most common questions regarding the purchase of home service contracts, please visit us at [www.homeservicecontract.org](http://www.homeservicecontract.org)