

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

**In the Matter of**

**HOMEADVISOR, INC., a corporation,  
d/b/a ANGI LEADS,  
d/b/a HOMEADVISOR POWERED BY ANGI.**

**DOCKET NO. D-9407**

**AGREEMENT CONTAINING CONSENT ORDER**

The Federal Trade Commission (“Commission”) has issued an administrative Complaint challenging certain acts and practices of HomeAdvisor, Inc., also d/b/a Angi Leads and also d/b/a HomeAdvisor Powered by Angi. The Commission’s Bureau of Consumer Protection (“BCP”) and Respondent, through their duly authorized officers, enter into this Agreement Containing Consent Order (“Consent Agreement”) to resolve the allegations in the Complaint through a proposed Decision and Order to present to the Commission, which is also attached and made a part of this Consent Agreement.

**IT IS HEREBY AGREED** by and between Respondent and BCP, that:

1. Respondent is HomeAdvisor, Inc. (“HomeAdvisor”), also doing business as Angi Leads, also doing business as HomeAdvisor Powered by Angi, a Delaware corporation with its principal offices or places of business at 3601 Walnut Street, Denver, Colorado 80205 and 14023 Denver West Parkway, Golden, Colorado 80401.
2. Respondent has been served with a copy of the administrative Complaint issued by the Commission charging it with violations of Section 5(a) of the Federal Trade Commission Act and has filed an answer to the Complaint.
3. Respondent neither admits nor denies any of the allegations in the Complaint, except as specifically stated in the Decision and Order. Only for purposes of this action, Respondent admits the facts necessary to establish jurisdiction. The signing of this agreement is for settlement purposes only and does not constitute an admission by Respondent that the law has been violated as alleged in the Complaint.
4. Respondent waives:
  - a. Any further procedural steps;
  - b. The requirement that the Commission’s Decision contain a statement of findings of fact and conclusions of law;

- c. All rights to seek judicial review or otherwise to challenge or contest the validity of the Decision and Order issued pursuant to this Consent Agreement; and
  - d. Any claim under the Equal Access to Justice Act.
5. This Consent Agreement will not become part of the public record of the proceeding unless and until it is accepted by the Commission. If the Commission accepts this Consent Agreement, it will be placed on the public record for 30 days and information about it publicly released. Acceptance does not constitute final approval, but it serves as the basis for further actions leading to final disposition of the matter. Thereafter, the Commission may either withdraw its acceptance of this Consent Agreement and so notify Respondent, in which event the Commission will take such action as it may consider appropriate, or issue and serve its decision in disposition of the proceeding, which may include an Order. *See* Section 2.34 of the Commission's Rules, 16 C.F.R. § 2.34 ("Rule 2.34").
6. If this agreement is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to Rule 3.25(f), the Commission may, without further notice to Respondent: (1) issue its Decision and Order; and (2) make information about it public. Respondent agrees that service of the Order may be effected by its publication on the Commission's website (ftc.gov), at which time the Order will become final. *See* Rule 2.32(d). Respondent waives any rights they may have to any other manner of service. *See* Rule 4.4.
7. When final, the Decision and Order will have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other Commission orders.
8. The Complaint may be used in construing the terms of the Decision and Order. No agreement, understanding, representation, or interpretation not contained in the Decision and Order or in this Consent Agreement may be used to vary or contradict the terms of the Decision and Order.
9. Respondent agrees to comply with the terms of the proposed Decision and Order from the date that Respondent signs this Consent Agreement. Respondent understands that it may be liable for civil penalties and other relief for each violation of the Decision and Order after it becomes final.

**HOMEADVISOR, INC.**  
**also d/b/a Angi Leads**  
**also d/b/a HomeAdvisor Powered by Angi**

**FEDERAL TRADE COMMISSION**

By: \_\_\_\_\_  
Shannon Shaw  
Chief Legal Officer, Angi, Inc.

By: \_\_\_\_\_  
Sophia H. Calderón  
Attorney, Northwest Region

Date: \_\_\_\_\_

**APPROVED:**

By: \_\_\_\_\_  
Jennifer Barrett  
Quinn Emanuel Urquhart & Sullivan LLP  
Attorney for Respondent

\_\_\_\_\_  
Charles A. Harwood  
Regional Director, Northwest Region

Date: \_\_\_\_\_

\_\_\_\_\_  
Samuel A.A. Levine  
Director, Bureau of Consumer Protection

Date: \_\_\_\_\_

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**        **Lina M. Khan, Chair**  
                                 **Rebecca Kelly Slaughter**  
                                 **Christine S. Wilson**  
                                 **Alvaro M. Bedoya**

**In the Matter of**

**HOMEADVISOR, INC., a corporation,  
d/b/a ANGI LEADS,  
d/b/a HOMEADVISOR POWERED BY ANGI.**

**DOCKET NO. D-9407**

**DECISION AND ORDER**

The Federal Trade Commission (“Commission”) issued a Complaint challenging certain acts and practices of the Respondent named above in the caption. The Commission’s Bureau of Consumer Protection (“BCP”) filed the Complaint, which charged the Respondent with violating the Federal Trade Commission Act.

Respondent and BCP thereafter executed an Agreement Containing Consent Order (“Consent Agreement”). The Consent Agreement includes: (1) statements by Respondent that it neither admits nor denies any of the allegations in the Complaint, except as specifically stated in this Decision and Order, and that only for purposes of this action, it admits the facts necessary to establish jurisdiction; and (2) waivers and other provisions as required by the Commission’s Rules.

The Secretary of the Commission thereafter withdrew this matter from adjudication in accordance with Section 3.25(c) of the Commission’s Rules, 16 C.F.R. 3.25(c) (“Rule 3.25”).

The Commission accepted the executed Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. The Commission duly considered any comments received from interested persons pursuant to Rule 2.34. Now, in further conformity with the procedure prescribed in Rule § 2.34. 3.25 (f), the Commission issues its Complaint, makes the following Findings and issues the following Order:

**Findings**

1. Respondent is HomeAdvisor, Inc. (“HomeAdvisor”), also doing business as Angi Leads, also doing business as HomeAdvisor Powered by Angi, a Delaware corporation with its principal offices or places of business at 3601 Walnut Street, Denver, Colorado 80205 and 14023 Denver West Parkway, Golden, Colorado 80401.



2. The Commission has jurisdiction over the subject matter of this proceeding and over the Respondent, and the proceeding is in the public interest.

## **ORDER**

### **Definitions**

For purposes of this Order, the following definitions apply:

- A. **“Home Services”** means services for home projects, such as maintenance, remodeling, construction, inspection, cleaning, and gardening.
- B. **“Lead”** means any set of information about a consumer who has expressed an interest in Home Services, has visited a website related to Home Services, or who has been identified as a potential customer of Home Services, and whose information has been shared by Respondent with a Service Provider who has paid Respondent for such information or who is enrolled or otherwise participating in Respondent’s network of Service Providers. By way of example only, a set of information is not a Lead if it is shared publicly or solely for the purposes of advertising and there is no attendant cost to Service Providers who receive the information, e.g., a customer testimonial.
- C. **“Respondent”** means HomeAdvisor, Inc. and its successors and assigns.
- D. **“Service Provider”** means any provider of Home Services.

### **Provisions**

#### **I. Prohibited Misleading and Unsubstantiated Representations**

**IT IS ORDERED** that Respondent, and Respondent’s officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, promotion, offering for sale, or selling of any product or service, must not:

- A. Misrepresent, expressly or by implication:
  1. That the Leads that Respondent sells to Service Providers:
    - a. Concern individuals who intend to hire a Service Provider soon, including but not limited to through describing Leads using terms or phrases such as:
      - i. Ready to hire;
      - ii. Project-ready;
      - iii. Not window shopping;
      - iv. Not just price-shopping; or
      - v. Need a project done now;

- b. Exclusively concern projects that are limited to the types of services and geographic areas that Service Providers have specified to Respondent; or
    - c. Exclusively concern individuals who submitted a request concerning Home Services directly to Respondent;
  - 2. That a product or service is free when that product or service is not free or when it increases the price of another product or service; or
  - 3. Any other fact material to consumers concerning the content or central characteristics of Leads; or
- B. Make any representation, expressly or by implication, about the rate at which Leads convert into jobs or the expected outcome of Leads, unless the representation is non-misleading and Respondent (1) has a reasonable basis for the claim at the time it is made; (2) has in its possession data or written materials to substantiate the claim at the time it is made; and (3) can make the data or written substantiation available upon request to the Commission.

## **II. Monetary Relief**

**IT IS FURTHER ORDERED** that:

- A. Respondent must pay to the Commission \$4,448,000, which Respondent stipulates its undersigned counsel holds in escrow for no purpose other than payment to the Commission.
- B. Such payment (in Provision II.A) must be made within 8 days of the effective date of this Order by electronic fund transfer in accordance with instructions provided by a representative of the Commission.
- C. Respondent must pay to the Commission an additional amount not to exceed \$2,752,000, if notified by a representative of the Commission, to supplement the mHelpDesk redress fund, as described below in Provision III.A.4.
- D. Such payment (in Provision II.C) must be made within 8 days of such notice by electronic fund transfer in accordance with instructions provided by a representative of the Commission.

## **III. Redress**

**IT IS FURTHER ORDERED** that:

- A. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for relief, including consumer

redress and attendant expenses for the administration of the redress fund. Respondent has no right to challenge any activities pursuant to this Provision.

1. The Commission may use up to \$3,200,000 (the "Leads Fund") for payments of up to \$30 per membership for relief for the practices alleged in Counts I and II of the Complaint.
  2. The Commission may use up to \$4,000,000 (the "mHelpDesk Fund") for payments of up to \$59.99 per mHelpDesk membership for relief for the practices alleged in Count III of the Complaint. Payments from the mHelpDesk Fund will be made only upon submission of a claim or request for payment.
  3. Not more than \$448,000 is to be paid from the mHelpDesk Fund for the Commission's expenses in connection with the administration of the redress fund and payments therefrom.
  4. In the event that claims against the mHelpDesk Fund exceed \$800,000, a representative of the Commission may notify Respondent of the supplemental dollar amount for payment by Respondent, as provided in Provision II.B, to cover such claims. Notice via email to Respondent's point of contact as identified pursuant to Provision VII is adequate notice.
  5. The Commission may make payments from both the Leads Fund and mHelpDesk Fund to the same person.
- B. Within 24 months of receipt of the first payment due under Provision II.A of this Order, a representative of the Commission will notify the Respondent in writing of its determination, based on the Commission acting in its sole discretion to administer redress, of the funds unclaimed by consumers and not needed for the administration of the redress fund and, within 14 days or a reasonable time, return those funds to Respondent.
- C. Respondent must not engage in efforts to dissuade consumers from participating in redress.

#### **IV. Additional Monetary Provisions**

**IT IS FURTHER ORDERED** that:

- A. Respondent relinquishes dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets, except as provided in Provision III.B above.
- B. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commission to enforce its rights to any



payment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

- C. The facts alleged in the Complaint establish all elements necessary to sustain an action by or on behalf of the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes. In the event of default on any obligation to make payment under this Order, interest, computed as if pursuant to 28 U.S.C. § 1961(a), shall accrue from the date of default to the date of payment. In the event such default continues for 10 days beyond the date that payment is due, the entire amount will immediately become due and payable.
- D. Each day of nonpayment is a violation through continuing failure to obey or neglect to obey a final order of the Commission and thus will be deemed a separate offense and violation for which a civil penalty shall accrue.
- E. Respondent acknowledges that its Taxpayer Identification Number(s) (Social Security or Employer Identification Numbers), which Respondent has previously submitted to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

#### **V. Customer Information**

**IT IS FURTHER ORDERED** that Respondent must provide sufficient customer information to enable the Commission to efficiently administer consumer redress to current and former purchasers of Respondent's membership, Leads, and mHelpDesk products. Respondent represents that it has provided redress information to the Commission, and within 8 days of entry of this Order shall provide the most current contact information (including full name(s), physical address(es), email address(es), phone number(s)) available for all such customers. If a representative of the Commission requests in writing any information related to redress, Respondent must provide it, in the form prescribed by the Commission representative, within 14 days. Each day of noncompliance with this provision is a violation through continuing failure to obey or neglect to obey a final order of the Commission and thus will be deemed a separate offense and violation for which a civil penalty shall accrue.

#### **VI. Acknowledgments of the Order**

**IT IS FURTHER ORDERED** that Respondent obtain acknowledgments of receipt of this Order:

- A. Respondent, within 10 days after the effective date of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.
- B. For 10 years after the issuance date of this Order, Respondent must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for conduct related to the subject matter of



the Order and all agents and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Provision titled Compliance Report and Notices. Delivery must occur within 10 days after the effective date of this Order for current personnel. For all others, delivery must occur when or before they assume their responsibilities.

- C. From each individual or entity to which Respondent delivered a copy of this Order, Respondent must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

## **VII. Compliance Report and Notices**

**IT IS FURTHER ORDERED** that Respondent make timely submissions to the Commission:

- A. Ninety days after the effective date of this Order, Respondent must submit a compliance report, sworn under penalty of perjury, in which Respondent must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission, may use to communicate with Respondent; (b) identify all of Respondent's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, and the means of advertising, marketing, and sales; (d) describe in detail whether and how Respondent is in compliance with each Provision of this Order, including a discussion of all of the changes the Respondent made to comply with the Order; and (e) provide a copy of each Acknowledgment of the Order obtained pursuant to this Order, unless previously submitted to the Commission.
- B. For a period of 10 years after the issuance date of this Order, Respondent must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following: (a) any designated point of contact; or (b) the structure of Respondent or any entity that Respondent has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.
- C. Respondent must submit notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against Respondent within 14 days of its filing.
- D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: \_\_\_\_" and supplying the date, signatory's full name, title (if applicable), and signature.

- E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: In re HomeAdvisor, Inc., D-9407.

### **VIII. Recordkeeping**

**IT IS FURTHER ORDERED** that Respondent must create certain records for 10 years after the issuance date of the Order, and retain each such record for 5 years, unless otherwise specified below. Specifically, Respondent must create and retain the following records:

- A. accounting records showing the revenues from all goods or services sold;
- B. personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. a copy of each unique advertisement or other marketing material making a representation subject to this Order; and
- E. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission.

### **IX. Compliance Monitoring**

**IT IS FURTHER ORDERED** that, for the purpose of monitoring Respondent's compliance with this Order:

- A. Within 10 days of receipt of a written request from a representative of the Commission, Respondent must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury, and produce records for inspection and copying.
- B. For matters concerning this Order, representatives of the Commission are authorized to communicate directly with Respondent. Respondent must permit representatives of the Commission to interview anyone affiliated with Respondent who has agreed to such an interview. The interviewee may have counsel present.
- C. The Commission may use all other lawful means, including posing through its representatives as consumers, suppliers, or other individuals or entities, to Respondent or

any individual or entity affiliated with Respondent, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

#### **X. Order Effective Dates**

**IT IS FURTHER ORDERED** that the final and effective date of this Order is the 60th day after this Order is served. This Order will terminate 20 years from the date of its issuance (which date may be stated at the end of this Order, near the Commission's seal), or 20 years from the most recent date that the United States or the Commission files a complaint (with or without an accompanying settlement) in federal court alleging any violation of this Order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

- A. Any Provision in this Order that terminates in less than 20 years;
- B. This Order's application to any Respondent that is not named as a defendant in such complaint; and
- C. This Order if such complaint is filed after the Order has terminated pursuant to this Provision.

*Provided, further*, that if such complaint is dismissed or a federal court rules that the Respondent did not violate any provision of the Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Order will terminate according to this Provision as though the complaint had never been filed, except that the Order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

[April J. Tabor]  
Secretary

[SEAL]  
ISSUED:



**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**      **Lina M. Khan, Chair**  
                                 **Noah Joshua Phillips**  
                                 **Rebecca Kelly Slaughter**  
                                 **Christine S. Wilson**

**In the Matter of**

**HOMEADVISOR, INC., a corporation,  
d/b/a ANGI LEADS,  
d/b/a HOMEADVISOR POWERED BY ANGI.**

**Docket No. 9407  
Public version**

**COMPLAINT**

The Federal Trade Commission, having reason to believe that HomeAdvisor, Inc., a corporation, has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent HomeAdvisor, Inc. (“HomeAdvisor”), also doing business as Angi Leads, also doing business as HomeAdvisor Powered by Angi, is a Delaware corporation with its principal offices or places of business at 3601 Walnut Street, Denver, Colorado 80205 and 14023 Denver West Parkway, Golden, Colorado 80401.
2. HomeAdvisor has marketed, advertised, offered for sale, and sold products to home service providers, including leads, HomeAdvisor memberships, and mHelpDesk.
3. The acts and practices of HomeAdvisor alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.

**Summary of the Matter**

4. HomeAdvisor collects information about potential customers for home services like kitchen remodels or lawn care, and sells that information to service providers in its network, such as general contractors and gardeners, as leads.

5. HomeAdvisor recruits service providers, primarily small businesses, through marketing materials and [REDACTED] sales agents who call service providers and attempt to persuade them to join HomeAdvisor's network. To join HomeAdvisor's network, a service provider pays an annual membership fee of \$287.99 in addition to paying for each lead, which can range from [REDACTED].

6. Since at least July 2014, HomeAdvisor, through its sales agents and marketing materials, has made representations to service providers about the quality, characteristics, and source of HomeAdvisor's leads that are false, misleading, or unsubstantiated. HomeAdvisor represents that its leads concern people who intend to hire a service provider soon, even though many of them do not. HomeAdvisor represents that service providers will only receive leads that match the types of services they provide and their geographic preferences, even though many service providers receive leads that do not match the types of services they provide or their geographic preferences. HomeAdvisor represents that its leads concern people who knowingly sought its assistance in selecting a service provider, even though many of the leads HomeAdvisor sells are purchased from third parties who collect information from potential customers without first revealing their affiliation with HomeAdvisor. In addition, HomeAdvisor represents to service providers that its leads convert into jobs at rates well above what HomeAdvisor can substantiate.

7. Since at least 2015, HomeAdvisor's sales agents have also misrepresented the cost of an optional one-month subscription to a field service software, mHelpDesk, which assists service providers with tasks like scheduling appointments and processing payments. Whereas HomeAdvisor has represented to service providers that the first month of the mHelpDesk subscription is free with an annual membership, in fact, the first month of the subscription increases the cost of the annual membership by \$59.99.

8. Based on HomeAdvisor's false, misleading, or unsubstantiated representations about the quality, characteristics, and source of HomeAdvisor's leads and the rates at which those leads convert into jobs, service providers agree to join HomeAdvisor's network, paying an upfront (and often inflated) membership fee, followed by additional fees for each lead they receive. Service providers, already busy with the demands of running small businesses, expend precious time following up on leads that are not of the quality HomeAdvisor promises, and still more time seeking, often unsuccessfully, credits and refunds from HomeAdvisor for such leads.

9. HomeAdvisor's deceptive practices have caused service providers to suffer [REDACTED] of dollars of injury.

### **HomeAdvisor's Business Practices**

#### **HomeAdvisor's Lead Product**

10. Every year, HomeAdvisor sells [REDACTED] of leads to service providers in its network. [REDACTED] the leads that HomeAdvisor sells consist of information submitted by visitors to HomeAdvisor's website, homeadvisor.com. The website's homepage states: "Find trusted local pros for any home project," and prompts the visitor to answer a series of questions about a

project and provide contact information. A visitor can also browse a directory of service providers on HomeAdvisor's website.

11. Using the information visitors submit to its website, HomeAdvisor sells a variety of lead types to service providers, including "Market Match Leads," "Exact Match Leads," and "Instant Booking Leads."

12. [REDACTED] of the leads HomeAdvisor sells to service providers are Market Match Leads. HomeAdvisor generates Market Match Leads from its website when a visitor follows the prompts and answers several questions about a home project. With the exception of an optional field that allows the visitor to provide further details about the project, the questions are multiple choice with one answer option often pre-selected by default. Based on a subset of the visitor's answers, HomeAdvisor uses an automated matching system to identify service providers in HomeAdvisor's network to whom HomeAdvisor sends the information provided by the visitor as a lead.

13. HomeAdvisor generates Exact Match and Instant Booking Leads from visitors who browse the directory of service providers on HomeAdvisor's website. The directory consists of service provider listings that include a description of each service provider's work and reviews. Many service provider listings also include an appointment calendar. HomeAdvisor generates an Exact Match Lead when a visitor selects a specific service provider from the directory and submits project and contact information directly to that service provider. HomeAdvisor generates an Instant Booking Lead when a visitor makes an appointment with a specific service provider via a web-based application on the directory. Approximately [REDACTED] of the leads HomeAdvisor sells to service providers are Exact Match Leads and approximately [REDACTED] are Instant Booking Leads.

14. In addition to selling leads to service providers that are generated from visitors' interactions with HomeAdvisor's website, HomeAdvisor has resold [REDACTED] of leads that it has purchased from third parties ("affiliates"). Affiliates generate these leads [REDACTED] from web-based forms [REDACTED]

[REDACTED] In many cases, the internet users do not know that their information will be shared with HomeAdvisor until they complete the form, if at all. [REDACTED]

15. HomeAdvisor also sells leads to service providers that are generated when HomeAdvisor customer representatives input information provided over the phone by potential customers of home services. HomeAdvisor's telephone-generated leads [REDACTED]



16. [REDACTED]

17. [REDACTED]

18. In order to receive leads from HomeAdvisor, service providers must first pass a background check and join HomeAdvisor’s network by purchasing a membership. HomeAdvisor regularly sold a membership package for \$347.98 that included a one-month subscription to mHelpDesk, a field service software produced by a subsidiary of HomeAdvisor. After the first month, the mHelpDesk subscription automatically renewed at \$59.99 per month unless service providers cancelled it.

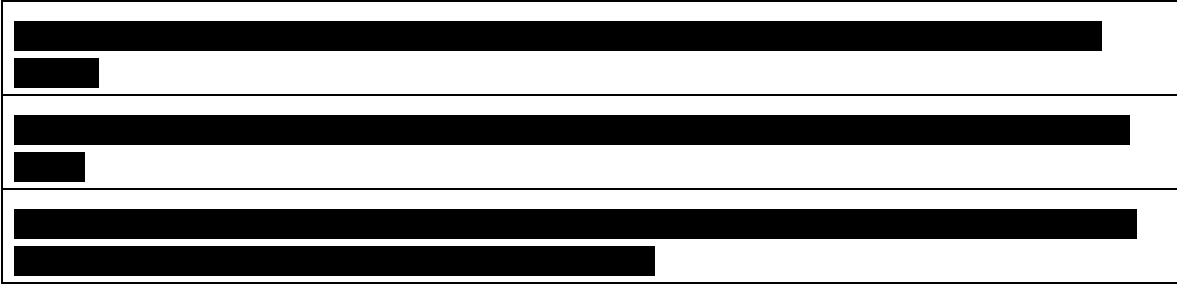
19. Upon purchasing a HomeAdvisor membership, service providers receive leads, including Market Match, Exact Match, and Instant Booking Leads. The price of a Market Match Lead ranges from approximately \$ [REDACTED] to \$ [REDACTED], depending on the type of home project it concerns (*e.g.*, a kitchen remodel will typically be priced higher than house cleaning), and the geographic location of the project. Exact Match and Instant Booking Leads cost fifty percent more than Market Match Leads of the same project type and location. The average price of a lead, across lead types, is approximately \$ [REDACTED].

20. Service providers pay HomeAdvisor for each Market Match, Exact Match, or Instant Booking Lead they receive. Service providers limit the number of Market Match and Exact Match Leads they receive by setting an approximate monthly lead budget in their HomeAdvisor account. [REDACTED]

[REDACTED] HomeAdvisor also allows a service provider to “pause” receiving Market Match, Exact Match, and Instant Booking Leads for a limited time, after which the leads will automatically resume.

21. HomeAdvisor does not allow service providers to preview leads prior to receiving them. If a service provider is dissatisfied with a lead she receives from HomeAdvisor, her primary

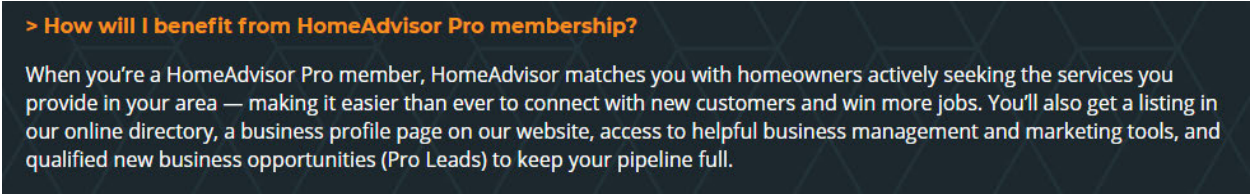




26. Indeed, HomeAdvisor has provided its sales agents with a list of marketing claims approved for use in sales calls that include [REDACTED] and [REDACTED]

27. HomeAdvisor’s external marketing materials make similar representations. On its website, HomeAdvisor prominently displays a “How It Works” video for service providers that states, “With HomeAdvisor’s patented ProFinder technology, you’re only matching to serious homeowners in your area.”

28. Another portion of its website represents to service providers: “When you’re a [member of HomeAdvisor’s service provider network], HomeAdvisor matches you with homeowners actively seeking the services you provide in your area.”



*Illustration 1: available at <https://pro.homeadvisor.com/r/membership/#membership> (last visited August 9, 2021)*

29. Yet another page on HomeAdvisor’s website states, “You won’t have to waste your time with customers who just window-shop. Angi Leads allows you to spend your time with the right ‘ready-to-buy’ customers.”

**Benefits of Joining**

Can Angi Leads increase a service professional’s profits?  
Absolutely. You won’t have to waste your time with customers who just window-shop. Angi Leads allows you to spend your time with the right “ready-to-buy” customers. We do our best to fully educate customers about the scope, cost, and timing of their projects. Then we’ll match them with you, based on your preferences for job type and location.

*Illustration 2: available at <https://pro.homeadvisor.com/help/faqs/> (last visited August 9, 2021)*

30. Other marketing materials describe HomeAdvisor’s leads as “project requests” and advertise HomeAdvisor as a means for service providers to “connect with project-ready homeowners.”



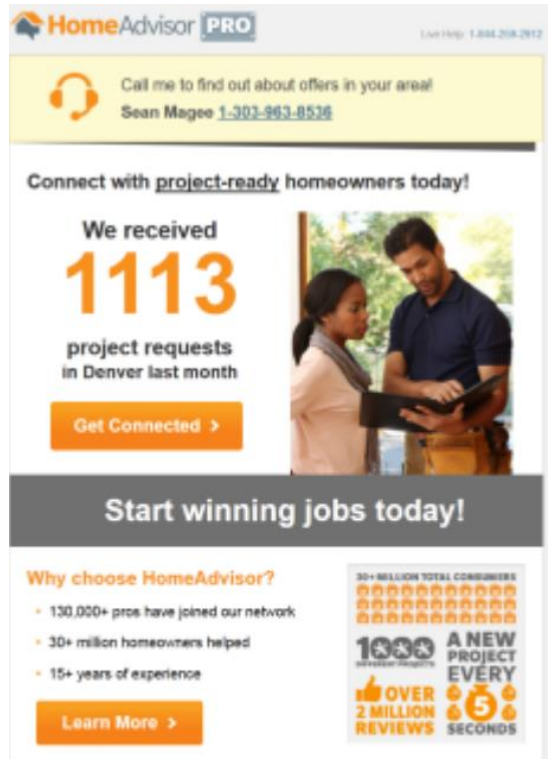


Illustration 3: email marketing sent to prospective service provider members

31. Contrary to HomeAdvisor’s representations, many of the leads that HomeAdvisor sells to service providers do not concern people who intend to hire a service provider soon. [REDACTED]

[REDACTED]

32. Indeed, HomeAdvisor sells information to service providers as leads even when internet users affirmatively indicate that they *do not* intend to hire a service provider soon. For example, one of the questions that a user typically must answer about a home project is whether its status is “Ready to Hire” or only “Planning & Budgeting.” Similarly, another question that a visitor typically must answer is how soon they would like the project completed (*e.g.*, “Timing is flexible,” “Within 1 week,” “1-2 weeks,” or “More than 2 weeks”). Yet another question asks whether the internet user is “the owner or authorized to make property changes.” [REDACTED]

[REDACTED] and many of the leads that HomeAdvisor sells to service providers concern people who described their project status only as “Planning & Budgeting,” provided an indefinite timeframe for completion, [REDACTED]

33. [REDACTED]

34. [REDACTED]

*Misrepresentations About Leads Matching Types of Work and Geographic Preferences*

35. In numerous instances, HomeAdvisor’s sales agents have told service providers that the leads they will receive concern home services projects that match the type of work and geographic preferences that service providers express to HomeAdvisor. For example, in sales calls HomeAdvisor’s sales agents have described the leads as follows:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

36. Indeed, scripts used by HomeAdvisor sales agents describe HomeAdvisor’s leads as follows:

[REDACTED]

(emphasis original)

37. HomeAdvisor’s marketing materials make similar representations. Its website states, “Tell us what you do and where, and we deliver prospects that meet your exact needs.”

## Helping You Grow Your Business One Homeowner at a Time

- **Connect with the Targeted Prospects You Need to Succeed**

Tell us what you do and where, and we deliver prospects that meet your exact needs.

- **Stay in Control and in Charge of Your Business**

You control your budget and lead preferences.

- **Leap Ahead of the Competition to Win More Jobs**

Our lead management tools keep you organized and in touch with the homeowners you need to grow your business.

[Sign Up Today](#)

[Learn More >](#)



Illustration 4: available at <https://pro.homeadvisor.com/> (last visited August 9, 2021)

38. Another page on its website has stated, “Only Get the Leads You Want. You pick your service types and location preferences and we bring you prospects that match what you want.”

**You're In Control**

**Only Get the  
Leads You Want**

You pick your service types and location preferences and we bring you prospects that match what you want.

Illustration 5: previously available at <https://pro.homeadvisor.com/how-it-works/>

39. In fact, contrary to HomeAdvisor’s representations, many of the leads that service providers receive do not concern the type of work that the service providers perform, or fall outside of the service providers’ geographic preferences. For example, [REDACTED]

[REDACTED]



40. [REDACTED]

41. [REDACTED]

*Misrepresentations About Lead Source*

42. HomeAdvisor’s sales agents also have frequently represented to service providers that HomeAdvisor’s leads concern people who knowingly sought HomeAdvisor’s assistance in selecting a service provider. For example, in sales calls HomeAdvisor’s sales agents have described the source of HomeAdvisor’s leads as follows:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

43. Indeed, scripts used by HomeAdvisor’s sales agents state, [REDACTED]

44. HomeAdvisor’s marketing materials have also represented that HomeAdvisor’s leads concern people who knowingly sought HomeAdvisor’s assistance in selecting a service provider. HomeAdvisor’s website has described Market Match Leads as follows: “Consumers come to HomeAdvisor.com and give us detailed info about their project.”

## Market Match



Consumers come to HomeAdvisor.com and give us detailed info about their project. We match that info with your work and area preferences, and connect you with homeowners that match your needs.

[Get Started](#)

*Illustration 6: previously available at <https://www.homeadvisor.com/rfs/enroll/sppostenrollleadsdetails>*

45. In fact, contrary to HomeAdvisor’s representations, [REDACTED] of the leads that HomeAdvisor sells to service providers are purchased from affiliates and concern individuals who did not knowingly seek HomeAdvisor’s assistance. Since July 2014, HomeAdvisor has sold service providers [REDACTED] of leads that HomeAdvisor purchased from affiliates and did not come from HomeAdvisor’s website. [REDACTED]

46. [REDACTED]  
[REDACTED] HomeAdvisor recognizes that it has very limited control over the quality of affiliate-generated leads. Indeed, a document HomeAdvisor’s parent company filed publicly with the Securities and Exchange Commission acknowledged that “the quality and convertibility of [HomeAdvisor’s] leads generated through third-party arrangements are dependent on many factors, most of which are outside our control.”

47. [REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]



[REDACTED]

### HomeAdvisor’s Deceptive mHelpDesk Sales Practices

54. In numerous instances, HomeAdvisor’s sales agents have represented to service providers that the cost of an annual membership is \$347.98, and includes a free one-month subscription to mHelpDesk.

55. For example, in sales calls HomeAdvisor’s sales agents have described mHelpDesk as follows:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

56. Indeed, HomeAdvisor’s training materials have perpetuated sales agents’ representations that the first month of mHelpDesk is free. Scripts used by HomeAdvisor’s sales agents—

[REDACTED]

57. Similarly, until at least 2016, the form email that HomeAdvisor sent service providers confirming their purchase of an annual membership represented that \$347.98 was the cost of the annual membership and a “free” month of mHelpDesk.

58. In fact, the cost of an annual membership is \$287.99. The \$347.98 price has represented the cost of an annual membership plus one month of mHelpDesk, an optional, add-on product that costs \$59.99 per month and automatically renews after the first month. If a service provider does not want a one-month subscription to mHelpDesk, she can purchase an annual membership for \$287.99.

59. After HomeAdvisor's sales agents have added a month of mHelpDesk to service providers' annual memberships, service providers frequently have not learned that they were charged an additional \$59.99 because the \$347.98 charge has appeared as a single line item on the service provider's receipt and credit card bill. [REDACTED]

60. Of the more than [REDACTED] service providers who have been charged \$347.98 for an annual membership and a one-month subscription to mHelpDesk, [REDACTED]

**Count I**  
**Misrepresentations About the Quality, Characteristics, and Source of Leads**

61. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of leads, HomeAdvisor represents to service providers, directly or indirectly, expressly or by implication, that the leads service providers will receive:

- a. concern individuals who intend to hire a service provider soon;
- b. concern projects that match the types of services that service providers have expressed they perform;
- c. concern projects that match the geographic areas that service providers have expressed they serve; or
- d. concern individuals who knowingly sought HomeAdvisor for assistance in selecting a service provider.

62. In truth and in fact, in numerous instances in which HomeAdvisor has made the representations set forth in Paragraph 61, the leads service providers received, respectively:

- a. did not concern individuals who intend to hire a service provider soon;
- b. did not concern projects that match the types of services that service providers have expressed they perform;
- c. did not concern projects that match the geographic areas that service providers have expressed they serve; or
- d. did not concern individuals who knowingly sought HomeAdvisor for assistance in selecting a service provider.

63. Therefore, HomeAdvisor's representations as set forth in Paragraph 61 are false or misleading.



**Count II**  
**Misrepresentations About the Rates at which Leads Convert into Jobs**

64. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of leads, HomeAdvisor represents to service providers, directly or indirectly, expressly or by implication, that the leads convert into jobs at or above the rates that HomeAdvisor states.

65. The representations set forth in Paragraph 64 are false or misleading or were not substantiated at the time the representations were made.

**Count III**  
**Misrepresentations Regarding mHelpDesk**

66. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of leads, HomeAdvisor has represented to service providers, directly or indirectly, expressly or by implication, that the first month of mHelpDesk is free.

67. In truth and in fact, in numerous instances in which HomeAdvisor has made the representations set forth in Paragraph 66, the first month of mHelpDesk is not free.

68. Therefore, HomeAdvisor's representations as set forth in Paragraph 66 are false or misleading.

**Violations of Section 5**

69. The acts and practices of HomeAdvisor as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

**NOTICE**

You are notified that on November 9, 2022, at 10:00 a.m., at the Federal Trade Commission offices, 600 Pennsylvania Avenue, NW, Room 532-H, Washington, DC 20580, an Administrative Law Judge of the Federal Trade Commission, will hold a hearing on the charges set forth in this Complaint. At that time and place, you will have the right under the Federal Trade Commission Act to appear and show cause why an order should not be entered requiring you to cease and desist from the violations of law charged in this Complaint.

You are notified that you are afforded the opportunity to file with the Federal Trade Commission ("Commission") an answer to this Complaint on or before the 14th day after service of the Complaint upon you. An answer in which the allegations of the Complaint are contested must contain a concise statement of the facts constituting each ground of defense; and specific admission, denial, or explanation of each fact alleged in the Complaint or, if you are without knowledge thereof, a statement to that effect. Allegations of the Complaint not thus answered will be deemed to have been admitted.

If you elect not to contest the allegations of fact set forth in the Complaint, the answer should consist of a statement that you admit all of the material facts to be true. Such an answer will constitute a waiver of hearings as to the facts alleged in the Complaint and, together with the Complaint, will provide a record basis on which the Commission may issue a final decision containing appropriate findings and conclusions and a final order disposing of the proceeding. In such answer, you may, however, reserve the right to submit proposed findings of fact and conclusions of law under FTC Rule § 3.46.

Failure to answer timely will be deemed to constitute a waiver of your right to appear and contest the allegations of the Complaint. It will also authorize the Commission, without further notice to you, to find the facts to be as alleged in the Complaint and to enter a final decision containing appropriate findings and conclusions and a final order disposing of the proceeding.

The Administrative Law Judge will hold an initial prehearing scheduling conference to be held not later than 10 days after the answer is filed by the Respondent. Unless otherwise directed by the Administrative Law Judge, the scheduling conference and further proceedings will take place at the Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room 532-H, Washington, DC 20580. Rule 3.21(a) requires a meeting of the parties' counsel as early as practicable before the prehearing scheduling conference, but in any event no later than 5 days after the answer is filed by the Respondent. Rule 3.31(b) obligates counsel for each party, within 5 days of receiving a Respondent's answer, to make certain initial disclosures without awaiting a formal discovery request.

The following is the form of the order which the Commission has reason to believe should issue if the facts are found to be as alleged in the Complaint. If, however, the Commission concludes from record facts developed in any adjudicative proceedings in this matter that the proposed order provisions as to Respondent might be inadequate to fully protect the consuming public, the Commission may order such other relief as it finds necessary and appropriate, including corrective advertising or other affirmative disclosures.

Moreover, the Commission has reason to believe that, if the facts are found as alleged in the Complaint, it may be necessary and appropriate for the Commission to seek relief to redress injury to consumers. Such relief could be in the form of restitution for past, present, and future consumers and such other types of relief as are set forth in Section 19(b) of the Federal Trade Commission Act. The Commission will determine whether to apply to a court for such relief on the basis of the adjudicative proceedings in this matter and such other factors as are relevant to consider the necessity and appropriateness of such action.

#### **NOTICE OF CONTEMPLATED RELIEF**

If the Commission concludes from the record developed in any adjudicative proceedings in this matter that Respondent has violated or is violating Section 5 of the FTC Act, the Commission may order such relief against Respondent as is supported by the record and is necessary and appropriate, including but not limited to:

- a. A prohibition on misrepresentations, including false or unsubstantiated claims, in connection with the promoting, advertising, marketing, offering for sale, or selling of any product or service.
- b. A requirement that, for a period of time, Respondent must send acknowledgments of the order to the Commission.
- c. A requirement that, for a period of time, Respondent must create and retain certain business records.
- d. A requirement that, for a period of time, Respondent must provide prior notice to the Commission of all new business activity.
- e. A requirement that, for a period of time, Respondent must submit compliance reports to the Commission.
- f. Provisions to enable the Commission to monitor Respondent's compliance with the order.
- g. Any other relief appropriate to correct or remedy the effects of Respondent's unfair or deceptive practices or of any or all of the conduct alleged in the complaint.

**THEREFORE**, the Federal Trade Commission this 11th day of March, 2022, has issued this Complaint against Respondent.

By the Commission.

April J. Tabor  
Secretary

SEAL: