

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

**COMMISSIONERS:**      **Lina M. Khan, Chair**  
                                 **Rebecca Kelly Slaughter**  
                                 **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: April 20, 2023





UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of the Secretary

April, 20 2023

Ms. Nikki Stone  
Administrator  
Superior Home Specialists  
209 Michigan Ave  
Nitro, WV 25143

Re: *In the Matter of HomeAdvisor, Inc.*, FTC Dkt. No. 9407

Dear Ms. Stone:

Thank you for commenting on the Federal Trade Commission's proposed consent order in the above-referenced proceeding. The Commission has considered your comment and placed it on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii). The Commission is committed to protecting consumers from deceptive, unfair, and other unlawful practices, and we appreciate your feedback on this matter.

The order prohibits HomeAdvisor from: (1) misrepresenting central characteristics of its leads, including that the leads concern individuals who intend to hire service providers soon, that they concern projects that will match service providers' stated task type and location preferences, and that they concern individuals who submitted a request concerning home services directly to HomeAdvisor; (2) misrepresenting products as free; and (3) making any representation regarding the rate at which HomeAdvisor's leads convert into paying jobs unless that representation is non-misleading and supported by data or written materials in HomeAdvisor's possession when the claim is made. Further, the order requires HomeAdvisor to pay up to \$7.2 million, which will be used to partially reimburse service providers who were harmed by the practices described in the complaint.

Your comment describes your experience and dissatisfaction with HomeAdvisor. We are sorry for your experience. The Commission will obtain from HomeAdvisor the information it needs to identify service providers who were harmed by the practices described in the complaint and eligible for payment. You do not need to submit any information at this point. If the FTC determines you are eligible for payment, it will contact you directly.

Having considered all the facts of this case and all of the comments submitted in response to the proposed consent order, the Commission determined that the public interest would best be served by issuing the Complaint and the Decision and Order in final form without any modifications. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

Thank you again for your comment. The Commission is aided in its analysis by hearing from a variety of sources, and we appreciate your interest in this matter.

By direction of the Commission.

Very truly yours,

April J. Tabor  
Secretary



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of the Secretary

April, 20 2023

Mr. Todd Norton

Re: *In the Matter of HomeAdvisor, Inc.*, FTC Dkt. No. 9407

Dear Mr. Norton:

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By direction of the Commission.

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April J. Tabor  
Secretary



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FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of the Secretary

April 20, 2023

Mr. William Martin

Re: *In the Matter of HomeAdvisor, Inc.*, FTC Dkt. No. 9407

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Very truly yours,

April J. Tabor  
Secretary