## UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Lina M. Khan, Chair

Noah Joshua Phillips 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. 9407** 

## ORDER DIRECTING FURTHER PROCEEDINGS AND SPECIFYING FACTS WITHOUT SUBSTANTIAL CONTROVERSY

Pursuant to Rule 3.24(a)(5) of the Federal Trade Commission's Rules of Practice, 16 C.F.R. § 3.24(a)(5), the Commission hereby directs further proceedings in this action and specifies the facts that appear without substantial controversy. The Initial Decision's findings of fact may supplement and modify the facts specified, as appropriate, to reflect additional detail and the resolution of factual disputes. Accordingly,

IT IS HEREBY ORDERED THAT, due to ongoing public health concerns related to COVID-19, the evidentiary hearing in this proceeding, scheduled to commence on November 9, 2022 at 10:00 a.m., will be conducted virtually by video conference; public access to the hearing, to the extent consistent with the protection of confidential information and for monitoring purposes only, will be provided via telephone or live web streaming; and

**IT IS FURTHER ORDERED THAT** the following facts shall be deemed established for purposes of this proceeding:

- Respondent HomeAdvisor, Inc., also doing business as Angi Leads and HomeAdvisor Powered by Angi, is a Delaware corporation with its principal offices or places of business in Colorado. CCSF ¶2; RCCSF ¶2; Answer ¶1.<sup>1</sup>
- 2. HomeAdvisor collects information about potential customers for home services ("consumers") in the form of "service requests" and sells that information to service providers in its network in the form of "leads." Compl. ¶ 4; Answer ¶ 4; see also CCSF at 2 n.2.
- 3. See CCSF ¶ 35; RCCSF ¶ 35; RCCSF
- 4. HomeAdvisor sells leads that consist of information submitted through HomeAdvisor's websites, over the phone to a HomeAdvisor customer representative, or from third-party affiliates. Compl. ¶¶ 10, 14, 15; Answer ¶¶ 10, 14, 15; see also RSF ¶ 30; CCSF ¶ 4; RCCSF ¶ 4.
- 5. HomeAdvisor's website prompts consumers to enter their contact information and answer a series of questions about a project. Compl. ¶ 10; Answer ¶ 10.
- 6. One of the questions that a consumer typically must answer about a home project is whether its status is "Ready to Hire" or only "Planning & Budgeting." Compl. ¶ 32; Answer ¶ 32.
- 7. Another question that a consumer typically must answer is how soon the consumer would like the project completed (e.g., "Timing is flexible," "Within 1 week," "1-2 weeks," or "More than 2 weeks"). Compl. ¶ 32; Answer ¶ 32.
- 8. Yet another question asks whether the consumer is "the owner or authorized to make property changes." Compl. ¶ 32; Answer ¶ 32.

Compl.

Answer

Answer and Defenses of Respondent HomeAdvisor, Inc.

CCSF

Complaint Counsel's Statement of Material Facts as to Which There Is No Genuine Issue for Trial

RCCSF

Respondent's Responses to Complaint Counsel's Statement of Purportedly Undisputed Facts (Part Two of Respondent's Statement of Material Facts for Which There Is a Genuine Issue for Trial)

RSF

Respondent's Counterstatement of Material Facts for Which There Is a Genuine Issue for Trial (Part One of Respondent's Statement of Material Facts for Which There Is a Genuine Issue for Trial (Part One of Respondent's Statement of Material Facts for Which There Is a Genuine Issue for Trial)

Mot.

Memorandum in Support of Complaint Counsel's Motion for Summary Decision

<sup>&</sup>lt;sup>1</sup> We use the following abbreviations:

- 9. {The answers to these questions are not determinative of whether the service request may potentially become a lead that is then sold to service providers.} Compl. ¶ 32; Answer ¶ 32; CCSF ¶ 7; RCCSF ¶ 7.
- 10. HomeAdvisor's telephone-generated leads

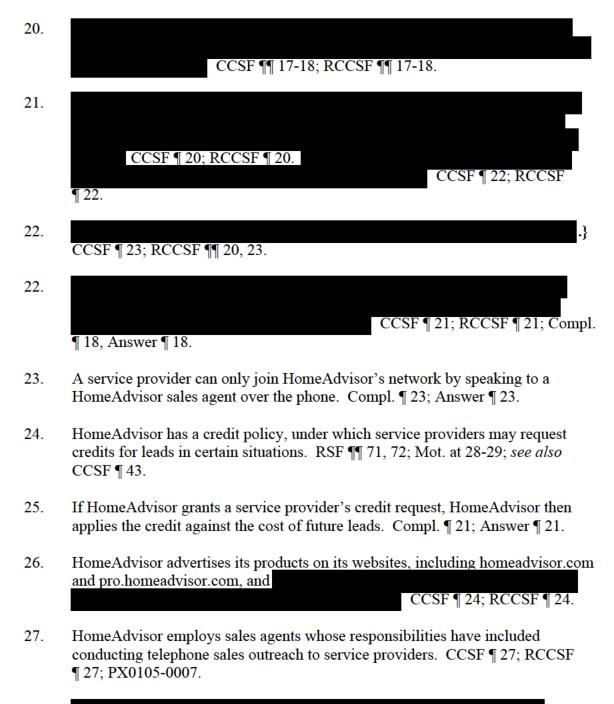
  Compl. ¶ 15; Answer

  ¶ 15.
- 11. CCSF ¶ 4; RSF ¶ 150.
- 12. HomeAdvisor sells several types of leads, including Market Match leads, Exact Match leads, and Instant Booking leads. CCSF ¶ 10; RCCSF ¶ 10.
- 13. A Market Match lead is a lead that is sold to {up to four CCSF ¶ 11; RCCSF ¶ 11.
- 14. For an Exact Match lead,

  CCSF ¶ 12; RCCSF ¶ 12; see also Compl. ¶ 13;

  Answer ¶ 13.
- 15. For an Instant Booking lead, a consumer that visits HomeAdvisor's website makes an appointment with a specific service provider via a web-based application. Compl. ¶ 13; Answer ¶ 13; see also RCCSF ¶ 13.
- 16. 60% | 10% | CCSF ¶ 10; RCCSF ¶ 10.
- 17. Apart, possibly, from certain free leads provided to service providers,

  CCSF ¶ 14; RCCSF ¶ 14.
- 18. Market Match lead fees vary depending on the type and geographic location of the project. Compl. ¶ 19; Answer ¶ 19.
- 19. At least between July 2014 and September 2019, the average price of a lead across lead types was approximately **\$30}.** RCCSF ¶ 16; Compl. ¶ 19; Answer ¶ 19.



- 28. that offer guidance for their conversations with service providers.}

  CCSF ¶ 30; RCCSF ¶ 30; see also CCSF at 24 & ¶ 102.
- 29. {HomeAdvisor sales representatives are not required to read verbatim from a script during sales calls with service providers.} CCSF 30; RCCSF 30.
- 30. HomeAdvisor has a quality assurance process {which, among other things, reviews certain recorded calls to ensure that the representations made by

**HomeAdvisor employees comport with HomeAdvisor policy.**} CCSF  $\P$  52; RCCSF  $\P$  52.

- 31. {Members of HomeAdvisor's quality assurance team use a scorecard to assess sales representative performance on calls, noting when policies were violated during a sales call.} CCSF ¶ 54; RCCSF ¶ 54.
- 32. {Severe policy violations can result in "auto fails," which can trigger disciplinary action.} CCSF ¶ 55; RCCSF ¶ 55.

By the Commission.

April J. Tabor Secretary

SEAL:

ISSUED: September 9, 2022