



Online reviews and testimonials

Findings of the ACCC's internet sweep of online reviews and testimonials

December 2023



Acknowledgment of country

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

Australian Competition and Consumer Commission
Land of the Ngunnawal people
23 Marcus Clarke Street, Canberra, Australian Capital Territory, 2601
© Commonwealth of Australia 2023

This work is copyright. In addition to any use permitted under the *Copyright Act 1968*, all material contained within this work is provided under a Creative Commons Attribution 4.0 Australia licence, with the exception of:

- the Commonwealth Coat of Arms
- the ACCC and AER logos
- any illustration, diagram, photograph or graphic over which the Australian Competition and Consumer Commission does not hold copyright, but which may be part of or contained within this publication.

The details of the relevant licence conditions are available on the Creative Commons website, as is the full legal code for the CC BY 4.0 AU licence. Requests and inquiries concerning reproduction and rights should be addressed to the Director, Corporate Communications, ACCC, GPO Box 3131, Canberra ACT 2601.

Important notice

The information in this publication is for general guidance only. It does not constitute legal or other professional advice, and should not be relied on as a statement of the law in any jurisdiction. Because it is intended only as a general guide, it may contain generalisations. You should obtain professional advice if you have any specific concern.

The ACCC has made every reasonable effort to provide current and accurate information, but it does not make any guarantees regarding the accuracy, currency or completeness of that information.

Parties who wish to re-publish or otherwise use the information in this publication must check this information for currency and accuracy prior to publication. This should be done prior to each publication edition, as ACCC guidance and relevant transitional legislation frequently change. Any queries parties have should be addressed to the Director, Corporate Communications, ACCC, GPO Box 3131, Canberra ACT 2601.

ACCC 12/23_23-84

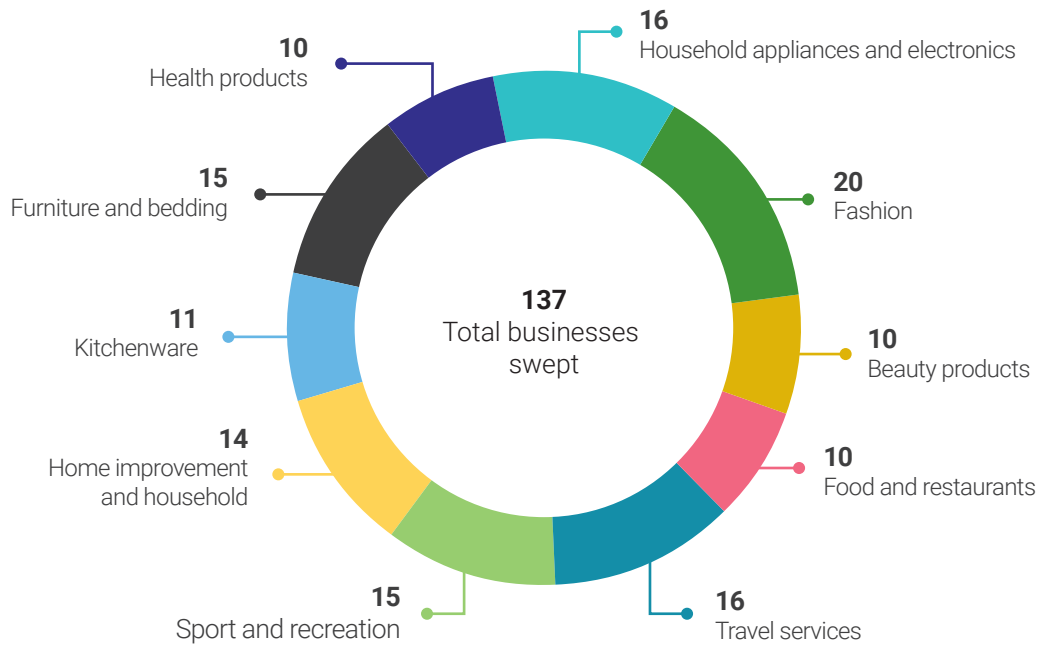
www.accc.gov.au

Contents

Snapshot of findings	1
Background	3
The sweep	5
Key issues identified in the sweep	6
1. Third-party professional reviewers and review removalists	6
2. Fake positive reviews	7
3. Unclear disclosure of incentivised reviews and encouraging inflated reviews	8
4. Preventing, editing or removing reviews or testimonials	9
5. Displaying ratings, reviews and review policies	10
What the ACCC will do	12

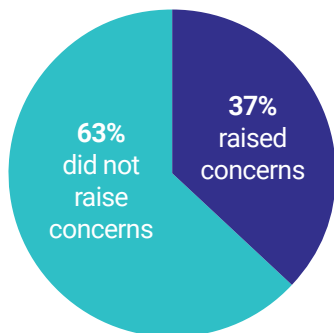
Snapshot of findings

BREAKDOWN OF BUSINESSES SWEPT



KEY TAKEAWAYS

Overall proportion of businesses with concerning online reviews or testimonials



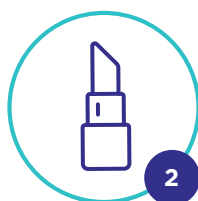
SOME BUSINESSES ARE:

- 1 Not clearly disclosing incentivised reviews and encouraging inflated reviews
- 2 Creating or allowing fake positive reviews
- 3 Preventing, editing or removing negative reviews or testimonials
- 4 Misrepresenting their review ratings and the number of reviews received

SECTORS WITH THE GREATEST PROPORTION OF CONCERNING ONLINE REVIEWS AND TESTIMONIALS



Household appliances and electronics

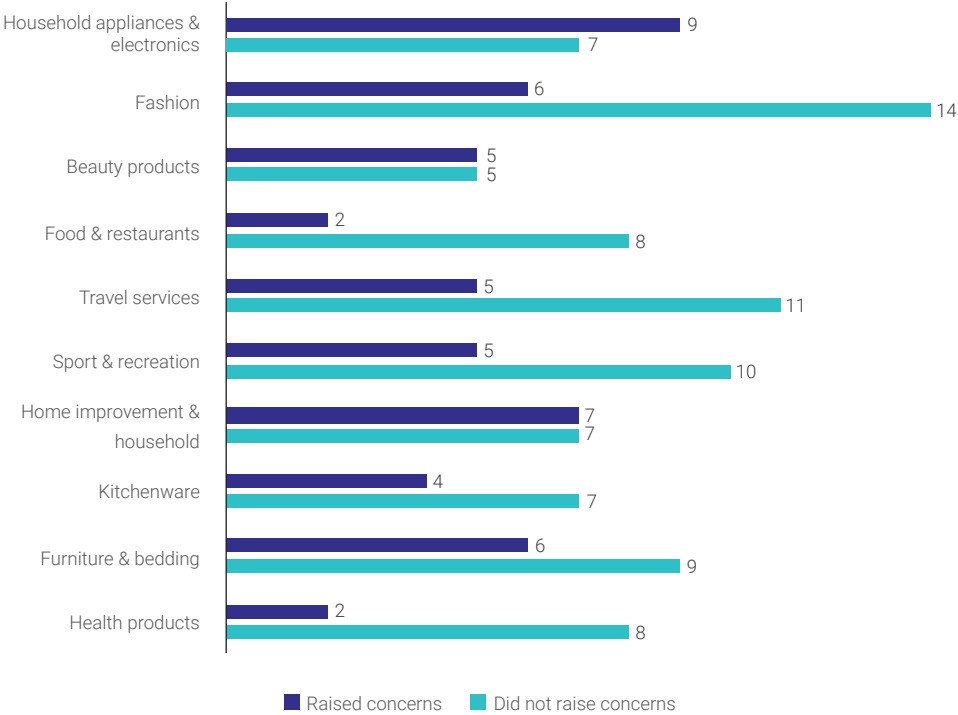


Beauty products



Home improvement and household

NUMBER OF BUSINESSES WITH CONCERNING ONLINE REVIEWS OR TESTIMONIALS BY SECTOR



Background

Well-functioning online markets are key to a modern economy. To realise their full benefit, consumers and online businesses must be confident in engaging with each other. However, consumers are facing a growing number of manipulative techniques to exploit or pressure them, due in part to the increase of online information sources. These online information sources can also be detrimental to businesses and unfairly advantage or disadvantage them when the information is false or misleading.

Online reviews and testimonials are a highly important knowledge source that informs consumer decisions to purchase goods or services, both online and in-store. The relative speed and ease with which these can be published online means that the number of businesses and review platforms that engage in online reviews and ratings has grown significantly over the years, including businesses that offer review management services. It has also resulted in more consumers using online reviews and testimonials more often to inform their purchasing decisions.

The trust placed by consumers in reviews and testimonials means that when these reflect genuine consumer opinion, they are beneficial to consumers and help them make more informed purchasing decisions. However, consumer harm arises when they are misleading, undermining consumer trust in and affecting consumers' future interactions with businesses and the broader digital economy.

Many businesses also rely on online reviews and testimonials to build their reputations by collecting consumer feedback on both their online and in-store consumer interactions. This reputation is damaged by the increased use of manipulative techniques by competitors or other third parties to distort online reviews. These entities take advantage of consumer trust in reviews to undermine businesses' ability to compete and to confidently promote themselves online.

In some instances, businesses have difficulty in responding, addressing or resolving issues with fake or misleading online reviews, in part due to the lack of effective dispute resolution mechanisms and the policies of review platforms.

Consumers are more likely to seek out reviews and testimonials in circumstances where they do not have experience with the product or service or where the purchase is high value, occasional or rare, such as a holiday or a new mattress. Consumers are particularly vulnerable to harm in these circumstances, as their lack of knowledge about the product or service makes them more likely to place trust in reviews to inform their decision. If a consumer purchases a costly yet unsuitable product or service based on misleading reviews, it can have a wide range of impacts, including causing personal distress, significant financial detriment, and a loss of trust, leading to reduced use of, or withdrawal from, the online market. Examples where these harmful impacts may occur include buying poor quality gifts for a loved one, a negative holiday experience, purchasing defective whitegoods, or upgrading to a home electrical system which does not suit their needs.

The reliance by consumers on online reviews and testimonials to inform their purchasing decisions creates a strong incentive for businesses and third parties to manipulate online reviews. Increasingly, third-party professional reviewers and review removalists are a tool used by some businesses to manage their reputation. These businesses specialise in creating fake positive or negative reviews and in removing negative reviews. This has made it even more difficult for consumers to assess the reliability of reviews. Whilst it may be important to businesses to manage their online reputation, they need to ensure that in doing so, they are not being misleading. Business models that create fake reviews or remove negative reviews are at a high risk of misleading consumers, and the ACCC will be examining these carefully.

There are various ways businesses may distort online reviews to mislead consumers. For example, a business (or others acting on their behalf) may:

- Publish false or misleading **positive** reviews or testimonials about their own goods or services.
- **Offer incentives to others to publish positive** reviews or testimonials.
- Publish false or misleading **negative** reviews or testimonials about their competitors.
- **Prevent, edit or remove negative** reviews or testimonials.
- **Display** ratings and reviews in a misleading way.

Some businesses may engage in a combination of these practices and gain an unfair competitive advantage by doing so. Small businesses are particularly impacted by negative reviews at the hands of competitors or professional reviewers acting on behalf of a competitor, or by other third-party reviews. This conduct unfairly damages the business' reputation and sales, given many small businesses rely on online ratings and reviews to attract customers, especially if the business lacks an existing customer base.

Review manipulation of any kind can impact a business' star or numeric rating, leading to an overall misleading impression of the business and influencing consumers' purchasing decisions.

The sweep

To understand the nature and prevalence of fake or misleading online reviews and testimonials about Australian businesses and their products, the ACCC conducted an internet sweep (**‘the sweep’**). The sweep took place between 4 October and 14 October 2022 and looked at 137 different businesses across 10 sectors of the economy:

1. Household appliances and electronics
2. Fashion – clothes, shoes and accessories
3. Beauty products – cosmetics and personal care
4. Food and restaurants
5. Travel services
6. Sport and recreation
7. Home improvement and household
8. Kitchenware
9. Furniture and bedding
10. Health products

The sweep aimed to identify businesses, review platforms or sectors which may be engaging in misleading or deceptive conduct by posting, encouraging, or allowing fake or misleading online reviews and testimonials, including by incentivising reviews, or preventing, editing or removing genuine reviews. Third-party professional reviewers and review removalists were also considered, given their role in facilitating misleading online reviews. Additionally, the sweep examined whether the way ratings and reviews are displayed by businesses and review platforms are misleading.

A preliminary assessment was then made as to whether these reviews and testimonials may have the potential to mislead consumers about the overall rating of a business. The sweep also aimed to identify areas where further guidance for both businesses and consumers is needed.

The sweep was not intended to identify specific breaches of the Australian Consumer Law (**‘ACL’**). The ACCC has undertaken further work to determine whether businesses considered as part of the sweep may be breaching the ACL through fake or misleading online reviews.

The sweep focused specifically on misleading online reviews and testimonials posted on businesses’ websites, Facebook pages and third-party review platforms. Misleading testimonials and endorsements by social media influencers were considered separately in [another sweep](#) conducted by the ACCC in early 2023.

Key issues identified in the sweep

The sweep found that businesses appeared to be manipulating reviews in a variety of ways. Some manipulation appeared to be deliberate, while other manipulation did not appear to be intentional, but rather resulted from businesses lacking an understanding of their obligations under the ACL.

The sweep also identified conduct that makes it difficult for consumers to assess the reliability of reviews. In many cases, the sweep found that improved display and explanation of reviews and ratings, and publication of review policies, would provide consumers with better information and increase consumer trust in reviews.

Trends outlined in this report are not reflective of all existing issues with online reviews. Rather, these are the trends that were identified during our sweep.

1. Third-party professional reviewers and review removalists

The sweep reviewed 24 businesses that offer services to:

- create fake positive or negative reviews
- remove negative or fake reviews; and/or
- manage the collection and display of reviews.

The table below gives a brief overview of the services offered by these businesses.

Type of service offered	Service details
Creation of fake reviews	<ul style="list-style-type: none">▪ Often priced in low-cost packages, with savings for purchasing a larger number of fake reviews.▪ Fake reviews are usually advertised as 'human-made'. One business offered AI-generated content.▪ The most common platforms which fake reviews could be created for were Google and Facebook.▪ Two businesses also offered the creation of fake content such as likes, comments and followers on various social media platforms.
Removal of fake reviews and/or any harmful or unfair content	<ul style="list-style-type: none">▪ Range of pricing options including quotes, set fees, and no-win, no-fee models with clients only paying once reviews were successfully removed.▪ Reviews can be removed as quickly as in 24-48 hours, although it can take up to weeks or months depending on how quickly review platforms respond to the review removal request.
Other online review management services	<ul style="list-style-type: none">▪ Businesses can choose which reviews to display on their website. Examples of this were found during the sweep – see section on 'Preventing, editing or removing reviews or testimonials'.▪ Publication of negative reviews can be delayed by first asking customers of the business whether they had a positive or negative experience. Customers with positive experiences are then directed to post a review. Customers with negative experiences have their feedback passed on directly to the business.

The sweep found that a few review removalists advised their clients to avoid responding to negative reviews publicly, as doing so would give legitimacy to the negative reviews and would make them difficult to remove. However, businesses should note that consumers' opinions of a business are

influenced by not only the number of positive and negative reviews and a business' average rating, but also by their response to reviews. A business that responds to negative reviews in a professional manner is more likely to be viewed favourably by consumers.

Further, a negative review may not be fake even if it appears to be. For this reason, businesses may wish to manage reviews by responding and reaching out to the customer, rather than assuming a negative review is fake and then seeking to have it removed.

Businesses that seek to create fake reviews, or edit or remove genuine negative reviews, with the intention of inflating their own ratings, lowering their competitors' ratings, or hiding genuine negative reviews from public view, are in breach of the ACL. Businesses must not remove or edit reviews simply because they do not agree with the reviewer's opinion. Third-party professional reviewers or review removalists that operate such business models and offer such services will also be contravening the ACL, or will be considered by the ACCC to have aided or abetted, or be knowingly concerned in such a contravention by their client businesses.

As noted in the table, online review management services can also enable review manipulation by businesses. While passing on negative feedback directly to a business may encourage the business to engage with its customers directly to resolve disputes, it may also distort the overall impression of a business if genuine negative reviews are never published.

2. Fake positive reviews

Positive reviews are misleading when they are created by the business itself or by someone who hasn't actually used the product or service. This includes positive reviews written by friends, family, employees or people incentivised in some way by the business to write reviews, without stating the personal connection or commercial relationship with that business. Fake positive reviews can also be the result of a business using the services of a professional reviewer.

Under the ACL, businesses must not create fake reviews (or engage someone else to create fake reviews), or allow reviews which they know to be fake to continue to be displayed on their websites or on third-party review platforms. Similarly, it is against the law for third-party review platforms to allow the display of reviews on their platforms which they know to be fake.

The sweep found that many businesses appeared to have fake positive reviews on their websites and/or on third-party review platforms. During the sweep, signs that positive reviews may be fake included:

- a spike in highly positive reviews over a short period of time
- multiple reviews written by the same reviewer
- generic reviews without individualised or specific detail about the business or product
- reviews written in similar language as other reviews for the same business or product
- businesses that have competitions or reward systems to incentivise reviews
- consumers leaving comments on a business' Facebook page or on a third-party platform that the business is faking reviews
- many very positive reviews and no or almost no negative reviews on a business' website, contrasted with third-party platforms showing a mix of reviews for that business
- significant discrepancies between ratings and review numbers for the business over a period of time across different platforms or on its website.

The beauty, home improvement and household, and fashion sectors had a higher proportion of businesses that potentially had fake positive reviews.

3. Unclear disclosure of incentivised reviews and encouraging inflated reviews

Reviews are incentivised when consumers are offered gifts, reward points, discount vouchers or entry into a competition, in exchange for providing a review of a business. Businesses must ensure that they are asking for reviews in a fair and consistent way and that they are clearly labelling incentivised reviews. It is misleading to fail to disclose incentivised reviews, as it presents incentivised reviews as impartial when they are not, leading to an overall inaccurate picture of consumer opinion.

If incentives are offered to consumers to write reviews, a fair and consistent way of doing this is to apply them regardless of whether the reviewer leaves a positive or negative review and to clearly tell consumers that the incentive is available on this basis.

The lack of clear disclosure of incentivised reviews was the most common issue identified throughout the sweep. This occurred across almost all sectors that were swept, apart from the Beauty and Travel sectors. Most businesses and third-party review platforms did not disclose whether reviews were incentivised and did not require reviewers to disclose whether they had received a benefit or incentive for submitting a review.

Other businesses, particularly in the Beauty sector, encouraged inflated reviews through the way they asked for reviews. This included statements such as ‘tell us why you loved [the product]!’, displaying images of 5-stars, or offering entry into giveaway competitions or draws in return for a review. On a closer look at the terms and conditions of these businesses’ review and competition policies, it was usually stated that both positive and negative reviews would be valid for entry and that reviewers should write genuine reviews based on their experience of using the product. However, the overall effect of the business soliciting reviews in this way is still likely to encourage inflated reviews. This is particularly the case given that most consumers do not read terms and conditions prior to submitting a review and may therefore assume they must leave a positive review to receive the incentive.

A few businesses had reward systems linked to submitting reviews. While these usually stated that reviews should be genuine and that both positive and negative reviews would be valid, this statement was usually made on a separate webpage which the consumer may not notice. These reward systems were also designed in a way that encouraged consumers to submit as many reviews on as many products as possible. This may influence consumers to write fake reviews to increase the number of reviews submitted to maximise their reward.

There were some businesses that did clearly disclose incentivised reviews by labelling individual reviews that were incentivised, or by including an accessible pop-up explaining that vouchers were offered in exchange for reviews. One review platform had a filter that allowed reviews to be filtered to show only incentivised or non-incentivised reviews.

4. Preventing, editing or removing reviews or testimonials

Under the ACL, businesses must not suppress or remove genuine negative reviews, or edit them to remove negative elements or add positive elements. Doing so is misleading, as it creates a more favourable impression of the business than would have been the case if all reviews were published in their original form.

The sweep identified a number of businesses that appeared to be manipulating reviews by selectively preventing, editing or removing negative reviews or testimonials on their website or on third-party platforms. These businesses may be manipulating reviews on their own or may have engaged the services of a review removalist.

Apart from the signs of 'Fake positive reviews' discussed above, signs that manipulation of reviews was occurring included allegations made in reviews by consumers that:

- businesses were blocking negative reviews from being published on their websites or on third-party platforms
- businesses were threatening to sue consumers for defamation unless negative reviews were removed
- businesses were asking consumers to remove negative reviews in order to receive a remedy for faulty products that the consumer was entitled to under the ACL, such as a refund or exchange.

Businesses also attempted to discredit negative reviews by stating they were fake or by replying to them in emotional and accusatory language.

Concerning review policies

As noted above, online review management services can be used by businesses to collect and choose which reviews to display on their website. This can be manipulated by businesses so that only positive reviews are displayed. If businesses engage in this conduct and fail to clearly and prominently disclose that they are selectively displaying reviews, this can lead to a misleading impression of the business.

The sweep found one example of this occurring. The business used a third-party review service to only display reviews it had received with a rating of 4 stars or above, and did not disclose that it had selectively displayed reviews.

Businesses' own review policies could be problematic. The sweep found one business that had a policy of requiring comments to be submitted for negative ratings, but not positive ones. This would likely have the effect of discouraging negative ratings from being submitted.

It was also very common for businesses and third-party review services to have policies which gave businesses the right to change or delete any content in reviews that the business determined was a violation of its review guidelines or other terms of use. A stronger phrasing of this term was also common and gave businesses the right to remove or refuse to post any reviews for any reason.

While such terms may aim to prevent fake, offensive, defamatory or irrelevant reviews from being published, the application of such policies can be concerning where they allow businesses and review platforms to go beyond that in removing or preventing negative reviews, even genuine ones, from being published. Businesses should be careful that these terms are not broader than necessary to protect their legitimate interests and that such terms are not being used to prevent genuine negative reviews from being published.

5. Displaying ratings, reviews and review policies

The sweep found several concerns with how ratings, reviews and review policies are displayed amongst the businesses considered:

- **Misleading representations of ratings:** Some businesses made misrepresentations regarding ratings and number of reviews on third-party platforms. These businesses typically represented that they had a higher positive rating (based on a higher number of reviews) on third-party platforms than was the case.
- **Non-disclosure of the source of the reviews:** A few businesses did not explain where their reviews had been gathered from. For example, it was not clear whether the reviews or testimonials had been submitted to the business directly, or whether they had been taken from a third-party review platform.
- **Not displaying all reviews:** Some businesses did not display all their reviews, despite representing that their rating was based on a certain number of reviews. This may be due, in part, to the business or third-party review platform allowing rating-only reviews. This should be explained where this is the case.
- More specifically, there were issues with how some businesses aggregated reviews from other sources to calculate an overall rating for a good or service. This is further explained in Box 5.1.

Box 5.1 Aggregation of reviews from other sources

In calculating an overall rating of a brand, good or service, some businesses and review platforms included reviews posted on other websites, in addition to reviews posted on their own website. This occurred particularly with aggregator websites in the Travel services sector.

In doing so, some businesses only displayed a selection of reviews from the other sources, despite stating that a much higher number of reviews from those sources were included in the overall rating on their website.

In some cases, it appeared that only positive and not negative reviews from other sources were displayed and included. This is likely to be misleading as it does not provide a complete picture and skews the overall rating of a brand, good or service.

The lack of helpful review filters

A common issue found during the sweep was that many reviews on businesses' websites were unable to be filtered and were not displayed in any logical order, such as chronologically. This makes it difficult for consumers to filter reviews by star ratings or to view the most recent reviews, reducing the utility of the reviews.

Where there were filters, it could be unclear what the filters meant. For example, the meaning of 'most helpful' or 'most relevant' filters may not be clear to all consumers and could be explained.

Facebook reviews

Businesses with Facebook pages can choose to turn on Facebook's Recommendations feature to allow anyone logged into Facebook to publish a recommendation and review.

Some businesses that did have their Recommendations turned on were not actively monitoring their reviews. There were numerous posts by scammers on businesses' review pages, where the scammer would 'recommend' the business and then post about their scam. Where there are many posts of this kind on a businesses' Facebook page, it is likely that the business' Facebook rating is positively skewed and likely to mislead consumers, particularly given that some consumers may only look at a business' rating and not the individual reviews.

The ACCC considers that it is good practice for businesses to monitor and maintain recommendations and reviews on their Facebook pages.

Unclear or undisclosed review policies

Another common trend found during the sweep was unclear or undisclosed review policies. Where businesses disclosed their review policy, it was often unclear how the business verified and moderated reviews. Other businesses did not have any information at all about their review policies.

In particular, many businesses and review platforms did not disclose or provide sufficient detail about their review verification process. Many of the businesses and review platforms swept marked individual reviews as 'verified reviews'. However, this label was not clearly explained and information was only available upon clicking the 'write a review' button to see what was requested from reviewers to submit a review.

The sweep found that the vast majority of 'verified reviews' meant that a name and email address was required to submit a review. It rarely meant that the reviewer had been verified as someone who had purchased the product or service they were reviewing, for example, by providing proof of purchase when submitting their review. This likely makes it easy for fake reviewers to use a fake name and email address to submit a fake review.

The travel sector was an exception. Compared to businesses in other sectors, more businesses in the travel sector had stronger verification measures. This included requiring booking numbers to be submitted with a review, and only inviting reviews from hotel guests after their stay.

While not disclosing review policies may not be misleading, consumers are unable to assess the reliability of reviews where this information is not readily available. This prevents them from making informed choices based on the most reliable sources of reviews.

This concern was highlighted in the ACCC's [fifth interim report](#) for the Digital Platform Services Inquiry. To address this concern, the ACCC recommends that digital platforms should publish their review verification measures. This may include platforms outlining their policies for preventing, detecting and removing false or misleading reviews. If no steps have been taken, this should be clearly disclosed to users.

Businesses that collect reviews on their own website (as opposed to collecting reviews through a third-party review platform) should similarly adopt such practices.

What the ACCC will do

The sweep has identified several high-level concerns across the range of targeted sectors. The ACCC has conducted further analysis of these issues and is undertaking education, compliance and enforcement activities where appropriate.

This will include producing updated guidance material for businesses and review platforms. The ACCC will also engage directly with businesses and where appropriate, with review platforms, to improve compliance with the ACL. Educational material for consumers will also be released to help consumers identify potentially fake or misleading online reviews.

Where concerns have been identified with specific businesses, a more targeted assessment of the conduct is being undertaken to determine the appropriate compliance or enforcement approach. Depending on the circumstances, a more targeted assessment of concerning conduct may lead to an administrative resolution, issuing an infringement notice, or legal proceedings.

The ACCC encourages consumers and businesses to contact the ACCC to report any potentially fake or misleading online reviews and testimonials. Consumers and businesses can make a report through the [ACCC website](#) or by contacting the ACCC Infocentre on 1300 302 502. Data from these reports helps inform what we investigate and what enforcement action we may take. It also helps to inform our compliance and education activities, industry engagement, advocacy and research.

