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FTC Guidance for Platforms and Marketers Utilizing Online Customer Reviews



Key Takeaways:

- The Federal Trade Commission (FTC) issued two new guides for platforms and marketers to help ensure transparency in online reviews and address soliciting, moderating, and reporting reviews, and the use of third-party "reputation boosting" services.
- The FTC has actively enforced against companies responsible for publishing deceptive reviews and blocking honest reviews, and recently announced a proposed \$4.2 million settlement with online retailer Fashion Nova over the retailer's practice of review-gating.

Customer reliance on online reviews of products and services has become a cornerstone of the online shopping experience. However, businesses that abuse customer trust by writing fake reviews or erasing legitimate negative reviews may open themselves up to allegations of deceptive "review-gating" practices. In January, the FTC published two new guides: [Soliciting and Paying for Online Review: A Guide for Marketers](#) (Marketer Guide) and [Featuring Online Customer Reviews: A Guide for Platforms](#) (Platform Guide). The Marketer Guide focuses on companies that seek to increase the number of reviews for their products and services on third-party websites and platforms. It provides guidance about how to solicit reviews from customers and use third-party "reputation boosting" services that provide expert reviews and comparisons. The Platform Guide advises that operators of a website or platform that feature reviews should favor transparency in reviews, identify incentives between sellers and reviewers, treat positive and negative reviews equally, have procedures in place to spot fake or deceptive reviews, and provide effective reporting mechanisms for consumers and businesses to use when they detect fake and otherwise non-compliant reviews. The FTC has actively enforced against companies responsible for publishing deceptive reviews and blocking honest reviews. Recently, the FTC announced a [proposed settlement](#) with online retailer Fashion Nova for \$4.2 million to settle allegations that the company blocked negative product reviews from being posted on its website. This was the first case brought by the FTC related to a failure to post negative reviews. According to the [complaint](#), Fashion Nova utilized a third-party product review system that required company approval for customers to post negative reviews. While four- and five-star reviews were

posted automatically, hundreds of thousands of negative reviews were not posted. Fashion Nova denied that it intended to suppress negative reviews, stating that the issue was caused by the third-party vendor and an issue with the "autopublish" feature. As part of the settlement, Fashion Nova also agreed not to misrepresent customer reviews or other endorsements. The FTC also announced that it is sending letters to 10 companies, placing them on notice that refusal to automatically publish negative reviews violates the FTC Act. See FTC sample letter [here](#). The new Marketer and Platform Guides, along with the letters sent to companies potentially engaged in "review-gating," is just another indicator that FTC is using a variety of tactics to prevent deception in online advertising.

Authors

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