

***Regulatory Oversight* Podcast — Understanding BBB Ratings: Building Trust and Mitigating Risks****Host: Stephen Piepgrass****Guests: Mike Yaghi and Dan Waltz****Aired: July 29, 2025****Stephen Piepgrass:**

Welcome to another episode of *Regulatory Oversight*, a podcast dedicated to delivering expert analysis on the latest developments shaping the regulatory landscape. I'm one of your hosts, Stephen Piepgrass, and a leader of our firm's Regulatory Investigation Strategy and Enforcement, or RISE practice group.

Our podcast is dedicated to bringing you valuable perspectives, in-depth analysis, and practical advice from some of the foremost authorities in the regulatory field today. Before we begin, I encourage all our listeners to visit and subscribe to our blog at [RegulatoryOversight.com](https://www.regulatoryoversight.com) to stay current on the latest in regulatory news.

Today, I'm joined by my colleagues Mike Yaghi and Dan Waltz, both members of our RISE practice group, as we kick off a special series on the Better Business Bureau, or BBB. In this first episode, we'll provide a primer on the BBB and then offer a high-level overview of the essential factors the BBB considers when evaluating a company's rating, laying the groundwork for understanding the BBB accreditation process. We'll unravel the complexities of BBB ratings, examining how companies are assessed in the various elements that the BBB takes into account, including the impact of consumer complaints, the importance of responsiveness and the role of regulatory investigations in those readings.

Mike, a partner based in our Orange County office, handles complex high-profile government investigations by state attorneys general, FTC, CFPB, and other agencies and quasi-governmental agencies like the BBB. Having begun his career as a commercial litigator, Mike also supports clients throughout the course of investigations and litigation, should an investigation move in that direction.

Based in our Chicago office, Dan focuses his practice on the intersection of industry and government as he helps clients navigate all aspects of the highly regulated relationships between industry participants and federal, state and local governments. Before joining the firm, Dan served as assistant attorney general in the Illinois AG's office where he represented government agencies and investigations, litigation, and government procurement.

Mike and Dan, I'm very excited to have you join me in this conversation and what will be our first episode on the BBB. To kick us off, I thought it might make sense to talk just a little bit about what the BBB is. I referenced it earlier as a quasi-governmental agency. Mike and Dan, I think that's because of some of the experience that we've had in dealing with the BBB and with regulators on related issues. Mike, why don't you talk just a little bit about how regulators view

the BBB, and then, Dan, maybe you could provide your perspective having been in a state AG's office on that issue.

**Michael Yaghi:**

Yes, thanks, Stephen, and great to be here with both of you. I think a lot of companies need to be aware of the BBB and their rating and accreditation, right? I think a lot of consumers throughout the country create issues or submit complaints to the BBB, which regulators pay attention to, and that's why it's really critical. A lot of consumers actually have put a lot of value on a company's BBB rating, as well as its accreditation.

So, I think the BBB is a national organization, but it also has local regional branches, essentially, that rate companies within their jurisdiction, and regulators will always evaluate and take into consideration on whether or not they're going to launch an investigation of a company, whether or not that company has a lot of BBB complaints or a lot of unresolved BBB issues. That's a critical area that companies should be aware of. We work with a lot of clients actually helping them understand and navigate that process to either get accreditation with a BBB or both clean up complaint data and unresolved or open complaints and then seek accreditation on behalf of the client, which will help minimize potential exposure with state and federal regulators since they definitely focus on the volume and level of BBB complaints.

I'll also add, companies should be aware that even their competitors will try to leverage BBB ratings and/or complaint data and information. So, I think that at a very high level, it's critical for companies to want to maintain good BBB accreditation as well as a high rating to avoid sort of creating those issues or added headaches?

**Stephen Piepgrass:**

Yes. I found it very interesting as we've handled dozens of state AG investigations over the past years in talking with AG offices about consumer complaints. Some of them have told me we essentially consider a BBB complaint the same way that we would a complaint filed directly with the AG's office. So, I think it can be a mistake to put state AG investigations in one bucket and investigations by others like the BBB in another bucket when we know that state AG is looking at the BBB, they have very close ties with the BBB and their investigators talk to each other all the time, even though the BBB is a private organization. Really, they treat it the way they do the CFPB complaints when it comes to looking at companies.

Dan, let me know your thoughts on that as well as sort of how a company can go about examining, understanding the complaints that get filed with the BBB because I know that's a role you often play for our clients.

**Dan Waltz:**

Yes, absolutely. Let me start off, it's a pleasure to be here with you and Mike, Stephen. Thanks for having me. I agree with everything that each of you just said, and I would think I want to lead with the words, confirmation bias. When I was in the Attorney General's office and we had an investigation into a company, one of the first things we would do is look at the BBB complaints.

The reason that we did that was just to understand what the public is saying about the company that we're potentially investigating, looking for essentially confirmation that what the consumers who are complaining to the office are experiencing, has also been experienced by the public at large.

So, from that perspective, having a BBB profile that is less than stellar can be detrimental to a company, facing an investigation by the state attorney general's office, especially when the issues that consumers are flagging through their complaint to the attorney general's office are mirrored in their complaints to the BBB and mirrored in their complaints to the BBB, sometimes on a national level.

In other words, the attorney general who's investigating a company can look at the BBB and realize this is not just a jurisdiction-specific issue. In my case Illinois, this is an issue that is facing consumers across the country or at least in multiple jurisdictions. So, from that perspective, that BBB profile becomes very important not just as a place for consumers to go, as Mike and Stephen mentioned earlier, but also as a place for regulators to go to get a sense of what's occurring. There are a lot of sources online that we all use, various reviews from search engines and other review aggregators, but BBB, I think, carries an extra level of trust from the American consumers and from businesses in general. So, it is particularly important to pay attention to BBB. I mean, lots of companies pay attention to their Google or their Yelp reviews, but it's also important to make sure that you're paying attention to BBB because of all of the various avenues and various review measures that consumers have. BBB is probably one of the ones that is most open to be fixed or to be addressed through proactive measures that we're going to talk about at least either in this episode or in other episodes.

**Michael Yaghi:**

I want to add to that, actually, it is critical that companies recognize how important both their accreditation and/or rating is for all the reasons you guys just stated. I think it's important for companies to understand that the BBB wants to generally in our experience in dealing directly with their offices, and we've done it many times. They really want to establish a good working relationship with companies. They want to understand the companies. They want to give them an opportunity to address issues that consumers raise and show a level of responsiveness and ability to work with them and the consumer to resolve any concerns.

So, that very act alone is very important and critical in helping what we've been saying, which is keeping regulators potentially at bay and not creating this long history on a BBB platform of unresolved issues, unresolved complaints, and issues raised by consumers. It's such a small thing that companies can do to help eliminate that risk. I think it's important to understand that in our experience, the BBBs we've dealt with, and I could say it across the board because the ones we've dealt with represent this as a general consensus and focal point of the BBB, they're not out to attack or get companies. They want to work with companies and resolve things in a reasonable way if things are raised by consumers. I think it's not a hard thing to do if companies focus on that area to improve either their rating or get their accreditation and keep a high rating.

---

**Stephen Piepgrass:**

Yes. So, I want to bring this down to a very practical level for our clients who are listening to this episode and who may be thinking about their own BBB rating and how they can be proactive about addressing it. One thing I'm hearing from you is make sure you're actually addressing customer complaints. You can't ignore them. If you ignore them, it hurts your rating and it hurts it a lot. That's one. Then two, it seems to be if regulators are looking at an issue and then they look at the BBB rating and they're seeing the same issue come up time and again with customers who are making complaints with the BBB, then it probably benefits a company to think about their complaints in a systematic way.

So, could you talk maybe about your experiences with, one, making sure complaints get handled, and two, really systematizing the way that they're handled and particularly when there's a backlog of complaints?

**Michael Yaghi:**

Yes. I mean, I'll address that first and I know Dan has some thoughts about it. But I think, I mean, companies are incentivized, right? They want to keep customers happy. That's the core of their business. They're not in business to keep customers or their consumers dissatisfied. Looking at BBB complaint patterns and staying on top of them, help companies, like you said, Stephen, systematically address patterns or things that they're seeing, maybe issues or concerns being raised by the public. It's a great resource for companies to be focused on and addressing. I think it's important to train people internally and have the right folks in place at every company to deal with BBB complaints, to address them timely, and to reach out and resolve issues with consumers.

In that process, they'll be able to identify some sort of, if there's any kind of systemic issue or concern. Often, it could be a misunderstanding by consumers, and a minimal research by a company to figure out, "Why are consumers complaining about a certain issue?" Oh, we realize there's some confusion there, and we want to address it on a systemic basis to avoid future complaints in those categories. That's why it is important to stay on top of all of that. Do the due diligence and research to understand what consumers are saying and why, and then addressing those concerns.

Again, I'll tie it back to my original comment when you raised that question, Stephen. Companies are incentivized and they have a desire they want. I know all our clients want to keep their customers happy and they want to do right by their customers and make sure that their customers are satisfied and getting the benefit of their bargain. Finding areas where there might be confusion or misunderstandings is going to go a long way with both keeping their customer based satisfied and happy, but also, maintaining a good relationship with the BBB as well as rating and/or accreditation.

**Dan Waltz:**

Mike, I think, that's really interesting what you just said. In my mind, I'm hearing you say that you could almost use the BBB as a tool A company could use the BBB almost as a tool to take a self-assessment, or the company is not of a sufficient size where it audits consumer

complaints or takes a holistic view of the company from time to time. A company could potentially look at BBB ratings to just see what issues are consumers concerned about? What issues are regulators going to be concerned because consumers are concerned about them? And proactively takes steps to address those concerns, rather than just waiting until the client gets a CID or subpoena or a lawsuit. Potentially, could be in a lot better position by using the BBB complaint process as a tool to get ahead of some of those issues.

**Stephen Piepgrass:**

Yes. In our experience interacting with the BBBs, they welcome that. That's exactly how they like to be used for a company. That's why they have that slogan, "Start with trust," because they want companies – actually, what they really want companies to trust them to be involved in this process of building trust with their customers. That's what the BBB is about. So, when you can engage them in a positive way, it can really benefit a company.

Another thing I was thinking about is I was asking the question about systemic concerns. Sometimes, and this is really oftentimes the role we play. Sometimes the BBB, obviously the BBB is regulating, so to speak, companies in every area imaginable. And there are all sorts of issues that arise that can create confusion on the part of customers that sometimes have nothing to do with a company doing anything wrong, a business doing anything wrong. They're just part of the way that that business works. When that happens, it can lead to patterns of complaints that build up and negatively affect your BBB rating. When that happens, sometimes you need a third party like us to come and talk with the BBB and explain the way the industry works and work together to find a solution to try to minimize the impact of those issues and to be able to communicate very clearly with customers about it. Every industry is obviously a little bit different, but that seems to be a common area where we've come into the process on behalf of clients.

**Michael Yaghi:**

Yes, it's not a difficult process, meaning the BBB wants to partner with us and our clients to better understand issues consumers are raising and work with us to clean up whether it's open issues, whether it's educating them on understanding a specific industry like you said, Stephen. And it's been in our experience received in a very positive way, when we reach out and work with clients and the BBB to help sort of improve all of that. It's also interesting, because a lot of companies are shocked to find out, "Wow, you could actually help us with this process. That makes sense. Like, what does it look like? How do ratings work? How does accreditation work help us with both of those at a very high level?" It's not as complicated as companies think, but it's pretty low-lying fruit, to be honest.

**Stephen Piepgrass:**

But that's something that really does require specialized skill, and that you said all that at a high level. But we also have a pretty good grasp and understanding of the BBB rating system. What it is that leads to the A, B, C, D, E, F grades, right? And the factors that go into those. It's not a black box, but there is a calculation involved, and we've talked about consumer complaints, regulatory investigations, and resolutions of regulatory investigation settlements factor into that. And there are ways that you can communicate with the BBB around settlements to help to

minimize the impact, at least in some cases, on a company's BBB rating. It's really understanding at a detailed level what it is that makes up that giant grade that's stamped on each company's BBB page.

**Dan Waltz:**

As you were talking, it made me think about our own interactions with the BBB and how there are both subjective and objective factors that the BBB considers and how advocacy plays a big part in that engagement, how to frame issues, how to address the complaints, how to be responsive to the BBB. Those are some of those more nuanced issues, I think that Stephen was talking about, how that engagement goes. That's where having an individual or individuals or a law firm like Troutman who knows what they're doing with BBB can really help in terms of facilitating improved grades and ratings on a BBB website.

Ultimately, there are people at the BBB who come up with that ultimate grade that hits the website. It's important to talk to those people and listen and have a conversation in a way that makes sense to achieve the results that we need.

**Michael Yaghi:**

Yes, it's interesting. You would think accreditation or applying for accreditation is the first step and then dealing with the grade. What companies often don't realize, the BBB is going to rate every company, right? Whether you're accredited or not, you're going to have a rating. In many ways, the first step is making sure the rating is strong high enough to where the BBB will positively receive an application for BBB accreditation. Those two areas, we've worked a lot with clients on and we understand not just the public rating scale that the BBB follows, right? Anyone could Google search and find what the BBB does in terms of ratings.

But they have proprietary grading and rating systems that the public doesn't understand or know about, and through a lot of our work and helping companies improve and clean up their rating, and then helping them get their accreditation and maintaining a strong rating and good accreditation. We've learned a lot about how that process works. I can tell you, it's just at a high level, they start off with a 100-point system and then a whole bunch of factors they look at will create a deduction in points. If you get too many points deducted, it's like an academic grading scale. You have an A grade or a B grade or a B minus or a C or a C plus or a D or an F. You want to make sure that all of the factors that weigh into deducting from that perfect A grade are not hindering your rating and that you're addressing whatever those factors are with the BBB to address that rating and make sure you have a strong and high rating.

Then once you have a suitable rating, you could then apply to make sure you have accreditation with the BBB. That's a process as well. We've worked with companies and clients. What is the information? What are the appropriate descriptions, the history of the company, what the application process looks like, and we've helped with that process as well. But it's also, you really want to look at sort of what is the rating, fully understanding what the rating scale looks like and how the BBB rates companies and what hurts that rating and then address those issues and concerns directly with the company and client as well as the BBB.



---

**Dan Waltz:**

So, I was looking at the rubric, Mike. You just mentioned that complaints are one of the categories that BBB looks at. Looking at the rubric, I discovered that a company can earn as many as 90 out of a possible 100 points based exclusively on how the company handles complaints. So, that's a huge amount of that score that comes from the complaints themselves. And then also, a company can lose up to 31 points if it fails to demonstrate a pattern of timely addressing those complaints. So, just to support that point, there's a huge amount of points to go into how the business interacts with consumers and through the BBB.

**Stephen Piepgrass:**

And timing, Dan, plays a big role in a lot of this too, in that newer complaints carry more weight than older, and then there are patterns of complaints and the way that that's scored and factored into the scoring. So, there's just a lot of nuance around the way the grading works. One thing I wanted to make sure we cover before we wrap up, I mentioned during the intro today that we'd be providing a primer on the BBB. Mike, you touched on this just a little bit in one of your answers to one of the questions earlier, but I think it's helpful for our listeners to understand that there is a national BBB and then there are also regional BBBs and it's the regional Better Business Bureaus that are responsible for accrediting each company and that's based on where the company's headquartered, the business is headquartered, but then obviously the national BBB is responsible for maintaining sort of standards that apply more generally across the board to everyone and questions can be elevated from the regional BBBs to the national BBB.

So, very interesting, I'm a sort of federal structure to the Better Business Bureau, we talk about the BBB and often think about it as a single entity. In fact, it's a multitude of different ones and each local BBB has its own ways of doing things, though they have to be consistent with the national BBB standards.

**Michael Yaghi:**

That's absolutely right. Two things on that, it is similar to a state and federal sort of structure like you noted. You got to work with the local BBB, right? That's the first point of contact. Working with that office would require a whole multitude of things. Often, if you're a nationwide company, which most companies are the ones that we're helping, they have customers and consumers buying their services or products all over the country. Even though, let's say, a local BBB in a specific state or city is the one handling all that business activity nationwide, consumers don't know that, right? They're just going to go to whatever BBB platform they find online and submit complaints.

So, there is a complaint sort of pipeline process that the BBB goes through to make sure that the appropriate office is addressing what those issues are and it's in the right BBB office. So, we often could have helped clients work through those issues. But it's also important to understand that if you hit a roadblock with the appropriate local BBB, you could also appeal to the national BBB on specific issues or concerns. We always approach that in a very collaborative, friendly way with the local BBB. We're never trying to create a dispute with the local BBB and then going above to the national level to try to resolve things based on their criteria. It's always more, "Hey, how can we work with you, local BBB, get you to buy into what we're trying to address?" Then at

some point, there may be a need to go up to the national level to get approvals on stuff. Usually, we do that with us and the local BBB, right?

Often, the people we're working with at the local level will say, "Hey, I've hit the ceiling on what I'm able to do. We can try to go up to the national level and appeal to a board or the powers, be at the national level, to see if we could get a change made," and we've done that as well. Actually, we've gone to that point where we were about to go above the board or up to the national level as well as going to the national level and have accomplished what we've needed in both contexts. But I think that's important to understand that structure and getting the right folks working with you at the local level to sort of fix whatever the concern or issue is that your client's facing with their rating and/or accreditation.

**Stephen Piepgrass:**

Well, I think we're running low on time here. Really, really interesting conversation. Any last-minute takeaways before we wrap up with the episode, at least this first episode, in this series?

**Dan Waltz:**

If I could start, my takeaway from doing this for a good amount of time is that there are many benefits to fixing that BBB profile and ensuring that complaints are addressed and the accreditation is had, lots of tangible benefits that companies don't even consider. We talked about the regulatory footprint, the litigation footprint, potential risk. Potentially publicly traded companies might experience other benefits. So yes, it's definitely something for companies to look into. Being ignorant of the BBB rating is probably not a good idea these days.

**Michael Yaghi:**

Yes. Just to add to that, I would encourage any company, any consumer-centric company because it's really consumer-driven, right? If you're a company that has consumer products and services that you're selling, I would encourage you to go look at your BBB accreditation and/or rating and evaluate that. If it's not an A, why is it not an A? Try to understand what that is. There's a process, maybe a complicated process, but there is a process in place to help sort of navigate and fix that rating and/or accreditation issue. But I would really highly encourage the takeaway is, don't assume that you can't evaluate what is going on from consumers to weigh into the rating and/or accreditation or lack of accreditation, and try to focus on fixing it. It's not too complicated to do, and I think it's very important, especially like I said, if you're a big nationwide company, you want to have a good BBB rating.

I know all big companies want to have satisfied customers and consumers, right? The BBB is just a piece of that. I wouldn't shy away from sort of, "Okay, we have a bad rating." Figure out why and try to improve it and there's ways to do that and we're available to help do that. But I would encourage companies, especially consumer products and services companies, to really focus on that and try to address it.



---

**Dan Waltz:**

To piggyback on that, Mike, and I think this is a great way to wrap up, don't assume that an issue is something that can't be addressed with the BBB. As I was mentioning earlier, sometimes there are systemic issues in an industry that absolutely will lead to complaints. The BBB understands that, but you've got to help them to understand that and then figure out what's the best way to address it so that it doesn't impact a company's BBB trading to such a negative degree that it starts to draw regulatory scrutiny. That's really the last thing you want as a company. It's worth engaging because that's what the BBB wants to do with you.

**Stephen Piepgrass:**

Thank you both. This has been a really interesting discussion. Hopefully our listeners found it interesting as well. We'll look forward to the next episode when we get a little bit more into the weeds on the BBB and talk some more about it. I hope our listeners have enjoyed today's discussion as well. Thanks for tuning in. Remember to subscribe to this podcast, using Apple Podcast, Google Play, Stitcher, whatever platform you choose. We look forward to having you join us again next time.

Copyright, Troutman Pepper Locke LLP. These recorded materials are designed for educational purposes only. This podcast is not legal advice and does not create an attorney-client relationship. The views and opinions expressed in this podcast are solely those of the individual participants. Troutman does not make any representations or warranties, express or implied, regarding the contents of this podcast. Information on previous case results does not guarantee a similar future result. Users of this podcast may save and use the podcast only for personal or other non-commercial, educational purposes. No other use, including, without limitation, reproduction, retransmission or editing of this podcast may be made without the prior written permission of Troutman Pepper Locke. If you have any questions, please contact us at [troutman.com](http://troutman.com).