Gumtree UK Response to BEIS Consultation
Reforming competition and consumer policy

Introduction

As a platform that supports hard-working small and micro-businesses, Gumtree fully shares the Government's commitment to high consumer standards and a competitive market. We also recognise the need for the comprehensive enforcement of existing laws, both to ensure that tradespeople are not unfairly undermined by fake ratings and that consumers have access to a robust complaints system that they can use to enforce their rights.

Proposals for reform should carefully consider the unique role that classifieds marketplaces play in connecting sole traders, SMEs and micro-businesses with consumers, as well as the competitive benefits that are associated with consumers having a wide array of choices when buying a service or good.

The content on classifieds marketplaces such as Gumtree is user-generated, meaning that Gumtree does not offer or advertise any of the goods or services itself. Once people are connected via a listing on Gumtree, the deal is closed between buyers and sellers directly – in the manner and conditions they agree upon – without interference from Gumtree. Our ratings system has been designed to give users the ability to rate whether or not they had a good experience with the seller and make it a much harder place for fraudsters and bad actors to operate.

Response

Q.42 Should government add to the list of automatically unfair practices in Schedule 1 of the CPRs the practice of (a) commissioning consumer reviews in all circumstances or (b) commissioning a person to write and/or submit fake consumer reviews of goods or services or (c) commissioning or incentivising any person to write and/or submit a fake consumer review of goods or services?

Gumtree operates a rating system that allows consumers to rate and review users who have been communicating with them on the Gumtree platform. We launched the system in 2018 with the objectives to increase seller accountability, boost buyer and seller confidence, and to keep our users as safe as possible when using our site. Our system currently supports users' ratings from 1 to 5 "stars", however we do not currently offer the possibility for users to write reviews about their interactions with other users.

As a platform with a strong commitment to its users – many of which are sole traders, SMEs and micro-businesses – we recognise how important it is that rogue traders are held accountable, for the benefit of both consumers and also the thousands of sellers and servicepeople who offer high quality and reliable services to people across the UK. We fully agree with the Government's assessment that fake reviews distort the market and give an unfair advantage to bad actors.

Like any marketplace or platform that brings buyers and sellers together, there is always the possibility that the 'ratings' system can be gamed, although our data suggests this is not a significant problem on our platform. As such, Gumtree does not suffer from the industrial proliferation of fake reviews

identified by Which? on Amazon Marketplace and others, often enabled through groups on social media platforms. On Gumtree people make their assessment on a variety of factors and reviews are just one indicator. People are able to decide themselves how they want to close the transaction with the seller (including closing it in person and having the chance to inspect an item).

Of course, Gumtree views fake reviews or ratings of any sort as a scourge on our platform and we would welcome proportionate methods to discourage them. We would recommend that, on sites such as Gumtree where the business model is built on connecting people, it is not the classifieds site that is held responsible for fake ratings that might have been 'commissioned' or arisen as a result of incentives.

While the CMA's recent launch of an investigation into fake reviews (echoing a drive from BEIS and the Government more widely on this issue) is to be celebrated, Gumtree would welcome more detail on how the proposals in Q42 would actually be enforced. In particular, we seek clarity on which party would be responsible for identifying suspicious reviews, without breaching user privacy or creating undue burdens on platforms like Gumtree that are so important for connecting businesses with consumers.

Q.43 What impact would the reforms mentioned in Q42 have on (a) small and micro businesses, both offline and online (b) large online businesses and (c) consumers?

If the proposals in the consultation wish to support small and micro businesses, it is crucial that the proposals target the real offenders when it comes to fake reviews: the perpetrators of the practice themselves. As the consultation document notes, the act of posting fake reviews is, more often than not, already in breach of existing legal requirements.

Fake reviews frequently amount to falsely representing oneself as a consumer, which is 'an unfair commercial practice in all circumstances under the CPRs (Schedule 1).' More generally, The Consumer Protection from Unfair Trading Regulations 2008 (CPRs) 'prohibit unfair commercial practices which (broadly) cause or are likely to cause the average consumer to take a different transactional decision'. While new legislation could put some offenders off, the issue of enforcing existing laws seems imperative. We have seen successful enforcement against fake reviews and ratings in France, the Czech Republic and Italy.

This shows more generally the importance of online platforms (whether review sites, online shops or classifieds marketplaces) in working closely with regulators and police. Gumtree has a strong track record of working with law enforcement and other regulatory bodies, and we recently partnered with Kent County Council as our Primary Authority. This relationship allows Gumtree to receive tailored assurance and advice on a range of issues including consumer rights and product safety.

Conclusion

Fake reviews are a menace, and we wholeheartedly support the Government's ambitions to reduce their occurrence online, particularly in light of the increased use of e-commerce by both businesses and consumers since the pandemic.

While C2C and B2C platforms do have a continued role to play in detecting patterns that might indicate fake or fraudulent reviews, Gumtree recognises that the practice of fake reviews is usually in breach

of existing CPRs. The objective of both Government and business therefore should be to identify and punish offenders, rather than add to existing legislation that already puts the practice in breach of law.

As such, we would recommend that online platforms are given an official space in which we can develop a closer relationship with regulators and law enforcement on this issue specifically. This would complement the work that platforms such as Gumtree already do with the National Trading Standards, Citizens Advice, the Vehicle Safe Trading Advisory Group and others. Through sharing best practice and learning from other platforms, we believe that we can increase awareness of the potential consequences of this practice and significantly reduce the number of fake reviews online.