

# MoneySavingExpert.com

## Response to Competition and Markets Authority: Invitation to comment on the online platforms and digital advertising market study

MoneySavingExpert.com (MSE) welcomes the opportunity to respond to the Competition and Markets Authority's (CMA) online platforms and digital advertising market study.

Many of the areas of harm discussed in the market study's statement of scope are outside of our expertise, and as such, are not areas we would wish to comment on. However, it is hugely disappointing that the CMA is not seeking in this market study to address an area which is a significant source of online consumer harm, and which MSE has strongly campaigned on in recent years: fake adverts and false endorsements.

Every day a great number of consumers are exposed to fake adverts, and risk losing considerable sums as consequence<sup>1</sup>. It is essential that this harm is addressed, and it is logical for the CMA to include these harms within the scope of its market study. Not exploring these issues now will mean that that further investigation of online platforms and digital advertising would be needed to ensure that these harms are also addressed.

### **Consumers are put at risk from exposure to online fake adverts for scams**

Around early 2017, MSE became aware of fake adverts circulating on the internet and on social media, featuring the name and face of its founder – and trusted consumer champion – Martin Lewis. Other well-known people have also seen their likeness used in this way.

These adverts are incredibly damaging and cause consumer harm. In the case of adverts using Martin's image (or similar public figures), they lead consumers to scam 'get rich quick' schemes, drawing in victims with mentions of 'bitcoin', 'trading' and 'investment opportunity'. They usually link to a page which mimics a genuine news site seemingly reviewing an investment service etc., and which continues to use Martin's false endorsement. Often, the page hurries consumers to sign up with a time-bar or countdown clock. Once consumers join the 'service' and make the first 'investment', they are hounded for months, and we've heard of tens of thousands of pounds of victims' life savings being lost.

From the evidence we have gathered, consumers are falling foul of these scams because they believe Martin Lewis has invested in these schemes and is recommending them.

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<sup>1</sup> ['Facebook must tackle fraud, says UK's 'most trusted man' Martin Lewis'](#), *The Times*, March 2019. According to Action Fraud figures, between April 2018 and February 2019, £4,421,256.39 was lost by fraud victims who said they responded to fake adverts on social media sites which used the image of Martin Lewis or referred to the television show *Dragon's Den* in some way.

It seems that anyone can set up an account and publish an online advert without scrutiny. The fake adverts we've seen have been served by Google, Facebook, Verizon brands such as Yahoo!, and other online advertising networks e.g. Outbrain and Taboola. MSE has attempted to engage with all of these companies – with varying levels of success.

### **Consumers are also put at risk from exposure to false endorsements of real companies**

As well as adverts placed by scammers, we have also seen legitimate and regulated businesses (such as claims management companies or insurance firms) use false endorsements from highly trusted public figures, such as Martin Lewis. This is without consent, or indeed, actual endorsement. The impact is that these adverts risk consumers being misled and therefore mis-sold.

### **Citizens Advice Scams Action and Facebook's scam reporting tool is a partial remedy to consumer harm from fake adverts, but legislative and regulatory action is required**

In April 2018 Martin Lewis personally began a campaigning defamation lawsuit against Facebook. This was ultimately settled in January 2019 with Facebook committing to create an in-advert scam reporting tool, unique to the UK, and a dedicated team to handle these complaints. It also agreed to donate £3m to Citizens Advice so that it could establish the Citizens Advice Scams Action (CASA) project, and to cover legal costs. The two anti-scam initiatives were launched in full on 16 July 2019.

Many platforms have reporting mechanisms for display adverts which are unrealistically complex for a consumer audience to navigate or complete. Yet it is imperative that consumers who see 'bad' adverts are easily and quickly able to report them and aid the process of them being taken down – a form of 'social policing'. Facebook's commitment is the first of this nature that we have seen.

To get this far has required a huge amount of resources from both MSE and Martin Lewis. But with new fake ads being reported to us daily, MSE is limited in what it can do. As long as these adverts are still served to consumers, they are still at risk of harm, and MSE can do nothing to prevent them. Regulatory and legislative action is now necessary.

### **Recommendation: Online adverts must be within scope of the new regulator**

Digital platforms' advertising practices need to be regulated, and firms need to be subject to penalties when they fail to protect consumers from harmful adverts.

The current situation is a wild west, leaving unscrupulous actors (criminal or otherwise) free to trick consumers and take their money. This would never be allowed in print or TV adverts and absolutely must not be allowed online.

MSE notes that the CMA is considering recommending the Government develops an ex ante regulatory regime for online platforms, in line with the recommendations of the 'Furman report'<sup>2</sup>. It is sensible that if it does propose this, the CMA should ensure that digital advertising is under the remit of such a regime, to tackle the harms described in this paper.

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<sup>2</sup> [Unlocking Digital Competition](#), Digital Competition Expert Panel, 2019, p. 5.

## About MoneySavingExpert.com

MoneySavingExpert.com is the UK's biggest consumer website dedicated to saving people money on anything and everything by finding the best deals, beating the system and campaigning for financial justice. It's based on detailed journalistic research and cutting edge tools, and has one of the UK's top 10 social networking communities.

In 2018, MoneySavingExpert.com had on average 16.8 million users a month, visiting the site 30.1 million times, and looking at over 74.5 million pages. Over 14 million people have opted to receive our free weekly email, more than 1.9 million users have registered on the forum and over 4.1 million have joined our Cheap Energy Club.

In the event of any queries, please contact the campaigns team:

[campaigns@moneysavingexpert.com](mailto:campaigns@moneysavingexpert.com)