

MoneySavingExpert.com

MoneySavingExpert.com response to Department for Digital, Culture, Media and Sport online advertising call for evidence

MoneySavingExpert.com (MSE) welcomes this call for evidence from the Department for Digital, Culture, Media and Sport.

Online advertising is an almost Wild West situation, and this cannot continue. Consumers can often have absolutely no idea what is a real, genuine advert for a legitimate product, and what is a scam. The damage caused affects consumers, advertising platforms, and legitimate brands and individuals.

While work elsewhere is taking place to work towards reducing online harms, it is very pleasing to see the Government now also increase its attention on this urgent issue.

MSE responds to this consultation as a consumer advocate, so consumers and victims of harmful online adverts – primarily scams – are our priority. That being said, we do recognise the detriment that harmful online advertising causes to legitimate actors, brands, people and society, although this is not the focus of our response.

Benefits and challenges of online advertising

1. Is there any evidence that you would like to provide on the overall benefits, and/or challenges, associated with online advertising to individuals, businesses and/or society, which you believe is not being considered as part of the CMA Market Study into Online Advertising and Digital Platforms, the CDEI reviews into online targeting and bias in algorithmic decision-making, or any other recent reviews that are relevant?

Online adverts aren't independently vetted

The preventative structures in place for online advertising are woefully inadequate, and don't even come close to the checks needed to run other forms of TV, radio, print or out of home advertising.

For example, in the UK, broadcasters aren't allowed to show ads that are misleading, harmful or offensive. So before ads are shown, Clearcast checks them (with very few exceptions) against the UK Code of Broadcast Advertising (BCAP).

Many online advertising platforms have implemented their own 'preventative' systems to weed out inappropriate adverts, but there is a wealth of evidence that many scams and other harmful content slip through the net. While some harmful advertisers are blocked, many are able to set up an account and place an ad, seemingly with limited review. An external assessment of the inner workings of platforms is difficult because of the level of secrecy around technologies and decision-making processes involved – however, the scale of the harmful advertising appearing online clearly shows that the processes that do exist are insufficient.

Lack of transparency about the platform serving online ads

It is well-documented that MSE founder Martin Lewis is a target for false endorsements in scam online advertising – just one example of criminals capitalising on trusted and well-known faces to draw victims in. What follows is our experience based on uses of Martin Lewis' face and imagery, but other well-known personalities have also been used.

In 2019 alone, MSE itself received 730 notifications from its users of online display ads (those served on websites) using Martin Lewis' name and imagery which were considered to be fake and/or harmful. There was also notification to us of a further 122 email scams (delivered to email inboxes). These are only ones associated with Martin Lewis, and do not include other reports to Citizens Advice, Action Fraud, Trading Standards, and of course unreported ads. We believe this is the tip of the iceberg and the scale is likely to be much larger.

Online display adverts served on third party sites rarely give an indication of the platform serving them, unless the user clicks the 'ad choices' button, so it is very difficult to know which platform has served an advert appearing online (Facebook being a significant exception to this). In practice, this means that consumers are largely unable to report bad adverts when they see them – they have no idea who to report them to. It also means that when consumers have reported adverts to us (even including a screengrab), we have been unable to report it to the platform. Of the 730 notifications, we could identify 217 as Facebook-served ads (as these ads exist on the Facebook or Instagram sites). However, we were only able to identify 18 ads which were served by Google, 21 by Yahoo! and 5 by Bing.

A single reporting standard is needed

MSE has provided feedback to a number of online advertising platforms regarding their consumer reporting tools. MSE recommends that all online ads should have a simple, identifiable and user-friendly 'report ad' button on the display advert itself, which does not take the consumer away from the page. This should always include 'scam' reporting options. Some platforms have developed their own tools, but this is still nowhere near the norm, and many require an unreasonable level of knowledge in order to be able to report an advert (such as what an ad link is, how to copy an ad link, generally how reporting works, or find the reporting form). We are also aware that Google requires consumers to submit their email address alongside a complaint, which we believe is unreasonable and a deterrent. Online user journeys are generally designed to be as simple as possible, and this should also apply to reporting bad and/scam adverts – ideally through a universal standard.

The existing system of oversight and regulation

2. To what extent are consumers exposed to harm by the content and placement of online advertising?

To answer this question, it is helpful to understand the process that victims of fake Martin Lewis and similar ads usually go through/are taken through.

1. The victim sees an ad saying something like 'Martin Lewis says he can't ignore bitcoin any longer'.

2. The victim clicks on the ad and lands on a page, usually mirroring a genuine news site, giving all sorts of endorsements for a trading or investment system. It usually has a rush tactic to get them to input their details.
3. The victim receives a call and a scammer gets their initial investment. The victim is given a login to an online portal where they can 'see their money' moving through trades.
4. They are usually called on a daily or weekly basis, with most reporting that the 'broker' becomes 'a friend'.
5. They eventually want to withdraw money and are given a reason they shouldn't or can't e.g., they must make a certain value of trades, they could get better returns with a 'gold package'.
6. This usually gets more money out of the victim. Once they eventually realise what is happening, they are called by another scammer who tells them their broker was no good, and they are the manager, here to sort it all out. This usually results in at least one more transaction.
7. The scammer then disappears. In some cases another scammer will call and claim that the company has gone under and they are here to recover their money... for a fee.

Victims of these online scam adverts seem to come from a range of age groups and socio-economic backgrounds. Consumers are exposed to a huge amount of harm through the placement of these adverts and from what follows when they click on them. The scale of the exposure is clear when it is considered that virtually any website that shows adverts to its users could potentially show a scam advert. The impact is therefore huge, for example:

- The biggest loss from 'Martin Lewis' scam adverts that we have heard of from someone contacting us directly is £56,000.
- We also heard of a £150,000 loss, as reported by the Daily Record.¹
- One victim told us the savings were earmarked for his residential care if he needed it. If he didn't, his grandchildren would have it for further education/university etc.
- Another victim had a car crash and thought the 'investment' was a way of earning money while he was unable to work.
- One victim told us she wanted to grow her savings pot for her granddaughter's wedding while she was receiving treatment for bladder cancer and unable to work.
- According to Action Fraud figures requested by The Times², £4.4m was scammed out of fraud victims who either fell foul of a 'Martin Lewis' or 'Deborah Meaden' scam between April 2018 and April 2019. 401 victims had been conned out of an average of £11,025.58 each by these scams during this period.

¹ <https://www.dailyrecord.co.uk/news/scottish-news/youre-glass-act-pensioner-toasts-12164475>

² <https://www.thetimes.co.uk/article/facebook-must-tackle-fraud-says-uk-s-most-trusted-man-martin-lewis-5vbn5lwzq>

3. How effective are the current governance and regulatory system for online advertising in the UK, including:

a. the self-regulatory system governing content and placement standards, which operates through the provision of a complaints system and technology-assisted monitoring and enforcement interventions;

Regulators (primarily the ASA), but also with interventions from the likes of the CMA, FCA and others, can enforce and regulate legitimate advertisers. However, they do not regulate the platforms. Therefore they are able to take action against an advertiser but not hold the platforms to standards – platforms really are self-regulatory.

The amount of harm we see (as described above) leads us to believe that the self-regulatory system (including technology assisted monitoring) does not work. It should not be incumbent on a consumer (or a party such as Martin Lewis) to report a scam ad, as this leads to an endless and ultimately unsuccessful cat and mouse chase.

It should be incumbent on the platform to not allow harmful adverts to enter the system in the first place.

b. industry-led voluntary initiatives set up to guide or regulate good practice, including, but not limited to, the Internet Advertising Bureau's Gold Standard or Better Ad Standards; and

The fact that scam ads still proliferate means it is clear that these systems are not working.

c. platforms' terms of service and advertising policies.

Again, these clearly do not stop scam ads from appearing on the internet. In our experience, these policies are often applied retrospectively, after an ad has made it onto the platform and has been reported. They do not stop all scam advertising at the point of it being placed on the platform.

4. How would you assess levels of compliance with the current regulatory system as you have outlined above?

It's impossible for us to say how many adverts don't make it through the checks – but as explained above, far too many do.

5. What, if any, gaps do you consider there to be?

The main gap is that internet users viewing adverts on online platforms are not protected from harm by regulation or legislation. This means that their self-regulatory or voluntary regulatory systems are consumers' only hope in terms of stopping these ads appearing online. As we have shown, these are just not effective enough.

This gap needs to be filled, either by regulation or covering online advertising platforms and/or their activities by legislation. Whichever route is chosen, the result should be that powers exist which force online advertising platforms to prevent these adverts appearing – or to ensure they are substantially punished if they fail to do this.

Another significant gap is that many of the key actors do not communicate effectively enough. Advertising platforms, banks, National Trading Standards, Action Fraud, local police forces, and Internet Service Providers (ISPs) do not have a sufficiently effective form of information-sharing in place which helps to take down bad actors. This leaves a gap as the loop cannot be joined so that bad actors can be reported once and removed everywhere by all relevant authorities/services.

6. To what extent do you consider issues relating to harm to advertisers - including brand safety, ad fraud and reliable indicators of viewability - are effectively dealt with, and what further role, if any, do you consider that government could play?

Our focus is less on legitimate advertisers and more on the harm caused to consumers by illegitimate advertisers. However, a related point of trust is relevant here, and demonstrates the harm possible to any legitimate individual or brand online.

Many people have lost money after falsely believing that an advert was endorsed by Martin Lewis. In some cases, they have then contacted us and told us what had happened, or asked us to reimburse them. Some of these people have been so misled that they do not believe the truth about the advert, or they will not speak to MoneySavingExpert, because they think we are the scammer or we have lied to them. For example, one user wrote to MSE on Facebook: *"I see you work for Martin and will no longer believe anything he backs with his own money."*

8. There are some differences in the way that broadcast and non-broadcast advertising, including online advertising, is regulated. What effect do you consider any regulatory disparities have on individuals, businesses and/or society?

The regulatory disparity between broadcast and non-broadcast advertising is completely unsustainable when considered in the context that most advertising spend in the UK is now online. Even the current coronavirus outbreak has shown that, yet again, scammers are ready to jump in and use the internet to steal people's money via phishing emails and malicious websites. Action is urgently needed to prevent the harm that comes from this disparity.