CMA to investigate Amazon and Google over fake reviews

In this next phase of the work, the Competition and Markets Authority (CMA) will gather further information to determine whether these two firms may have broken consumer law by taking insufficient action to protect shoppers from fake reviews.

The move comes after an initial CMA investigation, which opened in May 2020, and assessed several platforms' internal systems and processes for identifying and dealing with fake reviews.

This work has raised specific concerns such as whether Amazon and Google have been doing enough to:

- Detect fake and misleading reviews or suspicious patterns of behaviour. For example, where the same users have reviewed the same range of products or businesses at similar times to each other and there is no connection between those products or businesses or where the review suggests that the reviewer has received a payment or other incentive to write a positive review.
- Investigate and, where necessary, remove promptly fake and misleading reviews from their platforms.
- Impose adequate sanctions on reviewers or businesses to deter them and others from posting fake or misleading reviews on their platforms including those who have published these types of reviews many times.

The CMA is also concerned that Amazon's systems have been failing adequately to prevent and deter some sellers from manipulating product listings — for example, by co-opting positive reviews from other products.

Fake and misleading reviews have the potential to impact on businesses' star ratings and how prominently companies and products are displayed to consumers, changing their whole shopping experience.

Andrea Coscelli, the CMA's Chief Executive, said:

Our worry is that millions of online shoppers could be misled by reading fake reviews and then spending their money based on those recommendations. Equally, it's simply not fair if some businesses can fake 5-star reviews to give their products or services the most prominence, while law-abiding businesses lose out.

We are investigating concerns that Amazon and Google have not been doing enough to prevent or remove fake reviews to protect customers and honest businesses. It's important that these tech platforms take responsibility and we stand ready to take action if we find that they are not doing enough.

If, after investigating, the CMA considers the firms have broken consumer protection law, it can take enforcement action. This could include securing formal commitments from the firms to change the way they deal with fake reviews or escalating to court action if needed. However, the CMA has not reached a view on whether Amazon and Google have broken the law at this stage.

This latest work builds on action taken by the CMA last year over the <u>trading</u> <u>of fake reviews</u>, which resulted in Facebook, Instagram and eBay removing groups and banning individuals for buying and selling fake reviews on their sites.

The CMA's investigation into fake reviews is part of a broader programme of CMA work, which includes establishing a new pro-competition regulatory regime for digital markets, to curb the power of big tech. This will be achieved through the Digital Markets Unit. As the CMA works with the Government on proposals, it will continue to use its existing powers to their fullest extent in order to examine and protect competition in these areas.

More information about the CMA's probe into Amazon and Google can be found on the <u>Online Reviews case page</u>.