How government is supporting online consumers

Today (Wednesday 20 April), the government has announced <u>new measures to shield online consumers from rip-offs</u>. This includes tackling fake online reviews by making it clearly illegal to pay someone to write or host them, and a crackdown on subscription traps means businesses must make clear what consumers are signing up for and let them cancel easily.

To strengthen the enforcement of consumer protections, the government is delivering on its manifesto promise to give the Competition and Markets Authority (CMA) enhanced powers to tackle rip-offs and bad business practices. The CMA will be able to directly enforce consumer law, which replaces going through a court process that can take years. Tough penalties for non-compliance will see the CMA able to punish consumer law breaches with fines worth up to 10% of a business' global turnover.

These reforms will ensure consumer protections keep pace with a modern, digitising economy. The pandemic has accelerated the trend towards online shopping and cast a spotlight on bad business practices like the fake reviews and subscription traps the government is tackling. The average UK household spends around £900 each year influenced by online reviews and spends £60 on unwanted subscriptions.

These measures build on the announcement earlier this month that <u>social media</u> <u>sites</u> and <u>search engines</u> will be forced to stamp out fraudsters and <u>scammers</u> on their <u>platforms</u>. A new legal duty will be added to the Online Safety Bill requiring the largest and most popular social media platforms and search engines to prevent paid-for fraudulent adverts appearing on their services.

Separately, the government has launched a <u>consultation on proposals to create</u> a <u>more transparent</u>, <u>accountable and safer online ad market</u>. Harmful or misleading adverts, such as those promoting negative body images, and adverts for illegal activities such as weapons sales, could be subject to tougher rules and sanctions.

With the growth in internet consumption, advertising has become the primary source of revenue for many online businesses and underpins the provision of key online services such as search and social media. These reforms will ensure industry practices are accountable, transparent and ethical — so people can trust what they see advertised.

The <u>Office for Product Safety and Standards (OPSS)</u>, the UK product safety regulator, is also working to ensure only safe and compliant products are sold online. Last year, OPSS removed more than 12,500 unsafe and non-compliant products from online sale. Ensuring only safe products are placed on the market is a priority for the government.

Today's new measures to shield online consumers from rip-offs including fake

reviews and subscription traps will apply in England, Scotland and Wales. Consumer protection is devolved in Northern Ireland.

The legal duty preventing paid-for fraudulent adverts and the proposals to create a more transparent, accountable and safer online ad market apply across the UK.

OPSS' product safety work takes place across the UK.