<u>Press release: Celebrities pledge to clean up their act on social media</u>

The Competition and Markets Authority (CMA) has secured formal commitments from 16 celebrities to ensure they will now say clearly if they have been paid or received any gifts or loans of products which they endorse.

The influential celebrities, with large online followings, who have acted in response to the CMA's concerns, include singers Ellie Goulding and Rita Ora, models Alexa Chung and Rosie Huntington-Whiteley, former Coronation Street and Our Girl actress Michelle Keegan and TV reality stars Millie Mackintosh and Megan McKenna.

Online endorsements from celebrities and influencers can help brands boost sales, as millions of fans follow their social media channels to see where they go on holiday, what they wear, which products they use and more.

However, where such stars are paid or rewarded to promote a product in their social media feeds, consumer protection law requires them to disclose that they've been paid or incentivised to endorse a brand. Otherwise, they risk giving a misleading impression that a post represents their personal view about a product or service.

Andrea Coscelli, Chief Executive of the CMA, said:

Influencers can have a huge impact on what their fans decide to buy. People could, quite rightly, feel misled if what they thought was a recommendation from someone they admired turns out to be a marketing ploy.

You should be able to tell as soon as you look at a post if there is some form of payment or reward involved, so you can decide whether something is really worth spending your hard-earned money on.

The enforcement action taken by the CMA has seen a number of social media stars pledge to be more transparent when posting online. It also sends a clear message to all influencers, brands and businesses that they must be open and clear with their followers. We will also continue our work to secure more improvement in this space.

Warning letters have also been sent to a number of other celebrities, urging them to review their practices where some concerns have been identified.

Further investigation work will look at the role and responsibilities of social media platforms.

The CMA has also published a <u>quick guide for social media influencers</u>, <u>marketing companies</u>, <u>agents and brands</u> to ensure they are aware of their obligations under consumer protection law. This is in addition to the joint guidance issued with the Committee of Advertising Practice (CAP) <u>"An Influencer's Guide to making clear that ads are ads"</u> published in September 2018.

More information can be found on the CMA's <u>social media endorsements page</u>

Notes to editors

- 1. 'Influencer' refers to bloggers, vloggers, celebrities and social media personalities. The influencers who have complied with the CMA investigation and agreed to change their social media practices are: Alexa Chung, Mario Falcone, Alexandra Felstead ('Binky' Felstead), Ellie Goulding, Holly Hagan, Rosie Huntington-Whiteley, Michelle Keegan and Rosia Promotions Limited, Iskra Lawrence, Camilla Mackintosh ('Millie' Mackintosh), Megan McKenna and M McKenna Limited, Chloe Sims, Zoe Sugg, Louise Thompson and Louise Thompson Associates Limited, Dina Torkia, Rita Ora, James Chapman and Jim Chapman Limited.
- 2. This investigation which began in August 2018 assessed whether influencers were clearly disclosing paid-for endorsements. The CMA considers payment to be any form of reward, including money, gifts of services or products, or the loan of a product. It follows earlier work in 2015 that considered online reviews and endorsements. As part of that, the CMA accepted undertakings from four companies to ensure that online advertising is clearly labelled or otherwise identified so that it is distinguishable from the opinions of bloggers or journalists.
- 3. The key piece of consumer protection legislation relevant to the CMA's investigation is the Consumer Protection from Unfair Trading Regulations 2008 (CPRs). Amongst other requirements, it is a banned practice to falsely claim or create the impression that a trader is not acting for purposes relating to his trade, business, craft or profession, or falsely representing oneself as a consumer.
- 4. The CMA has not made a finding on whether the influencers' practices have breached consumer law. All influencers co-operated with the CMA and volunteered to make changes to their practices. The provision of undertakings is not an admission of a breach of the law. As an enforcer under Part 8 of the Enterprise Act 2002, the CMA can enforce the above legislation through the courts. Ultimately, only a court can decide whether a particular term or practice infringes the law.
- 5. The CMA is working closely with the Advertising Standards Authority (ASA) in this area. The ASA is the UK's independent regulator of advertising across all media. In March 2018, the ASA issued a call for

evidence to find out more about what types of labels help people to understand when the online content they see, hear and interact with is advertising.

Media enquiries should be directed to press@cma.gov.uk or 020 3738 6460.

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