<u>Instagram to tackle hidden advertising</u> after CMA action

Press release

Following CMA action, Instagram will do more to prevent hidden advertising on its app and website, signalling an important behaviour shift by a major platform.



Facebook Ireland Ltd, which operates Instagram in the UK, has <u>committed to a package of changes to tackle hidden advertising</u> on the photo and video sharing platform. This will make it much harder for people to post an advert on Instagram without labelling it as such. Clear labelling of incentivised posts is required under consumer protection law so that people are not misled.

The Competition and Markets Authority (CMA) has been investigating hidden advertising on Instagram over concerns that too many social media influencers are posting content about businesses without making clear where they have been paid or incentivised to do so, and that the platform was not doing enough to tackle the problem.

Instagram will now make it easier for all users — and the businesses they promote — to comply with consumer protection law when posting content.

Instagram will:

- prompt users to confirm if they have been incentivised in any way to promote a product or service and, if so, require them to disclose this fact clearly
- extend its 'paid partnership' tool to all users. This enables people easily to display a clear label at the top of a post
- use technology and algorithms designed to spot when users might not have disclosed clearly that their post is an advert and report those users to the businesses being promoted

Under the commitments, Instagram is also required to involve businesses in

the changes by creating a tool to help them monitor how their products are being promoted. As a result, businesses should do their part to comply with consumer protection law and take action where appropriate, including asking the platform to remove posts if necessary.

Instagram will report its progress against all commitments to the CMA regularly.

Today's announcement applies to all users in the UK as well as anyone globally who directs their posts towards Instagram users in the UK. It is part of a wider investigation into misleading online endorsements; last year, 16 celebrities pledged to clean up their act on social media following CMA action.

Andrea Coscelli, Chief Executive of the CMA, said:

For too long, major platforms have shied away from taking responsibility for hidden advertising on their site. So, this commitment to tackle hidden adverts and overhaul the way people post on Instagram — making it difficult for users to ignore the law — is a welcome step forward.

These changes mean there will be no excuse for businesses to overlook how their brands are being advertised either — making life a lot harder for those who are not upfront and honest with their followers.

All updates on the CMA's work in this area can be found on the <u>Social Media Endorsements case page</u>.

- 1. 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 falsely to 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. All parties businesses, users and social media platforms are responsible for ensuring that the posts concerned contain clear disclosures in accordance with UK consumer protection law.
- 2. The full undertakings signed by Facebook Ireland limited can be found on the <u>Social Media Endorsements case page</u>.
- 3. The CMA has not made a finding on whether Instagram's practices have breached consumer protection law. 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 practice infringes the law.
- 4. Incentivised endorsements are defined by <u>CMA guidelines</u> as any situation where a user posting has received any payment or gift from the brand in

- the past year (irrespective of whether this was "in exchange for" the post). This includes any type of financial or non-financial benefit, as this could influence their opinion of the product.
- 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.
- 6. Media enquiries should be directed to press@cma.gov.uk or 020 3738 6460.

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<u>Schools could lose out in educational</u> <u>supplies merger</u>

Yorkshire Purchasing Organisation (YPO) and Findel Education Limited (Findel) are 2 of the leading suppliers of educational resources in the UK supplying stationery, furniture, and art and science materials to educational institutions, such as schools and nurseries. YPO announced its planned £50 million purchase of Findel last year.

During its in-depth Phase 2 investigation, the Competition and Markets Authority (CMA) has looked at the impact of the merger on schools and nurseries. It has provisionally found that both companies compete closely, and any merger would reduce competition resulting in increased prices or reductions in service levels, quality and the range of products offered by the merged company.

The CMA looked at a number of suppliers within the educational supplies sector to understand the main sources of competition to YPO and Findel. If the merger were to take place, the primary competitor to the merged entity would be RM Plc, a generalist UK-wide supplier, with more limited competition from a small number of regional generalist suppliers. The CMA provisionally found that competition from smaller, specialist and online-only suppliers is more limited. As a result, the merger would leave educational institutions worse off with few alternative close competitors to the merged company.

In reaching its provisional decision, the CMA analysed a wide range of evidence looking at how closely these firms compete, including internal documents of the companies and their competitors. It also engaged with customers, competitors, and other stakeholders to inform its findings.

Stuart McIntosh, Inquiry Group Chair, said:

"These firms are 2 of the leading suppliers of educational resources in the UK, so it's important that the CMA protects schools and nurseries who rely on their products. The loss of competition as a result of this merger would

likely lead to either higher prices or reduced service, and less choice for schools, which are already under considerable financial pressure."

All interested parties now have until 30 October 2020 to submit views on possible remedies to address the CMA's concerns, which may include blocking the deal. All interested parties also have until 6 November 2020 to submit views on the CMA's provisional findings.

For more information, visit the <u>Yorkshire Purchasing Organisation/Findel</u> <u>Education merger inquiry</u> web page.

For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.

<u>Vital rail services protected through</u> <u>new deal with Arriva CrossCountry</u>

- government signs new contract with Arriva to ensure train services continue across the UK's most extensive rail network from Aberdeen to Penzance
- new contract takes CrossCountry in line with ERMA agreements and brings stability to CrossCountry services for the future, providing certainty for passengers and staff
- by building back better on this railway, passengers will benefit from an extra 20,000 seats per week and more operational staff with a greater focus on more environmentally friendly services

Vital long-distance rail services that people the length of Great Britain rely upon will continue to run and support the UK's recovery from coronavirus (COVID-19), thanks to a new contract signed between the government and Arriva CrossCountry.

Rail Minister Chris Heaton-Harris has announced today (16 October 2020) that Arriva CrossCountry, which has run the service since 2007, will continue to operate the franchise for 3 more years until October 2023. This will provide certainty for passengers and staff as the future direction of rail reform takes shape.

As people return to the railway, passengers will benefit from increased capacity and more train drivers and on-board staff to improve services and performance. This comes alongside new measures to help passengers with disabilities, including the ability to reserve space for assistance dogs and better staff training to meet the high standard, best practice seen across the rail industry.

The contract also has a renewed focus on tackling environmental impacts. To

reduce diesel emissions, Arriva CrossCountry will trial the use of electrical shore supplies when their Turbostar fleet are in depots for cleaning, which will reduce the use of diesel engines.

The Department for Transport will also continue to work with the owners of the Voyager trains to trial the use of on-train batteries when they enter and leave stations so that engines are turned off when they're at platforms further improving air quality.

Rail Minister Chris Heaton-Harris said:

This agreement ensures that vital train services will continue across the UK's most extensive rail network, as the country continues to fight and recover from the COVID-19 pandemic.

The deal announced today reaffirms our commitment to ending the complicated franchise system and is focused on the best interests of passengers, delivering better services and helping create a new kind of railway.

With a real focus on boosting capacity and seizing the opportunity to create more environmentally sustainable services, this new contract will benefit passengers in the long term, improving their experience when travelling on our railways.

This new contract complements the <u>Emergency Recovery Measures Agreements</u> (<u>ERMAs</u>) announced in <u>September</u>, in place for up to 18 months, where the government pays train companies a small management fee to keep services running through the pandemic.

The contract will see the government take on the revenue and cost risk associated with the franchise and pay Arriva a performance-linked fee to run the service. This will incentivise the company to deliver improvements to operational performance, passenger experience and service quality.

Stretching from Aberdeen to Penzance and from Stansted Airport to Cardiff, CrossCountry's network is the most geographically extensive passenger rail franchise in Britain. Calling at over 100 stations, it connects 7 of Britain's 10 largest cities.

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Restating the UK's relationship with

its Overseas Territories

Thank you, Mr Chair, and let me first congratulate you and other members of the bureau on your elections. This has been an extraordinary year and I'd like to recognise and express our gratitude for the considerable efforts made and the flexibility shown this year to enable this committee to consider the broad issues that it covers.

Let me begin, Mr Chair, by restating that the United Kingdom's relationship with its Overseas Territories is a modern one based on partnership, shared values and the right of the people of each Territory to choose to remain British.

Where the people of a Territory choose to remain British, we will maintain and deepen our special relationship with them. The United Kingdom and the Territories recognise that our relationship brings mutual benefits and responsibilities. The United Kingdom Government's responsibility is to ensure the security and good governance of the Territories and their peoples. We expect Overseas Territory Governments to meet the same high standards as the United Kingdom Government in maintaining the rule of law, respect for human rights and integrity in public life, delivering efficient public services and building strong and successful communities. The United Kingdom and Overseas Territory Governments remain in agreement that the Territories are internally self-governing, subject only to the United Kingdom retaining powers to enable the United Kingdom to carry out its obligations under international law.

While the United Kingdom will carry out all the responsibilities of the sovereign power, in terms of our constitutional relationship, our aim is that the territories are internally self-governing. The United Kingdom and its Overseas Territory Governments hold an annual Joint Ministerial Council to monitor and drive forward collective priorities for action in the spirit of partnership.

Mr Chair, I am pleased to report the democratic development of the Overseas Territories continues. In 2020 elections took place in Anguilla and Bermuda.

Mr Chair, as we negotiate a future relationship with the European Union, the United Kingdom has committed fully to involve the Overseas Territories, including Gibraltar, to ensure that their priorities are taken into account at every stage of the process. Given that Gibraltar has a particularly strong interest in that question we have also established a separate UK-Gibraltar Joint Ministerial Council on Gibraltar-EU negotiations.

Turning to the Falkland Islands, the United Kingdom has no doubt about its sovereignty over the Falkland Islands, South Georgia and the South Sandwich Islands and surrounding maritime areas of both Territories, nor about the Falkland Islanders' right of self-determination as enshrined in the UN Charter and in Article One of the two UN covenants on human rights, by virtue of which they freely determine their political status and freely pursue their economic, social and cultural development. We continue to express our hope

for a stronger, more productive relationship with Argentina, including in relation to the Falkland Islands. We believe this is in everybody's interest. At the same time, we remain firmly and fully committed to the rights of the Falkland Islanders to determine their own future. This means that there can be no dialogue on sovereignty unless the Falkland Islands so wish.

The 2013 referendum, in which 99.8 percent of those who voted wanted to maintain their current status as a Territory of the United Kingdom, sent a clear message that the people of the Islands do not want dialogue on sovereignty. These wishes should be respected.

Mr Chair, we also have no doubt about our sovereignty over the territory of the British Indian Ocean Territory (BIOT), which has been under continuous British sovereignty since 1814. We have made a long-standing commitment to cede sovereignty of the territory to Mauritius when it is no longer required for defence purposes and we stand by that commitment. In a region facing growing threats from state and non-state actors, the strategic location of the joint UK/US defence facility on the Territory makes a significant contribution to both regional and global security and assists in combating some of the most challenging threats in modern times. The United Kingdom is currently delivering an approximately \$50 million (£40 million) support package to improve Chagossian livelihoods in the communities where they now live: in Mauritius, the Seychelles and the United Kingdom. The United Kingdom is also committed to maintaining and enhancing the incredible biodiversity and ecological integrity of the territory.

Mr Chair, turning briefly to one of the other issues covered by this Committee, the Peaceful Uses of Outer Space. I want to say that while regretting that this Committee was unable to meet in person this year and noting the necessity of a simple rollover of work to 2021, we are pleased to maintain a leading role on space issues in Vienna, as indeed in the disarmament machinery, and in First Committee, where we are tabling for the first time a resolution on reducing space threats through norms, rules and principles of responsible behaviour. We believe it is important to discuss the challenges we face in outer space in a holistic way, drawing the links across the United Nations system. The rapidly evolving risks to safety, sustainability and security in space unfortunately do not always respect organisational structures.

Finally, Mr Chair, it is important that I restate the United Kingdom's long-standing commitment to the people of Gibraltar, which is unchanged. The United Kingdom will not enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another state against their freely and democratically expressed wishes. The United Kingdom also confirms that it will not enter into a process of sovereignty negotiations with which Gibraltar is not content.

Thank you, Mr Chair.

£42 million to tackle congestion on the A630

- roads Minister Baroness Vere gives the go-ahead to multi-million pound A630 upgrade as part of plans to level up northern transport infrastructure
- scheme will cut congestion and boost capacity along the busy route into Sheffield, improving commuter journeys
- work scheduled to start in the coming weeks and expected to be finished by summer 2022

Commuters and businesses in South Yorkshire will soon be benefiting from quicker journeys and better connections in and out of Sheffield after Roads Minister Baroness Vere announced today (16 October 2020) £42 million to upgrade the A630.

Acting as a key route between Rotherham and Sheffield while providing access to the M1, the major road has around 65,000 vehicles use it a day. This makes it one of the busiest in the region and a vital part of Yorkshire's road network, helping connect businesses conveniently with economic powerhouses such as Leeds to the north and London to the south.

The £42 million being invested by the government will transform the existing road into a dual 3-lane carriageway, markedly increasing capacity on the road. Junction 33 on the intersecting M1 will also benefit from carriageway widening and resurfacing, reducing congestion, cutting carbon (CO2) emissions, and further boosting capacity to help road users move about more easily.

Upgrades to the road will also help boost the region's economy, acting as another example of the government's pledge to build back better while boosting the quality of northern transport infrastructure. The increased capacity will mean more commuters and businesses will be able to easily use the route to travel between the key centres of Rotherham and Sheffield.

Roads Minister Baroness Vere said:

The funding announced today will make a real difference to thousands of commuters' journeys in the region every day, and further demonstrates our ongoing commitment to levelling up transport infrastructure in the North.

By boosting the capacity on this vital A-road, and delivering this scheme in good time, we'll help improve connectivity, cut journey times and boost local economies in South Yorkshire.

The main works are set to start soon and the new road is scheduled to open in

summer 2022, with the Department for Transport's funding contribution forming the majority of the total scheme cost of £46 million.

The announcement of the funding package comes after the Northern Transport Acceleration Council was established earlier this year. The council was created with the desire to speed up the delivery of Northern transport projects, cut bureaucracy and red tape and give Northern mayors and council leaders a direct line to ministers.