

14 February 2019

**Announcement on Citizens Advice Scams
Action Project**

**Anneliese Hutchinson, Service Director, Communities and Environment,
Gateshead Council**

Purpose of the report

To update the Committee on the recent announcement made by the consumer finance journalist Mr Martin Lewis about the lawsuit he took against Facebook.

1. Mr Lewis announced on the 23 January 2019 that he is dropping his lawsuit against Facebook over its repeated failure to prevent scam adverts from using his name and image, after the company agreed to donate £3m to set up an anti-scam project with Citizens Advice and launch a UK-specific one-click reporting tool.
2. Mr Lewis, who launched the lawsuit after an estimated *“thousands, possibly tens of thousands”* of people fell prey to scams promoted using his reputation, said a court battle was never his aim.
 - *“My aim was to try and reduce and stop the hideous number of scam adverts that had been going on in UK online advertising that have really hurt real people,”* he said.
 - *“The first time my attention was drawn to this was a man who accused me of scamming him out of £19,000. I don’t do adverts, full stop. Any advert with me in it is a lie, it’s a scam. That’s where the anger came from.”*
3. Facebook’s donation to Citizens Advice, which will total £2.5m in cash as well as £500,000 of vouchers for the company’s online ad service, will be used to fund an independent scam prevention project, Citizens Advice Scams Action (Casa). When Casa launches in May 2019, it will work to identify and tackle online scams, as well as support victims. This is in the early planning stages but will be mainly aimed at online scams.
4. The social network will also launch a UK-specific tool that lets British users easily and quickly flag ads they believe to be scams. It will be backed up by a dedicated internal team to handle the reports. It will also proactively investigate trends and find and shut down violating ads.
 - *“We don’t allow these ads on our platform,”* said Mr Steve Hatch, Facebook’s regional director for northern Europe. *“We have a zero-tolerance approach to people using these ads on our platform, but we know that zero tolerance doesn’t mean zero occurrence.”*

- Mr Hatch said the company would monitor the effectiveness of the tool and added that it was *“very imaginable that we’d push this out into other markets”* if it worked but declined to commit to a global rollout.
- Mr Lewis said Facebook was making great strides in tackling scam adverts but other online publishers were not. *“Over the last few weeks I have again been plagued by scam adverts. A few of them have been on Facebook and when we’ve told them they’ve taken them down quickly”*.
- He added: *“I want every online advertiser to see this as a warning shot across their bows.”*

Recommendation

5. The Committee is asked to note the information.